HUMAN RESOURCE MANAGEMENT
ACKNOWLEDGEMENTS

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COURSE OVERVIEW

INTRODUCTION

The Human Resource Management course will prepare future entrepreneurs to effectively manage their human resources. They will be able to project HR needs as the business grows, produce job descriptions, implement a recruiting and selection process, plan for the training and development of employees, establish pay and compensation packages, develop performance management processes and produce a multi-year HRM plan to manage the growth of the business. The management of human resources should be in accordance with local and national labour laws and worker compensation programmes.

COURSE GOALS

Upon completion of the Human Resource Management Course you will be able to:

1. Explore the concepts and principles of Human Resource Management.
2. Explain the process of HRM planning.
3. Produce a personnel projection based on multi-year business growth.
4. Produce job descriptions.
5. Establish a pay and compensation process.
6. Produce a recruiting and selection process.
7. Produce a training and development plan.
8. Establish a performance measurement process.
9. Examine the local and national labour laws.
10. Explain the purpose of worker compensation programmes.
11. Explain the process for recruiting, selecting and manage sub-contractors and other providers who are not employees.
12. Produce a budget for HRM plan implementation.
DESCRIPTION

This course is divided into six instructional units and supporting topics.

**Unit 1 – Introduction to Human Resources Management**

- Topic 1 – Nature and Scope of HRM
- Topic 2 – Human Resource Management Process

**Unit 2 – Human Resource Planning**

- Topic 2.1 – HRM Planning
- Topic 2.2 – HR Policies

**Unit 3 - Job Analysis and Design**

- Topic 3.1 – Job Analysis
- Topic 3.2 – Job Description Creation

**Unit 4 – Recruitment and Selection**

- Topic 4.1 – Recruitment
- Topic 4.2 – Selection
- Topic 4.3 – Induction

**Unit 5 – Performance Management and Performance Appraisal**

- Topic 5.1 – The Basis of Performance Management
- Topic 5.2 – Performance Appraisal

**Unit 6 – HRM Functions**

- Topic 6.1 – Compensations and Benefits
- Topic 6.2 – Training and Development
- Topic 6.3 – Occupational Safety and Health
REQUIRED READINGS

As you complete this course you should read the chapters in the following online books.


ASSIGNMENTS AND PROJECTS

A series of activities and assignments guide you through concepts in this course and ask you to demonstrate that you can apply the concepts to support your approach to management. The hosting institution and supporting instructor may add or modify the assignments required to demonstrate mastery of the course learning outcomes. A summary of this work is included at the beginning of each unit.

Participants will be required to complete a major project as they progress through the course. The Major Project instructions are below:

Major Project – HRM Plan

Aim: Create a comprehensive Human Resource Management Plan to guide the creation and/or growth of a small business.

Overview: If you are currently in a business or you are considering starting a business think about what you will need to do to support your human resources as you grow the business. Consider the type of business you wish to build or grow. Consider the organization and structure of your business. Consider the type and quantity of personnel you will need to ensure the business meets its strategic goals.
**Task:** Create a multi-year HR plan that supports business growth and moves the company towards its stated business goals.

**Content of the Plan:** The HR Plan should describe:

1. The multi-year small business goals.
2. The proposed organization and management structure of the business.
3. The HR planning process you used to create the plan.
4. Job analysis to include:
   a. An organizational structure that illustrates the number and type of jobs and occupations.
   b. A minimum of three job specifications and job descriptions for a Manager, Supervisor and Employee.
5. Recruitment and Selection Plan to include:
   a. Advertising poster for at least one vacant job position.
   b. Description of selection process.
   c. Selection interview questionnaire.
6. Induction Plan that describes how you will orient new employees.
7. Compensation and Benefits Plan.
8. Training and Development Plan.
10. List of HR Policies and Procedures that need to be created and implemented.

**Completion Instructions:** Your instructor will provide further instructions on how to complete and submit the plan for grading. The instructor will also provide a rubric that describes the assessment procedures and marking plan for the major project.

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**JOURNALING REQUIREMENTS**

To capture the output from the reflective questions and activities you are asked to keep a personal journal. At the end of the course the personal journal will be submitted to your instructor for feedback and grading.

**ASSESSMENT METHODS**

Assessments take the form of responding to activities, as well as coursework assignments, a final project and examinations as determined from time to time by the institution. In cases where coursework, assignments, projects and examinations are used in combination, percentage rating for each component will be communicated to you at the appropriate time.
TIME REQUIRED

This course is worth 14 credits, and each credit is equivalent to 10 notional hours. You are, therefore advised to spend not less than 140 hours of study on this course. This notional time includes

- Going over activities embedded in the study material.
- Peer group interaction (where necessary).
- Face-to-face tutorials (where necessary).
- Working on tutor-marked assignments.
- Preparing and sitting examinations (where that is required).

COURSE SCHEDULE

This course was designed to support a 12 to 14 week semester. The hosting institution and supporting instructor should produce and distribute a detailed schedule to learners based on this content, the assignments and other readings/activities that the instructor wishes to add.
STUDENT SUPPORT

Note: This section should be included in self-paced or paper-based courses that provide tutor/facilitator support and/or web and email support for the students.

ACADEMIC SUPPORT

<Insert the following information if relevant>

- How to contract a tutor/facilitator (Phone number, email, office hours, etc.).
- Background information about the tutor/facilitator if he/she does not change regularly. Alternatively provide a separate letter with the package describing your tutor/facilitator’s background.
- Description of any resources that they may need to procure to complete the course (e.g. lab kits, etc.).
- How to access the library (either in person, by email or online).

HOW TO SUBMIT ASSIGNMENTS

<If the course requires that assignments be regularly graded, then insert a description of how and where to submit assignments. Also explain how the learners will receive feedback.>

TECHNICAL SUPPORT

<If the students must access content online or use email to submit assignments, then a technical support section is required. You need to include how to complete basic tasks and a phone number that they can call if they are having difficulty getting online>.
UNIT ONE – INTRODUCTION TO HUMAN RESOURCES MANAGEMENT

UNIT INTRODUCTION

People are considered as one of the key assets of any organisation. As an entrepreneur you must ensure that your workforce has the relevant qualifications, are properly trained, are placed in the correct position, are being managed effectively and are working towards your business goals. These are achieved through Human Resources Management. Human Resources Management has developed into a key department for every organisation. Increasing performance has been placed on the responsibility of managing today’s workforce. Appreciating that it is the people who make a difference and who can be the source of the organisation competitive advantage, organisation are placing more effort into understanding how to manage this key resource better.

This unit will set the scene for the whole module and give you an overview of Human Resources Management. The topics covered during the unit include the nature and scope of Human Resources Management and the Human Resources Management Process.

UNIT OBJECTIVES

Upon completion of this Unit you will be able to:

1. Define Human Resources Management.
2. Realise the importance of HRM to any business organisation.
3. Identify the aims of HRM.
4. Distinguish between personnel management and HRM.
5. Identify and explain HRM activities.
6. Critically analyse the role of HRM in the organisation.

UNIT READINGS

As you complete this unit you should read the following online articles/chapters:


- Lesson 1 – Introduction to HRM.
- Lesson 2 – Essentials of Management.
- Lesson 10 – Line and Staff Aspects of HRM.


**TOPIC 1.1 – THE NATURE AND SCOPE OF HRM**

**INTRODUCTION**
People need to work to earn a living. They either work for themselves (self-employed) or work for organisations. The employer-employee relationship has its existence since before the industrial revolution in the late 18th century. Human resource management as we know it today is, however, very different from the traditional personnel management of decades ago. To be able to understand the modern Human Resource Management, we will have a brief discussion on the definition on the definition and objectives of HRM and how the personnel management has changed to become known as human resource management. We will conclude this topic by discussing the growing importance of Human Resource Management.

**OBJECTIVES**
Upon completion of this topic you should be able to:

2. State the objectives of HRM.
3. Compare and contrast between HRM and PM.
4. Critically discuss the growing importance of HRM.

**Activity – Ice Breaking Exercise**

The statement below was observed by a well-known leader in the field of Human Resources in 1994.

*Yesterday, the organisation with access to more money or the latest technology had the best competitive advantage. At present, the company offering products at the highest quality are the ones ahead in the competition and tomorrow, the only thing that could uphold an organisation’s advantage over its competitors is the calibre of people in that organisation.*

What are your views on the statement?

Record your response to the statement in your course journal. Note: That the course journal will be reviewed by your instructor during the course and/or at the end of the course.

Now, before you move on compare your views with mine at the end of the unit.
It is a fact that this prediction is today's reality. The most important asset of any organisation is the people. The commitment of the employees to the firm success will be a source of competitive advantage for the organisation. However these employees should be managed effectively.

**DEFINITION OF HRM**

Organisations have three basics components:

1. People
2. Purpose
3. Structure

Human Resource Management addresses the people working in an organisation. It is a managerial function that tries to match the needs of an organisation with the skills and abilities of its employees.

Before you move on, complete the activity below:

**Activity – Personal Definitions**

In your course journal define the following three terms:

1. Human.
2. Resource.
3. Management.

Now combine the three definitions into one that reflects your interpretation of Human Resource Management.

Now you can compare your definitions with the ones below:

2. Resources (Human, Physical, Financial, Technical, Informational etc.).
3. Management (Function of Planning, Organizing, Leading & Controlling of organisational resources to accomplish goals efficiently and effectively).

Below are some expert definitions of HRM.

- Human Resources Management refers to the management of people in the organisation. (Dessler: 2007:2). It encompasses the activities, procedures and
practices involved in getting, developing, exploiting, valuating, maintaining and retaining the appropriate number and skill mix of employees to achieve the organisations objectives.

- There is no definite definition for the term Human Resource Management, as it is not easy to define. (Torrington and Hall 2005:6)
- HRM can be seen as an approach to personnel management that regards people as the key resource”. (McKenna & Beech 2002:1)
- “HRM is about empowering individuals”. (Clark 1994 in Maund 2001:23)
- “A distinctive approach to managing the employment relationship”. (Bamberger & Meshoulam 2000)

As you would have gathered by now, Human Resources Management is the management of people working in your organisation. In simple terms, you can say that it is the management of people. Human Resources Management or HRM for short is a managerial function that aims at matching the needs of the organisation to the abilities and skills of its employees. HRM activities are responsible for bringing new people into the organisation and assisting them in performing their tasks, compensating them for the work and finding solutions to problems that may surface.

**OBJECTIVES OF HRM**

Objectives are standards against which actions of an HRM department is evaluated. HRM objectives include:

1. Ensuring that the organization is in compliance with provincial/territorial and federal laws affecting the workplace (such as human rights, employment equity, occupational health and safety, employment standards, and labour relations legislation).

2. Assisting the organization in obtaining the right number and types of employees to fulfill its strategic and operational goals

3. Helping to create a climate in which employees are encouraged to develop and utilize their skills to the fullest

4. Helping to maintain performance standards and increase productivity through effective job design; providing adequate orientation, training and development; providing performance-related feedback; and ensuring effective two-way communication

5. Helping to establish and maintain a harmonious employer/employee relationship
6. Helping to create and maintain a safe and healthy work environment

7. Developing programs to meet the economic, psychological, and social needs of the employees

8. Helping the organization to retain productive employees

These objectives can be classified under three main headings:

**Figure - Objectives of Human Resources Management**

- **Society’s Goals**
  - Employment Opportunities
  - Protecting the disadvantaged and physical handicapped
  - Minimising wage differences
  - Development of society, etc

- **Individual Goals**
  - Job Satisfaction
  - Job Security
  - High salary & benefits,
  - Recognition and reward, etc

- **Organisational Goal**
  - Survival
  - Growth & development
  - Productivity
  - Innovation

**Social Objectives** - To be ethically & socially responsible to the needs of the society while minimizing the negative impact of such demands upon the organisation. The failure of organisation to use their resources for society’s benefits may result in restriction. For example, societies may pass laws that limit human resource decisions.

**Organisational Objectives** - To recognise that Human Resources Management exists to contribute towards organisational effectiveness. HRM is not an end in itself; it is only a
means of assisting the organisation with its primary objectives. Simply stated, the department exists to serve the rest of the organisation.

**Individual Objectives** - To assist employees in achieving their personal goals in a manner that their personal goals enhance their individual’s contribution to the organisation. Personal objectives of employees should be met if workers are to be maintained, retained and motivated. Otherwise employee performance and satisfaction may decline and employees may leave the organisation.

According to Armstrong, (2004) it is very important that human resources activities are managed effectively during any organisation to enable the achievement of goals and objectives of the individual in particular and the organisation as a whole. Human Resources Management is the heart of an organisation that spread through all the other functional management areas, namely production management, marketing management and financial management. It is, therefore, the responsibility of all line managers and a function of staff managers in an organisation.

Human resource managers face many challenges that hold major implications for employees as well as the organisation, such as health care issues and costs, change, managing diverse workforce groups who have different values, beliefs behaviours and cultural backgrounds. Some of the major challenges organisations face concern workers compensation, health and safety, management and labour relations.

By now you should have realised that working with people who work for you (organization) is a very important part of doing business. How do the organizations manage its human resources?

**PERSONNEL MANAGEMENT AND HRM**

The recognition and acceptance of the valuable role of people within organisation has resulted in a shift in the view of the nature and the role of the HRM system in the organisations. Traditionally, the function was referred to as Personnel Management. Personnel Management was seen as a separate function disconnected from the actual work of the organisation, providing only an administrative, rule-making and regulatory service to the organisation.

Performance Management became a full grown function of the organisation in 1945. Traditionally, the responsibilities of the HR department only involved updating personnel records and fulfilling other administrative tasks and provide support to the other functions within the organisation.

For example: the finance and marketing department within your organisation would inform the personnel department of its employee requirements and the personnel department
would then be responsible to recruit, select and handle any other administrative tasks involve in appointing the new employee for the required department.

In the 1970’s there were developments that led to the personnel management assuming additional roles:

1. Collective bargaining – managing issues relating to industrial relations.

2. Bureaucratic role – Putting in place rules with regards to the behaviour at work, employee absenteeism, recruitment etc.

3. Performance improvement role – merging personnel function with the corporate needs and strategy.

4. Implementation of legislations – understanding and implementing legislation in the work place.

All of these developments brought about the change of the traditional concept of personnel management or administration to human resource management. There is now pressure on the HRM system within the organisation to become fully integrated with the other functions such as finance, marketing, production and to legitimise itself in ensuring the direct contribution of people to the achievement of strategic business objectives.

Compared to personnel management, Human Resources Management has a different role to fulfil in optimising the use of the human resource. According to Bartlett and Goshal (2002), the central focus of Human Resources Management should be on the investments in and management of the talent of employees, through viewing them as talent investors and according to them the status of the partners in the organisation should be rewarded in the same way investors are.

The new business role of HRM requires that it should create sustained competitive advantage and thereby add measurable value to the organisation by delivering bottom-line business results and adding value for customers, shareholders and employees.

Before you can differentiate between Personnel Management and Human Resources Management, it is important for you to appreciate that there were some similarities between them.

1. Personnel management strategies, like HRM strategies, flow from the business strategy.

2. Personnel management, like HRM, recognizes that line managers are responsible for managing people. The personnel function provides the necessary advice and support services to enable managers to carry out their responsibilities.
3. The values of personnel management and at least the ‘soft' version of HRM are identical with regard to ‘respect for the individual', balancing organizational and individual needs, and developing people to achieve their maximum level of competence both for their own satisfaction and to facilitate the achievement of organizational objectives.

4. Both personnel management and HRM recognize that one of their most essential functions is that of matching people to ever-changing organizational requirements – placing and developing the right people in and for the right jobs.

5. The same range of selection, competence analysis, performance management, training, management development and reward management techniques are used both in HRM and personnel management.

6. Personnel management, like the ‘soft' version of HRM, attaches importance to the processes of communication and participation within an employee relations system.

You can now see the differences between the two:

**Table - Differences between Personnel Management and Human Resource Management**

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Human Resources Management</th>
<th>Personnel Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Strategy</td>
<td>Strategic</td>
<td>Does not involve any strategy</td>
</tr>
<tr>
<td>Rule Orientation</td>
<td>Limited Rule Based</td>
<td>High importance given to rules</td>
</tr>
<tr>
<td>Factors By Which Management Actions Are Driven</td>
<td>Business and individual needs and growth</td>
<td>Procedures</td>
</tr>
<tr>
<td>Role Played By Management In Labour</td>
<td>To nurture and mentor</td>
<td>To monitor</td>
</tr>
<tr>
<td>Communication</td>
<td>Direct Communication</td>
<td>Indirect Communication</td>
</tr>
<tr>
<td>Key Role Players</td>
<td>Line Managers / Supervisors</td>
<td>Specialist</td>
</tr>
<tr>
<td>Job Levels And Categories</td>
<td>Limited</td>
<td>Many</td>
</tr>
<tr>
<td>Selection</td>
<td>Integrated / important tasks</td>
<td>Individual / separate task</td>
</tr>
<tr>
<td>Determination Of Pay</td>
<td>Performance-based</td>
<td>Part of Job Evaluation</td>
</tr>
<tr>
<td>Human Resource Development</td>
<td>Encourages learning and development</td>
<td>Controlled access to learning and development activities</td>
</tr>
</tbody>
</table>
Let’s see what we can work out from the table.

1. Compared to under human resource management where corporate strategy is very important because the HR strategy is based upon it, it was not regarded as very important under personnel management.

2. Personnel management was stricter on the rules and workers were compelled to obey these rules compared to HRM which is less rule based.

3. In the industrial period, the driving force of management was the procedures that had to be followed, whereas today’s human resources management is driven by business needs and growth of the organization, as well as the need and growth of the individual.

4. Personnel function closely monitored the procedures and rules and there was indirect communication, whereas HR is driven by encouraging the function to grow and employees’ direct form of communication.

5. Key role players with personnel management were more specialist and many job levels. Today’s business’ is driven by line managers and supervisors and job levels are few.

6. Selection process was the responsibility of the personnel department exclusively, whilst with HRM it is regarded as an integrated key task of all line managers involved.

7. Under personnel management, employee access to courses was controlled, whilst under HRM organisations strive to be a learning organization where employees have the opportunity to learn.

8. Under personnel management workers were paid according to job evaluation whilst under HRM pay structure is performance based.

9. Personnel management is concerned with the everyday, practical administration and implementation of HRM policy. Human resource management on the other hand is concerned with the long-term, strategic development of human resources within the organization.

10. Personnel management deals with the effect of change on work in practice. It reacts to changes in labour legislation and labour market conditions, while Human resources deals with the broader implications of managing change, and provides important input for organizational development.
11. Personnel management deals with the enforcement of company rules and regulations, while Human resource management sets policy for employment relations within the organization. It also encourages workers to achieve high performance levels.
GROWING IMPORTANCE OF HRM
The success of organisation progressively depends more on skill and abilities that the employees within an organisation have.

By now, it is important for you to appreciate and understand that Human Resource Management plays a very important role within the organisation. The world you live in is a changing and competitive world; you are surrounded by organisations and you participate in these organisations as a customer, employee, member etc. Most of your life is spent in an organisation and that provides you with the goods and services on which you depend to live. Organisations on the other hand depend on you and others to exist. Production skills and knowledge, innovation, services and creativity are all human characteristics that, if channeled properly, ensure organizational success. Thus the management of human capital is the basis of Human Resources Management.

There are many factors contributing to the growing importance of Human Resources Managing. Some of the factors include:

- Accommodation to the needs of the employees
- The increased complexity of the manager’s job
- Legislation and legal action
- Consistency
- Expertise
- Cost of Human Resources

I hope that you have enjoyed learning about the basic to Human Resources Management.

Before we summarise what we have discussed in this first topic, do the following exercise to test your understanding. It is recommended that you do your best whilst answering these questions. Once you are done, compare your answers to that of your colleagues.

Activity – HRM Considerations
Consider the following questions and record a response in your course journal.

1. Discuss the growing importance of HRM.
2. Identify the similarities between HRM and PM.
3. In your opinion why is HRM important to an organisation?
How did you do? You can always go back and work through the topic again if you are unsure of your answers.

**SUMMARY**

The business organisation has a key role to play in the society you live in, but it cannot exist without your contribution. You as individual / people are the key to organisational and managerial success. Therefore, as future entrepreneurs or managers it is important for you to know how to manage people effectively. The management of people has changed from before and the main objective of human resources management is to ensure the growth and development of the organisation as well as that of the individuals within the organisation.
TOPIC 1.2 - THE HUMAN RESOURCES MANAGEMENT PROCESS

INTRODUCTION
Human Resource Management requires knowledge and understanding of human behaviour and the various personnel functions. This lesson will discuss the human resource process and the different human resource activities. You will observe that Human Resources Management consists of a variety of activities and one of its key activities is deciding the organisation staffing needs, recruiting and selecting the most suitable employees for the organisation and making sure that your team of employees consists of high performers.

OBJECTIVES
Upon completion of this topic you should be able to:

1. Identify and explain the activities in human resource management
2. Explain the roles of the human resource manager
3. Critically analyse the place of HRM in the organisation
4. Explain the HRM Process
5. Critically analyse the responsibility of HRM within the organisation

PLACE OF HRM IN AN ORGANISATION

Activity – HRM in Your Organization
Before beginning this topic consider the role of HRM in your organization or an organization you are familiar with?

1. Where is it located in the organizational chart?
2. How influential is the HR department within the organization?

Record your observations in your course journal.

There are a variety of functions in an organisation such as production function, operational functions, technical functions, sales & marketing function, finance and administration function and human resources function. Human resource management is an ongoing and never ending process that links activities related to people to the strategy of the organisation. (Mathis & Jackson, 2008). Human Resource management is the organisational function that deals with any issues related to its employees such as such as compensation, hiring, performance management, safety, welfare, benefits, motivation, communication, administration and training.
According to Amos (2008) et al, along with the finance and administration, operation and production, sales and marketing, the human resources management function is one of the subsystems within an organisation and is usually organised into departments.

It is however important to mention that small businesses may only need one manager who handles all the different business functions, including human resource management. Sometimes all these functions are carried out by the owner of the business who may act as manager and decision-maker. But as the business grows the functions become more specialized and other managers are recruited or promoted to oversee each department.

You can also describe Human Resources Management as being the heart of the organisation where authorities both staff and functional can be exercised. Functional authority gives the Human Resource Manager the right to enforce instructions related to HRM to individuals and departments throughout the organisation. Staff authority allows the Human Resource Manager to give advice (which is not enforceable) to different individual within the organisation.

**THE HRM PROCESS**

In our attempt to define Human Resource Management, we discussed that Human Resources Management is an important part of an organisation and its management. We can therefore describe human resources management as the process through which the best possible fit is attained amongst the employees, the job, the organisation and the environment to ensure that the employees reach the level of satisfaction and performance they desire and at the same time the organisation can reach its goal. (Nel et al., 2004:19).
The human resources management process can be defined as the planning and organising for, and the leading and control of the organisation’s human resources. The table below describes these activities.

<table>
<thead>
<tr>
<th>Process</th>
<th>Description</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning and organising the process</td>
<td>Planning for and organising the work, the people to do the work and the support functions.</td>
<td>• Work/Job Analysis&lt;br&gt;• Work And Organisation Design&lt;br&gt;• Strategies And Structures For HRM&lt;br&gt;• Workforce Planning.</td>
</tr>
<tr>
<td>Activate, direct and lead the HR system</td>
<td>The HR process then continues with the appointment of the people required to execute the work.</td>
<td>• Recruitment &amp; Selection&lt;br&gt;• Appointment / Placement Of New Employees&lt;br&gt;• As Well As Orientating Them (Induction).</td>
</tr>
<tr>
<td></td>
<td>Employees execute their tasks which are then evaluated. In this process it is necessary to direct and manage the employees.</td>
<td>• Performance Appraisal &amp; Management&lt;br&gt;• Training &amp; Development&lt;br&gt;• Career Management&lt;br&gt;• Remuneration And Reward&lt;br&gt;• Collective Bargaining&lt;br&gt;• Communication, Motivation &amp; Leadership.&lt;br&gt;• Managing Change &amp; Transformation</td>
</tr>
</tbody>
</table>
It should be clear to you that management of human resources include a variety of important activities. We will discuss these activities briefly in the next part. These activities will however be the central point of discussion throughout the rest of this module.

**HRM ACTIVITIES**

Human resource management decisions and staffing methods are important in ensuring that the organisation appoint and retain the right skills. The main activities of the Human Resources process include the tasks that occur prior, during and after the appointment of employees. (Nel et al: 2004). Nel et al (2004) identifies 8 steps in the HRM process and if executed properly, it should staff an organisation with capable and high performing employees.

The first steps in the process are Human Resource Planning, the addition of employees to the organisation through recruitment and the reduction of employees through downsizing and selection. If this is done properly, these steps lead to the identification and selection of capable employees to help the organisation attain its strategic goals and objectives.

Once the selection of competent individual has been made, help is required to help them adapt to the organisation and ensure that their job skills and knowledge are maintained and remain in line with new changes in the business environment. This is done through training and development.

The final steps in the HRM process are created to recognise performance goals, correct performance problems if any. These activities involved performance appraisal, compensation and benefits, and safety and health.

Take some time and look at the figure on the next page which illustrates the Human Resources Management Activities in relation to the Human Resource Management Process.
Each of these human resources management activities will be explained to you in details in the upcoming units of this module.

Now, let us see who is responsible for these activities.
LINE AND STAFF ASPECT OF HRM

According to Dessler (2007) even if most organisations have a human resource department with its own manager, all other manager within the organisation has a tendency to get involved in activities such as recruitment, interviewing, selection and training.

Armstrong (2004) states that the responsibilities to fulfil human resource activities are usually that of the Human Resource Manager and the Human Resource Department. However, we are aware that not all organisations are structured with separate Human Resource department and in this case these activities will be the responsibility of the owner or the main manager. This is usually the case in small businesses. Human Resource Procedures has the same importance to line managers who control the primary operational functions of an organisation such as marketing and sales as it is to the Human Resource Manager.

Before we move on, let us discuss the difference between line and staff managers.

- A line Manager is a manager who is authorised to direct the work of subordinates and is responsible for accomplishing the organisation’s tasks
- A Staff Manager is a manager who assists and advises line managers
- The Human Resource Manager is usually a staff Manager. We are now going to see the human resource responsibilities of the line managers and the Human Resource Manager.

Line Manager’s HRM Responsibilities

1. Placing the right person on the right job.
2. Starting new employees in the organization (orientation).
3. Training employees for jobs that are new to them.
4. Improving the job performance of each person.
5. Gaining creative cooperation and developing smooth working relationships.
6. Interpreting the firm’s policies and procedures.
7. Controlling labour costs.
8. Developing the abilities of each person.
9. Creating and maintaining department morale.
10. Protecting employees’ health and physical condition.
Responsibilities of the HR Manager

Dessler (2004) divided the roles of the Human Resource Manager into three functions (as illustrated in the figure).

As illustrated above, Human Resource Managers have line, coordinative and staff functions. However, they apply line authority only within the HR department. They have indirect authority with line managers due to the fact that they have the ear of top management on many important issues contributing to organisational health.

In order to fulfil these responsibilities, the Human Resource Manager and the Line Managers has to take up three roles into the organisation.

- **Service Role** – This role includes the daily tasks of the Human Resource department such as training, recruitment, selection, remuneration etc.

- **Control Role** – This role includes activities of a more strategic nature and entails the examination of important human resources outputs such as delivery, productivity etc.

- **Advisory** - This role includes providing advice to individuals related to HR issues.

Sources: Dessler, 2004
As a person, the Human Resource Manager will be imperfect and he will be subject to failings and human error. As any human being, just like you, the Human Resource Manager will be affected by many factors such as feelings and emotions, needs and motivation, and conflicting claims on royalty.

We will now discuss the expectations that the Human Resource Manager should fulfil in the organisation.

THE HUMAN RESOURCE MANAGER AS A PERSON

The Human Resources Manager usually represents the first contact an employee have with an organisation and the last contact when they leave the company. In between the first and days of the employee, the Human Resource Manager covers a wide range of activities related to their employment with the organisation.

Together with the line manager, the Human Resource Manager is responsible for planning, organising and coordinating the work of the employees. He is responsible to train them, motivate them and supervise their work whilst at the same time provide them with leadership.

According to the [www.ehow.com](http://www.ehow.com) website, “the human resource manager needs a variety of personal qualities and skills to perform the duties under their charge”.

Personality Traits

According to Price (2007), the Human Resource manager must:

“Strive to be impartial by not being biased or show any favouritism. For success in the chosen career, image of impartiality must be clearly displayed and impressed on the minds of all the employees of the organisation”.

The key personality traits that HR professionals should exhibit include:

- Ethics
- Honesty
- Discretion
- Fair-mindedness
- Persuasive and friendly personality
- Ability to deal with conflicts

Along with the personality traits the Human Resource Manager must also have:
• Management Skills
• Technical Skills
• Good Education Background
• Challenge

You can read more about these characteristics at:

You must however not lose sight of the fact that an HR manager is also employed and paid by the organisation and top management can terminate an HR manager’s employment if they to meet their expectations. However, the increasing strategic importance of the HR Manager can also allow her/him to hire and fire top management, but their powers may vary from organisation to organisation.

We have reached the end of the second topic and the unit, and I hope you have enjoyed working through the unit.

*Now do the following activity to test you understanding of the work done so far before you continue with the next unit. Remember to compare your answers with that of your colleagues and mine at the end of the unit.*

**SUMMARY**
The human resource function in any organization is a complex one that impacts almost every part of the business. In a small business the owners must be able to step into any of these roles to ensure that the right person is in the right job and has been given the appropriate guidance, tools and support. As the business grows the management of the HR process should be passed to a full-time HR professional.
UNIT SUMMARY

In this unit we have discussed the gradual development of personnel management into human resource management. You should always bear in mind that HRM is a constantly changing and developing area in business organisations. We have also discussed the HRM process and the importance of HRM as fundamental contributor to the success of an organisation. The human resources management process can be described as the planning and organising for, and the leading and control of the organisation’s human resources. We’ve also said that although the HR function is normally the responsibility of the HR manager in large businesses it might differ in the case of smaller businesses where only find one manager who handles all the different business functions, including human resource management. Sometimes all these functions are carried out by the owner of the business who may act as manager and decision-maker. The key activities of the human resources process include human resource planning and job analysis, recruitment and selection, induction and orientation, training and development, performance management, compensation and benefits and health and safety.

You have now completed the first unit of the module and are now aware of the basis of Human Resource Management.

Before you move on to the next unit which is Human Resource Planning, the first step of the Human Resources Management process discussed in this first unit, take some time and familiarise yourself with the key term.

SUPPLEMENTARY READINGS


UNIT TWO – HUMAN RESOURCE PLANNING

UNIT INTRODUCTION

What is HRM Planning? It is a process of assessing human resource requirements of an organization to ensure that optimum numbers of employees with appropriate skills are available when they are needed. It is also a process to determine future staffing needs. It is this planning process, a management strives to have right number of workforce and the right kinds of people at the right locations, at right time in order to fulfill the obligations for the benefit of organization as well as individual.

Therefore, Human Resource (HR) Planning is a process of analyzing and identifying the need for and availability of human resources so that the organization can meet its objective. This unit of instruction will explore the process of HRM planning and the creation of HR policies.

UNIT OBJECTIVES

Upon completion of this unit you will be able to:

1. Explain why human resource planning is important and how it has evolved.
2. Describe the phases involved in the human resource planning process.
3. Discuss the effects that a rapidly changing external environment has had on human resource planning.
4. Able to link between HRM Planning and successful in businesses
5. Explain the role of HRM in small businesses

UNIT READINGS

As you complete this unit you are required to read the following chapters/articles:


- Lesson 11 – Legal Context of HR Decisions.
- Lesson 12 – Human Resource Planning HRP.
- Lesson 13 – Strategic Planning and HRIS.


**ASSIGNMENTS AND ACTIVITIES**

There are reflective activities offered throughout this unit. You should consider the questions or issues and record your responses in your course journal for later review by your instructor.

As you complete this unit you will be required to complete two assignments and submit them to your instructor for review, feedback and grading. They are:

1. **Topic 2.2 Assignment** - Upon completion of this unit you will be required to produce a paper that describes your local labour market and the number and type of employees your business will need in the future. Detailed instructions for the completion of the assignment are posted at the end of this unit of study.

2. **Unit Assignment** - During this assignment you will be required to produce a list of HR policies that your company should develop. Your task is to define the need for the policy and to produce a draft copy of the HR policy document. The document should be no more than one or two pages double spaced.
TOPIC 2.1 – HRM PLANNING

INTRODUCTION
According to (Reilly, 1996) “When it concerns human resources, there are the more specific criticisms that it is over-quantitative and neglects the qualitative aspects of contribution. The issue has become not how many people should be employed, but ensuring that all members of staff are making an effective contribution. And for the future, the questions are what are the skills that will be required, and how will they be acquired”.

Following are some of the questions that you should be having in mind now.

- How do organizations undertake this sort of exercise?
- What specific uses does it have?

The purpose of HR planning is to ensure that a predetermined number of persons with the correct skills are available at a specified time in the future. Thus, HR planning systematically identifies what must be done to guarantee the availability of the human resources needed by an organization to meet its strategic business objectives.

OBJECTIVES
Upon completion of this topic you will be able to:

1. Explain why human resource planning is important and how it has evolved.
2. Describe the phases involved in the human resource planning process.
3. Discuss the effects that a rapidly changing external environment has had on human resource planning.
4. Describe the requirements for effective human resource planning.

DEFINING HUMAN RESOURCE PLANNING
Human resource planning has traditionally been used by organizations to ensure that the right person is in the right job at the right time. Under past conditions of relative environmental certainty and stability, human resource planning focused on the short term and was dictated largely by line management concerns. Increasing environmental instability, demographic shifts, changes in technology, and heightened international competition are changing the need for and the nature of human resource planning in leading organizations. Planning is increasingly the product of the interaction between line management and planners. In addition, organizations are realizing that in order to adequately address human resource concerns, they must develop long-term as well as short term solutions. (Susan E.Jackson, Randall S.Schuler)
“HRP is the process for identifying an organization’s current and future human resource requirements, developing and implementing plans to meet these requirements and monitoring their overall effectiveness” (Beardwell, Holden & Claydon, 2004)

**Human Resource Planning: The Traditional Approach**

The prime concern within traditional HRP relates to balancing the demand for and the supply of human resources.

Demand reflects an organization’s requirements for human resources while Supply refers to the availability of these resources, both within the organization and externally.

Effective HR planning considers both the internal and external environmental influences of an organisation, its objectives, culture, structure and HRM. This is because HR planning must reflect the environmental trends and issues that affect an organisation’s management of its human resources. This includes consideration of globalisation, growth of Internet use, the economy, women in the work force, demographic changes, the casualization of the work force, employee literacy, skill shortages, acquisitions, mergers and divestures, deregulation, flexible work schedules, telecommuting, outsourcing, quality of life expectations, pollution, income tax levels and union attitudes. (http://www.scribd.com)

Diagram: Need to fill this

**INVESTIGATION AND ANALYSIS**

In the investigation and analysis stage, the following four components to be understood as those responsible for human resource planning need to know the current situation and hence the impact of future developments can be better understood.

Now let us learn more about each of the four components.

**Internal Labor Market**

This analysis can be carried out by employing both qualitative as well as quantitative approach, what we need to have is a ‘snap shot’ of the current employees. We must look for example, the skill level of employees, their qualifications, length of service and experience. We can also look into factor relating to equal opportunities (by gender, disability, age, etc). These are important because we want know whether our organization is making effective use of the current workforce or existing resources. It is also important to access the movement through the organization such as promotions, transfers and path of those in more senior positions.
External Labor Market

When we collect data for the investigation and analysis, we must collect data from local, national and international labor markets. However, this depends on the organizational requirements depending on the nature of jobs and skills required.

How can we collect data? It can be collected by formal and informal means. We can use local and national surveys, information on the applications and CVs, etc.

According to (Beardwell, Holden & Claydon, 2004) the following factors can influence the availability of people and skills at both local and national level.

- Competitor Behavior - The activity of other firms operating in the same labor market.
- Location - Whether or not the organization is based in a location that is attractive and affordable for potential recruits. For example, housing prices, reputable schools, etc.
- Transport Links – The availability and cost of public transport.
- Economic Cycle - This can affect people’s willingness to move from jobs. For example in the case of high unemployment, job security is something that everyone will be concerned about.
- Unemployment Levels – How difficult is it to find workers.
- Education Output - The number of school leavers and from what grade, how many of them go on to higher education.
- Legislation - Includes working hours, minimum wage, employment protection, flexible working, etc.

Corporate Capability

In the analysis and investigation process, information can be collected to measure organizational performance. Such measures can include productivity and service levels, turnover and profitability. It is also important to know the current workforce structure, job design and reward systems existed in the organization and hence we would be able to know whether productivity and performance levels increase or decrease.

Corporate Strategy

In corporate strategy we are concerned about the future direction of the organization. Whether there are plans for consolidation or diversification, mergers, etc.
FORECASTING THE DEMAND FOR HUMAN RESOURCES

Demand forecasting is concerned with estimating the number of people and the types of skills the organization will need in the future. According to (Beardwell, Holden & Claydon, 2004) there are three main approaches to demand forecasting: objective methods, subjective methods and budget.

Objective Methods

Objective methods identify past trends, using statistical and mathematical techniques, and project these into the future to determine the requirements.

The three methods that we will learn are as follows.

Time Trends

Time trends consider patterns of employment levels over the past few years in order to predict the numbers required in the future. This can be used to identify cyclical or seasonal variations in staffing levels.

It is very common to forecast employment requirements on the basis of some organizational variable (index).

Here are the Steps

1. Select an appropriate business factor. This must be the best available predictor of human resources needs.
2. Plot a historical trend of the business factor in relation to number of employees (called productivity ratio).
3. Compare the productivity ration for at least the past 5 years.
4. Calculate human resource demand by dividing the business factor by the productivity ration.
5. Finally, project human resources demand out to the target year.
Example:

<table>
<thead>
<tr>
<th>Year</th>
<th>Business Factor</th>
<th>labor productivity</th>
<th>HR Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sales in '000s</td>
<td>sales/employee</td>
<td>(number of employees)</td>
</tr>
<tr>
<td>2001</td>
<td>2351</td>
<td>14.33</td>
<td>164</td>
</tr>
<tr>
<td>2002</td>
<td>2613</td>
<td>11.12</td>
<td>235</td>
</tr>
<tr>
<td>2003</td>
<td>2935</td>
<td>8.34</td>
<td>352</td>
</tr>
<tr>
<td>2004</td>
<td>3306</td>
<td>10.02</td>
<td>330</td>
</tr>
<tr>
<td>2005</td>
<td>3613</td>
<td>11.12</td>
<td>325</td>
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<td>2006</td>
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<td>11.12</td>
<td>337</td>
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<td>2007</td>
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<td>2008</td>
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<td>12.52</td>
<td>327</td>
</tr>
<tr>
<td>2009</td>
<td>4283</td>
<td>12.52</td>
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</tr>
<tr>
<td>2010</td>
<td>4446</td>
<td>12.52</td>
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<td>13.64</td>
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<td>373</td>
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<tr>
<td>2013*</td>
<td>6000</td>
<td>14.98</td>
<td>401</td>
</tr>
</tbody>
</table>

* projected figures

**Ratio Analysis**

Ratio analysis bases forecasts on the ratio between some casual factors, e.g. Sales volume, and the number of employees required.

**Work Study**

Work study methods break jobs down into discrete tasks, measure the time taken to complete each component and then calculate the number of people-hours required.

**SUBJECTIVE METHODS**

Another approach used in demand forecasting is called managerial judgment. The managers estimate human resource needs based on their experience, judgment, and knowledge of the circumstances around. As you can imagine this method would be less precise however, one can argue that it is more flexible and adaptable than objective methods (Beardwell, Holden & Claydon, 2004). There is also another weakness in that it can be manipulated due to internal politics.

However, a more systematic use of the subjective approach is via the Delphi technique.

What is Delphi technique and how does it work?

Delphi is a technique where by obtaining group inputs for ideas and problem solving. For example, a group of managers make independent forecasts of future requirements. These
independent forecasts are then combined together and pass around for comments. Finally managers modify the estimates until some consensus is reached among the group.

**Budgets**

In this method we make use of the future budgets, that is, what is available for the organization to spend if they have achieved the specified targets or objectives. The future budget however depends on assumptions about changes to current and past performances.

**Forecasting the Supply of Human Resources**

The discussion on supply of human resources is based on labor turnover, and the movement of people. We will also use a combination of qualitative and quantitative methods in forecasting the supply of human resources.

**Measuring labor turnover-quantitative methods**

We can use this simple formula to calculate the labor turnover.

\[
\frac{\text{Number of leavers in a specified period}}{\text{Average number of employed in the same period}} \times 100\%
\]

One of the main limitation according to (Beardwell, Holden & Claydon, 2004) that it is a relatively crude measure that provides no data on the characteristics of leavers, their reasons for leaving, their length of service, or the jobs they have left from.

**Measuring labor turnover-qualitative methods**

As you will agree that qualitative method of analysis helps find reasons, opinions and new ideas. It is therefore, important to understand the reasons why the employee is leaving. Two methods that we can consider here are Exit interviews and Leaver questionnaires.

Exit interview is normally a meeting between representative from the company (usually HR department representative) and the departing employee. One important reason of having this interview is that the information or data that HR manager gets can be use to improve the situation of current employees.

**Activity – Exit Questions**

Produce a list of questions that you, as the HR manager, ask departing employees as part of their exit interview.

Enter your questions in your course journal.

Now let’s compare the questions with the suggested sample questions.
1. Why have you decided to leave the company?

2. What does your new company offer that encouraged you to accept their offer and leave this company?

3. What do you value about the company?

4. What did you dislike about the company?

5. The quality of supervision is important to most people at work. How was your relationship with your manager?

6. What could your supervisor do to improve his or her management style and skill?

7. (http://humanresources.about.com)

According to (IRS, 2002a) cited in (Beardwell, Holden & Claydon, 2004), generally exit interviews collect information on the following.

- Reason for leaving.
- Conditions under which the exiting employee would have stayed.
- Improvements the organization can make for the future.
- The pay and benefits package in the new organization.

**HUMAN RESOURCE PLANS**

Until so far we have discussed Analysis and Investigation, i.e. the current situation and the impact on future plans. We have also discussed how we can gather information using the qualitative and quantitative approaches (forecasting). Now the based on the findings are going to change our HR plans?

Yes! The likely result from labor demand and supply analysis would be that there is some mismatch between the estimated and the actual.

For example, if forecasts indicate that future demand is likely to exceed, then plans need to be developed to match the shortfall. Similarly if future supply is going to exceed demand then we have to find ways to reduce the surplus.

**Implementation and Control**

Now in our discussion of the traditional HRP process we have come to the last component, that is, Implementation and control. This stage mainly involves the implementation of HR plans and evaluation of overall effectiveness.
In the implementation process, several players are likely to be involved, including line managers, employee representatives and employees. As in IPM, 1992 cited in (Beardwell, Holden & Claydon, 2004) there are three criteria for evaluating the effectiveness of the HRP process.

- The extent to which the outputs of HR planning programs continue to meet changing circumstances.
- The extent to which HRP programs achieve their cost and productivity objectives.
- The extent to which strategies and programs are re-planned to meet changing circumstances.

**Human Resource Planning: The Contemporary Approach**

Armstrong (2001) cited in (Beardwell, Holden & Claydon, 2004), modified phases of traditional HRP to reflect aims more appropriate for contemporary circumstances. He outlines these aims as:

1. To attract and retain the number of people required with the appropriate skills, expertise and competences.
2. To anticipate problems of potential surpluses and deficits of people.
3. To develop a well trained and flexible workforce, thus contributing to the organization’s ability to adapt to an uncertain and changing environment.
4. To reduce dependence on external recruitment where key skills are in short supply by formulating retention and development strategies.
5. To improve the utilization of people by introducing more flexible system of work.

**Reasons for Human Resource Planning**

According to (Beardwell, Holden & Claydon, 2004) planning can help to reduce uncertainty as long as plans are adaptable. As you would agree that organizational changes do not come overnight we can expect planning process can provide an element of control, even if it is relatively short term.

- Upper management has better view of the human resource dimensions of business decisions.
- HR costs may be lower because management can anticipate imbalances before they become unmanageable and expensive.
• More time is available to locate talent because needs are anticipated and identified before the actual staffing is required.
• Better opportunities exist to include women and minority groups in future growth plans.
• Development of managers can be better planned.

THE EXTERNAL ENVIRONMENT AND HRP
As you know in HRP we explore the internal environment of the organization as well as the external environment of the organization which is very important in HR planning.

What is external environment consists of? External environment consists of government policies and regulations, the current and future condition of the economy, changing demographics of your customer base, changing technologies and their impact on your business, international trading relationships, growth of your competitors, and a changing labor force. All of these and more impact your workforce.

Following are some of the external factors that need to be considered by HR managers and where appropriate policies should be created to guide the HR process.

• Globalization
• Women in the workforce
• Demographic changes
• Employee literacy levels
• Skills shortage
• Flexible work schedules
• Outsourcing
• Telecommuting

REQUIREMENTS FOR EFFECTIVE HR PLANNING
In today’s organisations, it is increasingly difficult to manually calculate an accurate demand and supply of human resources across the organisation. This is because when there are complex organisational structures, matrix management and many projects, the visibility of the work and resources goes down. If you want to enable accurate human resource planning in order to maximise the utilisation of your employees, then it is important that you implement a proper centralised system with the right processes.
This means not just any old system, but one that will keep up with the pace of your dynamic organisation and continuously track the supply and demand of human resources in order to support you bridge the inefficiency gap. When finding the right system for your human resource planning, the following steps are a must:

- Determine current and future SUPPLY of human resources
- Determine current and future DEMAND of human resources
- Match DEMAND with SUPPLY and determine the gap
- Create and implement plan to bridge the gap between DEMAND & SUPPLY

1. Determine the current and future SUPPLY of human resources.
Since employees are located all over the place – within departments, teams, projects, offices, cities and countries – it is important to have an organisation wide visibility of the quantity and quality of the people you have employed. To ensure this, it is critical that you have a centralised system in place where the following information can be systematically recorded and managed for the whole organisation:

- Individual Capabilities i.e. skills, trainings, certification.
- Work history on different jobs, projects, functional areas.
- Areas of interest and types of roles an individual can play.
- Current and future work hours of an individual.
- Planned and unplanned leave.
- Public holidays, part time and full time work calendar.

2. Determine the current and future DEMAND of human resources.
All organisations have a variety of projects that require different people with different skills, yet tracking this at a micro level is difficult and cumbersome, especially in a large organisation. Hence, it is necessary to have a system in place where the various resource demand created by planned and unplanned activities can be tracked and managed at macro level. A system that tracks project related work and also non project related unplanned work such as business as usual activities and help desk support in order to calculate the total resources demanded.

3. Match DEMAND with SUPPLY and determine the resourcing gaps.
It may sound simple, that once the supply and demand of human resources have determined accurately, they need to be matched up. It is important to ensure that the right person for the project is identified based on the required skill, role, training, availability and
area of interest. This ensures a win-win situation for both employees and employers and ultimately adds to the profitability of the company. Sounds quite challenging doesn’t it?

It can be easy. Finding the best person for the job can be easily achieved through the use of a robust resource planning and scheduling software – a tool that will find the correct resource with the click of a button. A tool that will measure and track the utilisation of individual human resources, so that new work can be allocated and existing work can be reallocated in order to balance the work load across the organisation and achieve optimum utilisation.

4. Build and implement future plan to bridge the gap between DEMAND & SUPPLY. No matter how much we attempt to reallocate our resources, we often end up with resourcing gaps where we have too many employees, or sometimes don’t have enough. The important thing is being able to identify this in advance and plan accordingly to ensure that our organisations run smoothly. In such situations organisations should ensure they:

- Build and implement a proper recruitment plan based on the resourcing gaps i.e. plan to hire people at the appropriate time.
- Retrain current employees to acquire new set of skills to maximise the efficiency of existing staff.
- Provide better incentives to retain people with rare skill sets – as they can be hard to come by.

Maximising the utilisation of human capital is much easier said than done, and unfortunately, the poor allocation of human resources adversely affects the bottom line as they are often the greatest overhead. Nonetheless as described above, all this can be managed efficiently if we use the right systems, software and processes.

THE ROLE OF HRP IN THE CREATION OF BUSINESS VENTURES
You will agree with me and others that improvement in business performance has a direct relation with good human resource planning. If you have good HRM it can maximize productivity on organization by optimizing effectiveness of its employees. As Gubman observed in the Journal of Business Strategy, "the basic mission of human resources will always be to acquire, develop, and retain talent; align the workforce with the business; and be an excellent contributor to the business. Those three challenges will never change."
Hence if you are running a small business the key to success is good HRM planning and policies.

SMALL BUSINESS AND HRM
As you know in a small business, the human resource management needs will not be of the same size or complexity of those of a large firm. Small businesses are in more difficult
situation when for example, say, having an incompetent dishonest employee. Since in small businesses, they have smaller work force finding a replacement staff will be a hard task.

It should be noted that most small business employers have no formal training in how to make hiring decisions. The small business owner has no real sense of the time it takes nor the costs involved in recruiting and training personnel. All they know is that they need help in the form of a 'good' sales manager, a 'good' secretary, a 'good' welder, or whatever. They know they need some-one they can work with, who's willing to put in the time to learn the business and do the job. It sounds simple, but it isn't.

Small business owners should consider the following questions when trying to determine what type of employees they need, when they need them and how many they need.

1. Are current employees being utilized appropriately?
2. Are current production methods effective?
3. Can the needs of the business be met through an arrangement with an outside contractor or some other means?
4. Are you, as the owner, spending time appropriately?

It is important to identify and clearly understand your workforce needs before hiring new employees. This means creating detailed job description and planning and organizing the selection process. The hiring process is the beginning of HRM implementation for the business owner.

In small business, preparing a written operational procedure or a document regarding human resource issues should be considered to guide the growth and management of the workforce.

Few small enterprises can afford even a fledgling personnel department during the first few years of business operation. As a business grows a large number of personnel forms and data accumulates, often in a hazard way. To reduce potential problems personnel policies should be established early in the business growth process. Policies should be considered for: recruitment and selection, compensation plan and employee benefits, training, promotions and terminations, and the like. It is advisable for smaller businesses to produce HR policies because it can be used to support actions in the courts, with insurance companies and with your financial backers.

Education and training need is another aspect considered to be successful in business and linking HRM. The need for such educational supplements can range dramatically. A bakery owner, for instance, may not need to devote much of his resources to employee training,
but a firm that provides electrical wiring services to commercial clients may need to implement a system of continuing education for its workers in order to remain viable.

**SUMMARY**

Human resource planning is one of the first steps in ensuring your business grows and succeeds. Identifying what type of employees you need and the qualifications required of these employees is an important part of growing a company. Knowing how to find qualified candidates in a local or national labour pool will speed the growth of the company.

<table>
<thead>
<tr>
<th>Assignment</th>
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</thead>
<tbody>
<tr>
<td><strong>Objective:</strong> Analyze your workforce needs and assess the labour market to determine if it can meet your company’s demands.</td>
</tr>
<tr>
<td><strong>Task:</strong> Produce a paper that describes your local labour market and the number and type of employees your business will need in the future. The paper should ideally be supported by local or national labour market data. It should reflect your immediate and future needs and an assessment if the market provides you with the workforce that you need to grow your business.</td>
</tr>
<tr>
<td><strong>Submission:</strong> Produce a maximum of a five page double spaced paper to support your labour analysis. Submit it to your instructor for review, feedback and grading.</td>
</tr>
</tbody>
</table>
TOPIC 2.2 – HRM POLICY

INTRODUCTION

Human resource policies are systems of codified decisions, established by an organization, to support administrative personnel functions, performance management, employee relations and resource planning. Each company has a different set of circumstances, and so develops an individual set of human resource policies. This topic will explore how to identify and create appropriate HR policies.

OBJECTIVES

Upon completion of this topic you will be able to:

1. Explain the need for developing HR policies.
2. Describe the type of policies developed by an HR department.
3. Employ a step by step process to produce and implement HR policies.

REASONS FOR DEVELOPING HR POLICIES

HR policies provide an organization with a mechanism to manage risk by staying up to date with current trends in employment standards and legislation. The policies must be framed in a manner that the company’s vision & the human resource helping the company to achieve it or work towards it are at all levels benefited and at the same time not deviated from their main objective.

HR policies allow an organization to be clear with employees on:

- The nature of the organization.
- What they should expect from the organization.
- What the organization expects of them.
- How policies and procedures work.
- What is acceptable and unacceptable behavior.
- The consequences of unacceptable behavior.

The establishment of policies can help an organization demonstrate, both internally and externally, that it meets requirements for diversity, ethics and training as well as its commitments in relation to regulation and corporate governance. For example, in order to dismiss an employee in accordance with employment law requirements, amongst other considerations, it will normally be necessary to meet provisions within employment contracts and collective bargaining agreements. The establishment of an HR Policy which sets out obligations, standards of behavior and document disciplinary procedures, is now the standard approach to meeting these obligations.
**HR Policy Development**

HR policies can also be very effective at supporting and building the desired organizational culture. For example recruitment and retention policies might outline the way the organization values a flexible workforce, compensation policies might support this by offering a 48/52 pay option where employees can take an extra four weeks holidays per year and receive less pay across the year.

HR policy development is the process of creating policies to govern all facets of employment within the organization. This may include drug policy, workplace violence, records management, hiring, firing, disciplinary procedures, and more.

**Identify the Need for a Policy**

You want to have the necessary policies and procedures to ensure a safe, organized, convivial, empowering, nondiscriminatory workplace. Yet, you do not want to write a policy for every exception to accepted and expected behavior. Policy development is for the many employees not for the few exceptions.

Consequently, you do not want to create policies for every contingency, thus allowing very little management latitude in addressing individual employee needs. Conversely, you want to have needed policies, so that employees never feel as if they reside in a free-for-all environment of favoritism and unfair treatment. These ten steps will take you from determining the need for a policy through distributing and integrating a policy.

HR policies should be developed when:

1. the actions of employees indicate confusion about the most appropriate way to behave (dress codes, email and Internet policies, cell phone use),
2. guidance is needed about the most suitable way to handle various situations (standards of conduct, travel expenditures, purchase of company merchandise),
3. needed to protect the company legally (consistent investigation of charges of harassment, non-discriminatory hiring and promotion),
4. to keep the company in compliance with governmental policies and laws (FMLA, ADA, EEOC, minimum wage),
5. to establish consistent work standards, rules, and regulations (progressive discipline, safety rules, break rules, smoking rules), and
6. to provide consistent and fair treatment for employees (benefits eligibility, paid time off, tuition assistance, bereavement time, jury duty).

There may be other reasons, additionally, for why you may want to develop a policy. Remember, though, that one employee’s poor behavior should not require a policy that will affect all other employees.
Additional examples of HR policies is available at:


**ARTICULATE THE GOAL OF THE POLICY**

Once you’ve determined that a policy is necessary, determine the goal you want to accomplish in writing the particular policy. When possible, you will want to tell employees why the policy is being implemented. You need enough details in the policy to make the company’s position clear, yet you can never hope to cover every potential situation addressed by the policy.

Consequently, my goal with a policy is short and simple. I recognize this may not be possible with policies about areas such as the company’s approach to the Family Medical and Leave Act, discrimination or complaint investigation, or the progressive discipline system. But, how much can you really say about driving while talking on a cell phone? So, use common sense as you determine the outcome you want from your policy.

Policies should be written ground up to either be country specific or global. It is possible to write some policies from a global perspective, however early involvement from local HR teams is essential.

Together, the policies set guidelines for all aspects of involvement within the company and should align with the organizational vision and culture. Policies need to be reviewed often to maintain alignment with laws governing employment, as well as to accommodate organizational changes.

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**Activity – Identifying Policies**

Think about your existing company and identify the existing HR policies. List them and provide a brief description of their purpose/goal and how they support the growth of the company and management of the workforce.

Does the company need additional HR policies? If yes, describe them. If no, explain why?

Record your response in your course journal.

---

**STEPS IN DEVELOPING THE POLICY**

**Step 1 - Gather Information**

This Human Resources website provides sample policies as do many other websites, albeit other companies frequently charge for their policies. Even websites that charge provide
free samples so you can test their policies. In my experience, I never find a sample policy that is exactly right for my company circumstances. But, research online and find sample policies to provide a base for revising rather than writing your policy from scratch.

You can also subscribe to a service that provides samples such as Personnel Policy Manual Service, a service used by a client company. External policy sources are also provided in my policy samples directory. Finally, the Society for Human Resources Management (SHRM) provides policy samples for members.

In some cases, you may even want to talk with your employment law attorney. Law firms write generic policies for their clients that can also be customized. Especially when a new law passes or the Department of Labor issues new rules, your attorney is likely to develop an accompanying policy.

**Step 2 - Develop and Write the Policy**

With goals and samples in hand, write the policy using simple words and concepts. Speak directly to the people who will be reading, enforcing, and living by the policy. After each paragraph, ask yourself "what if" questions to make certain the policy is covering the basics and the normal exceptions and questions. Do not obsess over this, however; as stated, no policy ever covers every possible contingency.

**Step 3 - Review the Policy**

Select several employees, or even a small pilot group, to read the policy and ask any questions they might have about the policy. This review provides feedback that employees will be able to understand and follow the policy. Rewrite the policy based on the feedback.

**Step 4 - Obtain Management Support for the Policy**

Review the policy with the managers who will have to lead and put into effect the policy. You will want to have their support and ownership of the policy. You will have started this process much earlier, even as early as when you identified the need for the policy, but management support as you implement the policy is crucial.

**Step 5 - Obtain Legal Review of the Policy**

If the policy has legal implications, is litigious by its nature, has personal implications for employees (such as security procedures), you will want to have your attorney review the policy before you distribute the policy further. Make sure you communicate to your attorney that you do not want the policy rewritten in "legalese." You want the policy reviewed for legal implications and appropriate wording.

**Step 6 - Implement the Policy**
In small groups, individually, or in a company meeting, depending generally on the controversial nature of the policy and the ease with which it will be understood, distribute and review the new policy. Give employees a chance to ask questions.

The policy should always consist of the policy on a piece of paper with the employee sign off on a second sheet. Employees can sign off that they have received and understand the policy, yet retain a copy for their own files.

**Step 7 – Employee Sign-Off**

Have employees review and acknowledge they understand the policy. This is a sample signoff statement to use:

I acknowledge receipt of and understanding of the (Your Company) Policy. The policy is effective (Date) until further notice.

_______________________________________________________

Employee Signature

_______________________________________________________

Employee Name (Please Print)

_______________________________________________________

Date

**Step 7 - Decide How You Will Communicate the Policy in the Future**

Include the policy in your employee handbook. You may also want the policy to become part of your New Employee Orientation. Some companies place policies in their Intranet or in a policy folder on the computer network's common drive. Determine whether you will want to distribute the policy by additional methods.

You will also want to archive and date former policies that this policy replaces. You may need them for legal or other reference in the future.

**Step 8 - Interpret and Integrate the Policy**

No matter what you write in the policy, your later policy application and work practices will determine the real meaning of the policy. Think "consistent" and "fair" as you interpret the policy over time. When you find your practices differing from the written policy, it is time to review and rewrite the policy and the cycle starts again.

**SUMMARY**

As company grows Human Resources practices must be codified and put into writing. Relying on the word of mouth or memory of the owner can work when the company is small, but as the company grows there is a need for systematic HR planning and HR policies. These policies must reflect the culture and support the vision and mission of the organization.

**UNIT SUMMARY**

In this unit you explored the importance of human resource planning and the creation of HR policies to the potential success of a business. Many entrepreneurs skip these steps and try and run their business off the side of their desk. A successful business is based on a successful plan that is supported by appropriate processes and procedures. It does not need to be and it should not be overly bureaucratic. The planning and policy process should concentrate on defining your workforce requirements and then ensuring that members of the workforce are treated equally, with respect and in accordance with the law.

Now let’s complete the unit assignment before proceeding.

**UNIT ASSIGNMENT**

**Assignment**

Earlier you identified a list of HR policies that your company should develop. Your task is to define the need for the policy and to produce a draft copy of the HR policy document. The document should be no more than one or two pages double spaced. Before you start review the different HR policy examples available at:


Once you have produced a draft policy submit it to your instructor for review, feedback and grading.
UNIT THREE – JOB ANALYSIS AND DESIGN

UNIT INTRODUCTION

Defining the work to be done, who should do it and what skills and knowledge are required to do it is a difficult task. The process of defining the work is called job analysis.

UNIT OBJECTIVES

Upon completion of this unit you will be able to:

1. Describe the job analysis process
2. Explain what is meant by the terms job analysis and job design
3. Discuss the purposes and importance of analysing and designing jobs.
4. Describe and explain the main approaches to analysing and designing jobs.
5. Critically assess the main approaches to job analysis and design.
6. Write job descriptions and job specifications.
7. Make recommendations concerning different job designs.

UNIT READINGS

As you complete this unit you are required to read the following chapters/articles:


- Lesson 14 – Job Analysis.
- Lesson 15 – Job Analysis 1.
- Lesson 16 – Job Analysis 2.


ASSIGNMENTS AND ACTIVITIES

There are reflective activities offered throughout this unit. You should consider the questions or issues and record your responses in your course journal for later review by your instructor.

As you complete this unit you will be required to complete the following assignment and submit them to your instructor for review, feedback and grading. They are:

- **Unit Assignment** – Produce a job description and job specification for the position you currently fill in your company.
TOPIC 3.1 – JOB ANALYSIS

INTRODUCTION
Job analysis is very important part of Human Resource Management. Form the largest and the smallest organizations, newly established businesses to more experienced businesses, job analysis is a function which should be done in order to access properly the work performed and work environment.

It also identifies the knowledge, skills, abilities and personal competencies people need to perform their work well. In short, it is a method that provides a description of the job and profiles the competencies people need to be successful. (http://www.shl.com)

OBJECTIVES
Upon completion of this lesson you will be able to:

1. Describe the purpose of job analysis.
2. Identify different job analysis methods and techniques.
3. Conduct a job analysis.

DEFINITION OF JOB ANALYSIS
According to (Dessler, 2010) job analysis can be defined as “The procedure for determining the duties and skill requirements of a job and the kind of person who should be hired for the job by collecting the following types of information: work activities; human behaviors; machines, tools, equipment, and work aids; performance standards; job context; and human requirements”.

There are several definitions that you can find on the literature. The key points found in most literature include:

1. Job analysis is not just one single methodology, it uses number of techniques including observation, and interview and questionnaire based analysis.
2. Job analysis is structured, focused and systematic.
3. Job analysis is analytical. That is, we can break down into component parts hence it will be easier to conduct analysis rather than job as a whole.

PURPOSE OF JOB ANALYSIS
The reason an HR professional collects and analyzes job data is to support the following HR activities.
Hiring Employees

Job analysis can be used in the selection process of new employees. For example, the advertisement for the vacant positions should include job duties. To identify the required and relevant tasks for the vacant position can be developed or identified after job analysis process.

Job analysis data can be used in selection procedures to:

1. determine appropriate salary level for the position to help determine what salary should be offered to a candidate;
2. identify the minimum requirements (education and/or experience) for screening applicants;
3. guide the creation of interview questions;
4. create selection tests/instruments (e.g., written tests; oral tests; job simulations);
5. create applicant appraisal/evaluation forms; and
6. design and development orientation materials for applicants/new hires.

Training and Development

Job analysis data can be used in training/"needs assessment" to identify or develop:

1. competencies, skills and knowledge;
2. training content;
3. assessment tests to measure effectiveness of training;
4. equipment required to support training delivery; and
5. media and methods selection.

Performance Appraisal

Job analysis data can be used in performance review to identify or develop:

1. job related goals and objectives;
2. performance standards and measures;
3. evaluation criteria;
4. duties to be evaluated.
Compensation Management

Job analysis data can be used in compensation to identify or determine:

1. skill levels;
2. compensable job factors;
3. work environment (e.g., hazards; attention; physical effort);
4. responsibilities (e.g., fiscal; supervisory); and
5. required level of education (indirectly related to salary level).

Activity – Job Components

Identify three different jobs that you may need to support the operation of your company or a company you are familiar with.

1. How would you describe the requirements of each job?
2. What knowledge, skill and abilities are similar for all three jobs?
3. What knowledge, skill and abilities make the three jobs dramatically different?
4. If you had to advertise for these jobs what would you emphasize?

Record your observations in your course journal.

Components of Job Analysis

There are two components of job analysis: Job Description and Job Specification.

A Job Description is an organised factual statement of the duties and responsibilities of a specific job. It should tell what is to be done, how it is done and why. Job description means describing the details of the job to be performed.

A Job Specification is a statement of minimum acceptable human qualities necessary to perform a job properly. It refers to a summary of the personal characteristics required for performing the job.
**Example – Job Description (Assistant Librarian)**

**Post Title:** Assistant Librarian  
**Responsible to:** Librarian  
**Liaises With:** Senior research staff in other departments

**Job Purpose**

To assist the Information Manager in the effective delivery of a high quality library and information service which will serve the business needs and objectives of the organisation.

**Duties and Responsibilities**

- Deputising for the librarian in their absence
- Being responsible for the online services budget
- Taking overall responsibility for content management of the organisation’s website
- Taking responsibility for structure and content of all library databases to ensure agreed standards of consistency are adhered to
- Advising the Librarian on new database developments
- Ensuring all library staff are fully trained to fully exploit online databases
- Organising library induction programmes for new users so that they become familiar with library resources in a short period of time
- Overseeing the provision of the enquiry service to ensure users’ information needs are fully met within a specified timeframe
- Taking responsibility for the selection and maintenance of materials which will ensure the currency of the collection in all subject areas
- Maintaining awareness of current developments in the information sector including participation in national conferences and committees

**Example – Job Specification (Assistant Librarian)**

**Qualifications** (Essential Criteria)

- CILIP accredited library and information qualification

**Skills** (Essential Criteria)

- minimum 2 years post-qualification experience in a library or information department
- experience of using automated databases
- familiarity with web-based services
- experience of undertaking complex enquiries
- effective customer care skills
- excellent communication and networking skills
- experience of meeting deadlines whilst delivering a service to the highest standards

**Skills** (Desirable)

- familiarity with managing a small budget

**Personal**

- outstanding interpersonal skills
- good communication and networking skills
- enjoyment of team working
- interest in continuing professional development
**Process Of Job Analysis**

There are a number of different models used in job analysis. Some models explore a large number of jobs and occupations to come up with a proposed occupational and job framework. Others explore multiple jobs to determine their similarities and differences. Others just concentrate on a single job type. But in all three cases they employ similar steps. They include:

1. Selection of specific jobs or occupations for analysis.
2. Collection of information.
3. Collation of information.
4. Analysis of job analysis data.
5. Preparation of job description.
6. Preparation of job specification.

A simple job analysis of one or two jobs can be done by a small business owner. But as your company grows and multiple jobs are being compared or identified, an HR professional with experience in job analysis and job description/specification should be used.

**Reasons To Conduct Job Analysis**

- Facilitates purposeful personal interviews
- Facilitates proper publicity of jobs
- Facilitates scientific selection, placement and orientation
- Facilitates scientific promotions and transfers
- Facilitates introduction of rational wage structure
- Facilitates redesigning of jobs
- Facilitates Job Evaluation
- Facilitates manpower training and development
- Facilitates performance appraisal
- Facilitates human resource planning
JOB ANALYSIS TECHNIQUES

There are many techniques which can be used to for analysing jobs, however, according to these techniques have different success rates.

Is there any ideal approach method? The answer is there is no ideal approach (http://www.shl.com). Research by Levine et al. (1983) cited in (http://www.shl.com) has pointed out 11 practical issues that need to be considered prior to using a particular method:

| Operational status: Has the method been tested and refined sufficiently? | Sample size: How many respondents does a method need for reliable results? |
| Availability: Is it available off the shelf? | Reliability: Will a method give results that are consistent? |
| Occupational versatility: Is it suitable for analysing a variety of jobs? | Cost: What are the costs of a method in materials, consultancy, training and person hours? |
| Standardisation: Is it possible to compare your results with others that have been found elsewhere? | Quality of outcome: Will a method yield high quality results, e.g. legally defensible? |
| User acceptability: Is the method acceptable to the respondents? | Time to completion: How many calendar days will the data collection and analysis take? |
| Training requirement: How much training is needed and available? | |

Activity – Job Analysis Questions

You need to formalize your job structure and have decided to interview a number of employees to collect job analysis data. Your task is to produce a common job analysis questionnaire that you would use to guide your interviews of your current employees.

Provide a list of questions that you would ask each employee?

Provide a copy of the questions in your course journal.

The simplest method of job analysis would develop a simple questionnaire covering job duties, responsibilities, equipment used, work relationships, and work environment. The completed questionnaire would then be used to assist the Job Analyst who would then
conduct an interview of the incumbent(s). A draft of the identified job duties, responsibilities, equipment, relationships, and work environment would be reviewed with the supervisor for accuracy.

The method that you may use in Job Analysis will depend on practical concerns such as type of job, number of jobs, number of incumbents, and location of jobs. (http://www.job-analysis.net)

**SUMMARY**

Whilst it is generally agreed that a thorough job analysis should provide the foundation for any assessment or development project, it is important to be aware that jobs are not static entities. Jobs are constantly developing in response to the multitude of changes that are going on in an organisation at any one time. Therefore, job analysis information should not be regarded as permanent, and should be revisited when appropriate.

It is also important that information arising from a job analysis should always be interpreted in context by appropriately trained individuals, and it must be treated as confidential.

Information arising from a job analysis should only be used to describe a job, and not as a way of evaluating the performance of any of the individuals whose views have been used in the analysis.
TOPIC 3.2 – JOB DESCRIPTION CREATION

INTRODUCTION
Let me start the topic by describing a situation that could be experienced in any business environment.

Example – Why is a Job Description Important?
While walking through the finishing barn one day, the owner stopped to inform Rita that she was neglecting to properly monitor the feeders. The owner also added that she would need to stay late to finish a project another employee had started but did not have time to complete. Rita was shocked. Because she had never been told that monitoring feeders was one of her responsibilities, she didn’t know why she was being blamed for not doing it. This was the third additional duty she had been assigned in her first week on the job, and now she was also being asked to work well past what she had been told was the normal quitting time for the third day in a row. Rita wondered “Why didn’t they tell me when they hired me what my job really was? If this how I’ll be treated in this business, maybe I should begin looking for employment somewhere else.

I think the situations described above could happen in any business environment. In everyday life of employees, normally face these sorts of things at work. If you want to be in the job you do what your superior asks to do. But is it being done properly? Would it be beneficial for the owner? When you sign an employment contract you have certain job expectations, sometimes difficulty with defining and communicating job expectations occur.

I hope you see the importance of the communication of job expectation whenever a new employee starts at the business or organization. I agree that clearly written job descriptions can help to attract well-qualified applicants and make it easier to eliminate applicants who will not perform well on the job.

OBJECTIVES
Upon completion of this topic you will be able to:

1. Describe the contents of a job description.
2. Describe the contents of a job specification.
3. Explain the difference between a job description and job specification.
4. Create a job description and job specification.
WHY HAVE JOB DESCRIPTIONS?
You develop job descriptions to help articulate the most important outcomes you need from an employee performing a particular job (Heathfield).

What can we achieve if we have good job descriptions for the employees? First of all, from the employer’s point of view it is an opportunity to clarify the expectation of the job. And from the employee’s point of view, it can identify his/her responsibilities. Job descriptions can be served as the basis for outlining training.

They are especially valuable to use in performance evaluations when employees are not meeting the job requirements as outlined in the job description. Job descriptions are especially useful in advertising to fill an open position. We develop job descriptions as a communication tool to tell coworkers where their job leaves off and the job of another employee starts. (Heathfield).

DEVELOPING JOB DESCRIPTIONS
According to consultant Mary Witt, a senior manager with the Camden Group, there are six key elements that each job description should contain. These elements address both important practical aspects and employment law issues.

These elements are:

- Position summary.
- Job responsibilities.
- Qualifications.
- Physical requirements.
- Performance expectations.
- Employee signature.

Some of the other information which can be included in the job description are; job title, the person to whom the person holding the job reports, Location, etc.

The following are the steps to develop job description according to (Heathfield).

Gather the appropriate people for the task. The manager to whom the position will report takes the lead to develop a job description, but other employees who are performing similar jobs can contribute to the development of the job description. Additionally, if the position is new and will relieve current employees of work load, they should be part of the discussion. A first position? The manager or company owner can develop the job description on his or her own.
Perform a job analysis. You need as much data as possible to develop a job description. The job analysis may include:

- the job responsibilities of current employees,
- Internet research and sample job descriptions online or offline highlighting similar jobs,
- an analysis of the work duties, tasks, and responsibilities that need to be accomplished by the employee filling the position,
- research and sharing with other companies that have similar jobs, and
- articulation of the most important outcomes or contributions needed from the position.

The more information and job data you can gather, the easier the actual task to develop the job description will be.

Activity – Participants

Let’s assume you are about to conduct a job analysis of different positions within your company. Some positions already have job incumbents while some positions are vacant.

Who would you need to involve to conduct this job analysis?

Record your response in your course journal.

Write the job description. Your company may have a format for job descriptions so check with Human Resources. Often, however, all Human Resources expects is a list of the responsibilities and they prefer to develop the final format congruent with job descriptions across the company. These are the normal components of the job description:

1. Overall position description with general areas of responsibility listed,
2. Essential functions of the job described with a couple of examples of each,
3. Required knowledge, skills, and abilities,
4. Required education and experience,
5. A description of the physical demands, and
6. A description of the work environment.
Your company and your process may vary, but these components give the employee clear direction. See Appendix One for a detailed example of a job description for a Human Resources Generalist.

**Review the job description periodically** to make sure it accurately reflects what the employee is doing and your expectations of results from the employee.

**Use the job description as a basis for the employee development plan (PDP)** An employee’s job description is integral in the development of his or her quarterly employee development plan

**Summary**
An effective job description establishes a base so that an employee can clearly understand what they need to develop personally, and contribute within your organization. Developing job descriptions provides employees with a compass and clear direction.
UNIT SUMMARY

Detailed job descriptions and job specifications developed using systematic job analysis processes are important building blocks of any company. They guide the management team in establishing compensation and benefits packages. They support the recruiting and selection process for new employees and most importantly they act as a type of employment contract for employees to help them define their work responsibilities and to support the professional development requirements needed to improve work performance. Everyone in the organization, including the owner and managers should have a job description and job specification to guide their work and define their responsibilities and duties.

UNIT ASSIGNMENT

Assignment – Job Specification and Job Description

Objective: Produce a job description and job specification.

Task: Think about your current job, be it the owner of the company or workforce member. Now think about what you do and consider if I had to replace myself what would my job description and job specification contain?

Instructions: Complete a job analysis of your job and produce a job specification and job description that reflects what you do. Once you have completed these documents submit them to your instructor for review, feedback and grading.

SUPPLEMENTARY READINGS


UNIT FOUR – RECRUITMENT AND SELECTION

UNIT INTRODUCTION

As an entrepreneur, you will set up your business to achieve one or more general purpose, but when it first starts up, you may be the only member of staff. As your business will grow, so will the amount of work that needs to be done, and it will be too much for you to do individually. The works will need to be understood and planned into separate and yet interdependent jobs and you will need to employ additional people to assist you to complete these works. Staffing your business includes bringing suitable people into it. People who will not only fit into a particular job but also fit in the business as an organisation. The appointment of such people, their integration into the business, their daily management and retention is what will determine the success and continued existence of your business.

This unit will start off by giving you a clarification on what is meant by recruitment and selection. It will then explain the recruitment process before moving on to the selection process. Coverage of various selection methods is provided, based on a consideration of reliability and validity issues.

UNIT OBJECTIVES

At the end of this unit you should be able to:

1. Distinguish between recruitment and selection.
2. Organize an effective recruitment process.
3. Create a job advertisement.
4. Select the most suitable candidate for a specific position.
5. Develop an effective orientation programme for new employees.

UNIT READINGS

As you complete this unit you should review the following online articles:


Career and Employment Services. Available at:


http://www.zainbooks.com/books/human-resource-management/human-resource-management1.html. Read the following lessons in this Online Course:

- Lesson 17 – Sources of Recruitment.
- Lesson 18 – Selection.
- Lesson 19 – Selection Tests.
- Lesson 20 – Selection Process.
- Lesson 21 – Socialization.


No Author. (n.d.). Designing an Induction Programme. Available at:

ASSIGNMENTS AND ACTIVITIES

There are reflective activities offered throughout this unit. You should consider the questions or issues and record your responses in your course journal for later review by your instructor.

As you complete this unit you will be required to complete an assignment and submit them to your instructor for review, feedback and grading. The assignment is:

Unit Assignment – Produce a recruiting and selection plan.
**TOPIC 4.1 - RECRUITMENT**

**INTRODUCTION**
In a pile of job applications, you find the perfect CV/resume, call the person in for the perfect interview and hire him/her on the spot, only to realise a few months later that he/she wasn’t the right person for the job.

Have you ever experienced a situation like this? Do you ever wonder why some people are not happy with their work or why an employer complains about its employees?

The source of many personnel problems begins with an ineffective recruitment and selection process. You avoid people problems in the future entrepreneurs need to implement an effective and systematic hiring process. The first step in the recruitment and selection process is recruitment. During this topic we will discuss the recruitment process and how to create a recruiting plan.

**OBJECTIVES**
Upon completion of this topic, you should be able to:

1. Describe how recruitment supports the HR process.
2. Discuss the steps in the recruitment process.
3. Create a recruitment plan.

**DEFINITION**
Recruitment is about attracting a pool of potential candidates from which you will be able to select the suitable candidate for an available post within your organisation. It should be done as cost-effectively as possible. It provides the candidates for you to judge before accepting one of them to work for you.

It can be described as:

1. The process of identifying that the organisation needs to employ someone up to the point at which application forms for the post have arrived at the organisation (The Times 100 )
2. The process of searching for prospective employees and stimulating and encouraging them to apply for jobs in an organisation (Bratton & Gold: 2007)

**WHY DO ORGANIZATIONS NEED TO RECRUIT?**
Organisation need to employ effective recruiting processes when:
1. Employee vacancies need to be filled. This can be due to expansion or an existing member of your staff leaving the organisation.

2. The organization needs to gain competitive advantage. It is important to attract the right people to help the organisation succeed. This would include innovative and creative personnel to help in product development.

3. The business needs to embrace new ideas and best practices.

4. Consideration of social and legal aspects within the workplace.

**INTERNAL AND EXTERNAL RECRUITING**

There are two different places that you can recruit new employees.

**Internal Recruiting**

This is where employees from within the organisation are given the opportunity to compete for the position first. This opens opportunities for promotion or job changes for the organisation’s current employees.

<table>
<thead>
<tr>
<th>ADVANTAGES</th>
<th>DISADVANTAGES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cheaper and quicker to recruit</td>
<td>Limits the number of potential candidates</td>
</tr>
<tr>
<td>Candidate already familiar with the organisation and how it operates</td>
<td>No new ideas can be introduced from outside the business</td>
</tr>
<tr>
<td>Provide promotion within the business, increasing motivation</td>
<td>May cause resentment amongst candidates not appointed</td>
</tr>
<tr>
<td>Organisation already aware of the strengths and weaknesses of the candidate</td>
<td>Creates another vacancy which needs to be filled</td>
</tr>
</tbody>
</table>

**External Recruiting**

This is where the organisation looks for people from outside the organisation. External recruitment happens when the organisation cannot locate any existing member of their staff to occupy a post or when the organisation seeks new employees with fresh objectives.
Table - Advantages and Disadvantages: External Recruiting

<table>
<thead>
<tr>
<th>ADVANTAGES</th>
<th>DISADVANTAGES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brings in new ideas to the business</td>
<td>Longer recruitment process</td>
</tr>
<tr>
<td>Candidates have wider range of experience</td>
<td>More expensive</td>
</tr>
<tr>
<td>Larger pool of candidate to choose from</td>
<td></td>
</tr>
</tbody>
</table>

Recruiting Methods

Internal Recruiting: There are various recruiting methods that an organization can use. Internal recruitment methods include:

- Advertisement on organisation notice board or on corporate web boards.
- Circular email describing the job posting.
- Management announcements at staff meetings.
- Publication in internal newsletters, magazines or other internal communications media.

External Recruiting: There are four methods of recruiting externally:

- **Job Centres** – These centres are paid for and managed by the government. They are responsible to help unemployed to find jobs and also provide a service for organisations / businesses to advertise a vacancy

- **Job Advertisements** – These are the most common form of external recruitment. It can be found in various places (local and national newspapers, recruitment fairs/exhibition, media e.g. radio, local radio/television station, organisation notice board or windows) and includes important information related to the job and the organisation. How and where an organisation chooses to advertise will depend on the coverage needed and the cost.

- **Recruitment agency / Consultants** - Provides employers with details of suitable candidates for a vacancy and can sometimes be referred to as ‘head-hunters’. They work for a fee and often specialise in particular employment areas e.g. business, financial services, teacher recruitment

- **Personal Recommendations** - Often referred to as ‘word of mouth’ and can be a recommendation from a colleague at work. A full assessment of the candidate is still needed however but potentially it saves on advertising cost.
Activity – Advertisement

Earlier you created a job description for your current job. Now create an advertisement for your job that could be published in newspapers and online web site.

Write advertisement in your course journal for later review by your instructor.

THE RECRUITMENT PROCESS

Employee recruiting is an important activity that should be considered in the context of the total Human Resource Function and, in particular, it should be integrated with the selection process. Any relevant legal requirements should be followed and the process should be managed from the perspective that it is a two-way process. Just as you will be searching for candidates to work in your organisation, the candidates would also be searching for a suitable organisation to work in.

The recruitment process consists of seven steps.

Step 1: Identify the need to recruit - Why do you need to recruit? This need may arise from the creation of a new job or from a vacancy being created by someone being promoted or resigning.

Step 2: Prepare / Update the job description, job specification and job profile - A job description is a statement content of a job. It provides information about what the job entails. A job specification identifies the content of a job, it is a statement about the personal characteristics needed to perform the job successfully and achieve the necessary output. A job profile is a more flexible approach than the traditional job description. It allows for individual initiative to emerge. This step assists in identifying what you will be looking for in a candidate to fill the vacancy you have. It serves to create the decisive goal towards which recruitment is geared. It is important to verify information regarding the context of the job.
Step 3: Refer to the recruitment policy. A recruitment policy governs the way an employer attempts to fill vacant staff positions. It provides the organisation with guidelines for carrying out the recruitment programme.

Step 4: Consider factors that may influence the recruitment programme. There are various factors that can have an impact on the recruitment programme. To ensure that recruitment is done successfully these factors should be considered. For e.g. Legislation; Timing; and Labour market conditions.

Step 5: Consider the sources of recruitment. Prospective employees may either be sourced from within the company or externally.

Step 6: Choose the appropriate recruitment method. Choose the right method of recruitment to ensure that you reach your target group.

Step 7: Develop the job advertisement and advertise the post. Develop an advertisement that is appropriate for the method of advertising that you have in mind. When designing the advertisement it is important have identified the criteria against which all applicants will be assessed.

The advertisement should:

- Attract the attention of the reader.
- The size, layout, type used and position of the ad in the medium should catch the attention of the reader.
- The company name and logo should be integrated into the design.
- Provide a brief overview about the organisation.
- Provide details about the job and the tasks to be performed.
- Outline the person best suited to the job.
- Provide information about the conditions of service and compensation.
- Specify what qualifications and experience is required.
- Identify a contact person within your organisation to whom applications should be submitted and further information enquired.
- Provide the closing date for the application.

After the designing the advertisement, it is now important to share it with other people. Get there feedback and amend to the advertisement to incorporate their suggestions.
MANAGING THE APPLICATION PROCESS

There are two main formats in which applications are likely to be received: the curriculum vitae (CV) or the application form. It is possible that these could be submitted either on paper or electronically.

Application Forms

Application forms allow for information to be presented in a consistent format, and therefore make it easier to collect information from job applicants in a systematic way and assess objectively the candidate’s suitability for the job. They should be appropriate to the level of the job.

Application form design and language is also important - a poorly designed application form can mean applications from some good candidates are overlooked, or that candidates are put off applying. For example, devoting lots of space to present employment disadvantages a candidate who is not currently working.

CVs -The advantage of CVs is that they give candidates the opportunity to sell themselves in their own way and don’t restrict the fitting of information into boxes which often happens on application forms. However, CVs make it possible for candidates to include lots of additional, irrelevant material which may make them harder to assess consistently.

Processing Applications

All applications should be treated confidentially and circulated only to those individuals involved in the recruitment process.

All solicited applications (such as responses to advertisements) should also be acknowledged, and where possible, so should all unsolicited applications. Prompt acknowledgment is good practice and presents a positive image of the organisation.

SUMMARY

To attract the best candidate for any job you must select the most appropriate medium and message to reach out to them. For example you would probably advertise an IT job in hardware and software magazines or online web sites. Think about the job and consider where the potential applicants would look. You should even consider direct contact at colleges and universities.
TOPIC 4.2 - SELECTION

INTRODUCTION
This sub-unit will provide you with an overview on selection and the selection methods and process.

OBJECTIVES
Upon completion of this topic, you should be able to:

1. Define selection.
2. Explain the selection process.
3. Identify the advantages and disadvantages of different selection methods.

SELECTION - DEFINITION
Selection is the process of choosing from a group of applicants the individual best suited for the job or particular position and an organisation. (Dessler: 2007). The recruitment process provides the organisation with a list of applicants for an available position; selection is the process in which the organisation chooses an applicant from the lists to fill in the post.

SELECTION METHODS
Making the right selection decision is regarded as good business practice, as it contributes to the sustained, optical use of the human resources. Furthermore, a fair selection decision is a legal requirement. Fairness in selection decisions means that all decisions are made with the job and its requirements in mind, that all the relevant information about each applicants are considered even-handedly and that the decisions are not influenced by any other characteristics of the applicants such as race, gender etc.

In order to ensure that the selection decision is good, the right selection methods / techniques should be used. These can vary from organisations to organisations.

Let’s explore different selection methods.

Interviews
Individual interviews can be designed to predict future job performance on the basis of applicants’ oral responses to oral inquiries. Interviews can take many forms and styles. The two most common types of interviews are:

1. Structured Interview – Candidates are interviewed using a predetermined checklist of questions that usually are asked to all applicants.
2. Unstructured Interviews – Candidates are interviewed using few, if any, planned questions. It involves a procedure where different questions may be asked of different applicants.

3. Other types of interviews includes:

4. Situational Interview - Candidates are interviewed about what actions they would take in various job-related situations. The interviews are then scored using a scoring guide.

5. Comprehensive Structured Interviews - Candidates are asked questions relating to how they would handle job-related situations, job knowledge, worker requirements, and how they would perform various job simulations.

6. Oral Interview Boards - This technique involves the job candidate giving oral responses to job-related questions asked by a panel of interviewers. Each member of the panel then rates each interviewee.

7. Behaviour Description Interviews - Candidates are asked what actions they have taken in prior job situations that are similar to situations they may encounter on the job. The interviews are then scored using a scoring guide constructed by job experts.

<table>
<thead>
<tr>
<th>ADVANTAGES</th>
<th>DISADVANTAGES</th>
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<tbody>
<tr>
<td>• Useful for determining if the applicant has requisite communicative or</td>
<td>• Subjective evaluations are made</td>
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<td>social skills which may be necessary for the job</td>
<td>• Decisions tend to be made within the first few minutes of the interview</td>
</tr>
<tr>
<td>• Interviewer can obtain supplementary information</td>
<td>with the remainder of the interview used to validate or justify the original</td>
</tr>
<tr>
<td>• Used to appraise candidates' verbal fluency</td>
<td>decision</td>
</tr>
<tr>
<td>• Can assess the applicant's job knowledge</td>
<td>• Interviewers form stereotypes concerning the characteristics required for</td>
</tr>
<tr>
<td>• Can be used for selection among equally qualified applicants</td>
<td>success on the job</td>
</tr>
<tr>
<td>• Enables the supervisor and/or co-workers to determine if there is</td>
<td>• Research has shown disproportionate rates of selection between minority</td>
</tr>
<tr>
<td></td>
<td>and non-minority members using interviews</td>
</tr>
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<td></td>
<td>• Negative information seems to be</td>
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Human Resource Management

<table>
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<tr>
<th>ADVANTAGES</th>
<th>DISADVANTAGES</th>
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<tr>
<td>compatibility between the applicant and the employees</td>
<td>given more weight</td>
</tr>
<tr>
<td>• Allows the applicant to ask questions that may reveal additional</td>
<td>• Not much evidence of validity of the selection procedure</td>
</tr>
<tr>
<td>information useful for making a selection decision</td>
<td>• Not as reliable as tests</td>
</tr>
<tr>
<td>• The interview may be modified as needed to gather important information</td>
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</table>

See Appendix Two for a detailed list of suggested interview questions.

**Personality Test**

A personality test is selection procedure used to measure the applicants characteristics and compare them with future job performance. Personality tests usually measure one or more of five personality dimensions:

- Extroversion (Sociability).
- Emotional stability.
- Agreeableness.
- Conscientiousness.
- Openness to experience.

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<thead>
<tr>
<th>ADVANTAGES</th>
<th>DISADVANTAGES</th>
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<tr>
<td>• Can result in lower turnover due if applicants are selected for traits</td>
<td>• Difficult to measure personality traits that may not be well defined</td>
</tr>
<tr>
<td>that are highly correlated with employees who have high longevity</td>
<td>• Applicant's training and experience may have greater impact on job</td>
</tr>
<tr>
<td>within the organization</td>
<td>performance than applicant’s personality</td>
</tr>
<tr>
<td>• Can reveal more information about applicant’s abilities and interests</td>
<td>• Responses by applicant may be altered by applicant’s desire to respond in a</td>
</tr>
<tr>
<td>• Can identify interpersonal traits that</td>
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### Work Sample Test

Work sample tests are designed to have high content validity through a close relationship with the job. They are based on the idea that the best way to assess future behaviour is to observe it under similar situations. The test requires the examinee to perform similar tasks to those performed on the job including physical, oral and written activities depending on the job description.

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<tr>
<th>ADVANTAGES</th>
<th>DISADVANTAGES</th>
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<tbody>
<tr>
<td>• High reliability</td>
<td>• Costly to administer; often can only be administered to one applicant at a time</td>
</tr>
<tr>
<td>• High content validity since work samples are a sample of the actual work performed on the job</td>
<td>• Although useful for jobs where tasks and duties can be completed in a short period of time, these tests have less ability to predict performance on jobs where tasks may take days or weeks to complete</td>
</tr>
<tr>
<td>• Low adverse impact</td>
<td>• Less able to measure aptitudes of an applicant thus restricting the test to measuring ability to perform the work sample and not more difficult tasks that may be encountered on the job</td>
</tr>
<tr>
<td>• Because of their relationship to the job, these tests are typically viewed more favorable by examinees than aptitude or personality tests</td>
<td></td>
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<tr>
<td>• Difficult for applicants to fake job proficiency which helps to increase the relationship between score on the test and</td>
<td></td>
</tr>
<tr>
<td>ADVANTAGES</td>
<td>DISADVANTAGES</td>
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<tr>
<td>performance on the job</td>
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<tr>
<td>- Work Sample tests use equipment that is the same or substantially similar to the actual equipment used on the job</td>
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**Activity – Work Sample Test**

Think about your own job and the job description you produced earlier in the course. Describe one or more work sample tests that you could use during the selection process for your own job.

Record your response in your course journal.

**Cognitive Abilities Tests**

Cognitive ability tests are a paper and pencil or individualised assessment measures of an individual's general mental ability or intelligence. These tests may be in various forms such as verbal comprehension, numerical ability, visual speed and accuracy based on the abilities they must demonstrate on the job.

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<tr>
<th>ADVANTAGES</th>
<th>DISADVANTAGES</th>
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<tr>
<td>- highly reliable</td>
<td>- Differences in abilities (e.g. knowledge of math) may impact negatively on the scores of some applicants</td>
</tr>
<tr>
<td>- the validity rises with increasing complexity of the job</td>
<td></td>
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<tr>
<td>- may be administered in group settings where many applicants can be tested at the same time</td>
<td></td>
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<tr>
<td>- scoring of the tests may be completed by computer scanning equipment</td>
<td></td>
</tr>
<tr>
<td>- lower cost than personality tests</td>
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Now let’s move on to the selection process.
THE SELECTION PROCESS

The selection process can be divided into seven stages:

**Step 1: Identify selection method.**
Based on your job description and the number of potential candidates you must identify a selection method that best demonstrates the applicant’s fit to the job.

**Step 2: Screen and short-list applications.** Using the information provided by the applicants on the application form and or CV, you should evaluate all the applicants against the predetermined criteria established from the job description, specification and profile. The outcome of this step is a list of candidates who meet certain minimum requirements for the job and can then proceed with further assessments.

**Step 3: Contact candidates on the short-list.** Your next step is to contact and advised the candidates on the short-list on the process to follow. They should be clearly advised as to when and where the next step will take place. Those who do not make the short-list should also be informed that their application was unsuccessful. It is important to keep applicants informed of the outcomes of their application.

**Step 4 – Assess applicants using appropriate selection techniques / methods.** This is the step where your organisation meets with the applicants for assessments in order to assist you into making a decision. Interviews are the most commonly used selection technique. They are a specialised form of communication conducted for a specific task. In addition to the interview other assessment techniques and tools should be used to assist the decision making process. These would measure specific skills or personality traits required for a particular role. The selection method chosen to assess the applicants should be both valid and reliable. Validity is how accurate the selection method is as a predictor of job performance. Reliability is how consistent the results are when repeated in similar situations.

**Step 5 – Check background information.** You should then contact the referees provided to your organisation by the applicants in order to get more information on the applicants.
most efficient is telephone checks but the referee should be encouraged to provide sufficiently detailed information to the selection criteria.

**Step 6 – Make a final hiring decision.** When making a final hiring decision, you should consider all the information gathered during the previous steps. Your main concern will be whether the person will be able to fit into the business (i.e. able to work with the current staff, able to accept and understand the standards of behaviour within the business) and be able to do the job. You must also be able to decide on how to proceed if the person offered the job declines the offer. In making this decision, it must consider if the next person in line for the job is suitable for the post or whether a fresh recruitment process will need to be initiated to find other pool of candidates.

**Step 7 – Make a job offer.** This is the step where the job is offered to the successful candidate. Once the decision has been made to hire a particular applicant, a letter of appointment congratulating the person being selected should be formulated. The letter should also include the job title, brief description of the job, the starting remuneration package, the conditions and length of the probationary period and a request for the person to submit their acceptance to the post in writing on a deadline.

Once the offer has been accepted in writing, another letter should be formulated welcoming the person to the organisation. This letter will provide information regarding the first day of work. Such information includes: commencement date and time, where and to see whom.

Once the person has reported for their first day, they should be given a letter or appointment. It can serve as a covering letter to the contract of employment. This letter should request that the employee sign the contract and return it to the business together with some of their personal information.

**SUMMARY**

A systematic selection process with the right selection methods will ensure that your company chooses the most appropriate and qualified candidate. As you develop the selection process think about the job, review the job description and produce selection instruments that closely reflect the work to be completed. The selection process will reduce the chance of hiring the wrong person.
TOPIC 4.3 - INDUCTION

INTRODUCTION
Starting a new job in a new organisation can be very stressful. People face the challenge of getting used to an unfamiliar situation to which everyone else is used to. The first days of work are regarded as an opportunity for the new recruit to get a sense of the organisation culture.

OBJECTIVES
Upon completion of this topic, you should be able to:

1. Define Induction.
2. Critically analyse the importance of Induction.
3. Draw up an induction programme for new employees.

OVERVIEW - INDUCTION
The term ‘induction’ is normally used in the organisation to describe the whole process whereby employees adjust or adapt to their jobs and working environment. As part of this process, ‘orientation’ can be used to refer to a specific course or training event that new starters attend, and ‘socialisation’ can be used to describe the way in which new employees build up working relationships and find roles for themselves within their new teams. Some people use the term ‘onboarding’ to describe the whole process from an individual’s contact with the organisation before they formally join, through to understanding the business’ ways of working and getting up to speed in their job.

Every organisation, large or small, should have a well-considered induction programme. Employees who have a well thought-out induction are more likely to stay with the organisation. However, designing an appropriate and cost-effective induction package is a complex task. The induction programme has to provide all the information that new employees need, and are able to assimilate, without overwhelming or diverting them from the essential process of integration into a team.

The length and nature of the induction process depends on the complexity of the job and the background of the new employee. One size does not fit all - a standardised induction course is unlikely to satisfy anyone.

PURPOSE OF INDUCTION
The purpose of induction is to ensure the effective integration of staff into or across the organisation for the benefit of both parties. According to CIPD, research has shown that tailor-made induction programmes increase staff retention.
A good induction programme contains the following elements:

1. Orientation (physical) - describing where the facilities are orientation (organisational) - showing how the employee fits into the team and how their role fits with the organisation’s strategy and goals an awareness of other functions within the organisation, and how the employee fits within that meeting with key senior employees (either face to face or through the use of technology)

2. Health and safety information - this is a legal requirement explanation of terms and conditions details of the organisation’s history, its products and services, its culture and values a clear outline of the job/role requirements.

**Example – Steps in New Employee Orientation Checklist**

1. Welcome new employee.
2. Supervisor should have new employee complete necessary pre-employment paperwork.
3. Discuss and explain appointment, benefits and other pertinent information with employee.
4. Provide assistance to obtain identification cards.
5. Orientation to Job/Work Procedures.
6. Introduce employee to co-workers.
7. Conduct a tour of employee’s immediate work areas/office.
8. Provide an overview of departmental functions (i.e. work performed, current and ongoing initiatives, organizational structure, work flow, etc.)
9. Discuss the directive system and other relevant resources for information on policies, regulations and procedures.
10. Discuss organization’s occupational safety and health program, with an emphasis on the employee’s rights and responsibilities, emergency action plan and if applicable, location of material safety data sheets.
11. Use the new employee’s job description to discuss employee’s duties and responsibilities, also provide a copy of the job description to new employee.
12. Discuss and develop performance standards. Performance standards must be
13. Discuss the employee’s role as supervisor, distribution of work assignments, expectations of employees, performance appraisals, IDPs, etc.

14. Discuss procedures for reporting for duty, if applicable, MaxiFlex, lunch hours, breaks, time and attendance reporting, requesting leave, delayed arrivals, closings, etc.

15. Designate another employee with similar duties and responsibilities to serve as an informal “mentor” to the new employee for a pre-established amount of time. This “mentor” will assist in acclimating the new employee to their new surroundings, work and safety procedures.

16. Provide a follow-up to initial orientation by meeting regularly with new employee during the first month to answer questions and to insure that employee is progressing in their assignment.

**SUMMARY**

Once you have hired new employees you must ensure the individuals are properly introduced to their new job, the work environment, the policies and procedures impacting their job and the peers that they will work with. They must be trained to safely operate any equipment or machinery that is part of their job and you must ensure the new employees understand the processes and procedures related to the job. A proper job orientation and induction process may take several days and must be properly organized and managed.
**UNIT SUMMARY**

For an organisation to be successful it needs to be fully staffed with able and willing employees. As outlined in this unit, jobs first needs to be established designed and defined in the form of written job descriptions, specification and profiles.

Then staff needs to be recruited to create a pool of candidates from which the most suitable candidate can be selected and orientated to the job and organisation.

In managing recruitment, selection and induction; relevant policy documents are required to guide the process and relevant legislation needs to be considered and abide to.

This unit provided you with an introduction to recruitment, selection and induction.

The first topic discussed recruitment. Recruitment is an important human resources activity for any organization that seeks to attract potential candidates from which to choose so that its human resource needs can be satisfied. There are two main sources of recruitment which a company can use to source its labour, namely internal and external sources. Potential candidates can be found through various sources. The decision as to which source or sources to use will depend on the organization’s Recruitment Policy.

The second topic covered Selection. You have learned that Selection of a suitable candidate is made from a pool of individuals who reacts to an advertisement for a specific job. The process of selection is to screen applicants to ensure that the best candidates are hired. Selection devices must match the job in question. Work sampling method works best with low-level jobs, assessment centres works best for managerial positions. The validity of the interview as a selection device increases at progressively higher levels of management.

The final topic was about Induction. You have learned that Induction, also called orientation of newcomers, should be a planned process.

**UNIT ASSIGNMENT**

<table>
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<tr>
<th>Assignment</th>
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<tr>
<td><strong>Objective:</strong> Produce a recruiting, selection and induction plan to hire your replacement within your company.</td>
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<table>
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<tr>
<th>Task: Think about the job description your produced earlier that reflects your job. Assume that you are leaving the job and that the HR person must recruit someone to replace you. As the HR person you need to produce:</th>
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</thead>
<tbody>
<tr>
<td>1. Recruiting method and advertisement.</td>
</tr>
<tr>
<td>2. A selection process and supporting selection instrument(s).</td>
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</tbody>
</table>
3. A job orientation programme for the hired employee.

Produce the documents reflecting the above and submit them to your instructor for review, feedback and grading.
UNIT FIVE – PERFORMANCE MANAGEMENT AND APPRAISAL

UNIT INTRODUCTION

This unit will give you an overview of performance management and performance appraisal. It describes the principles of effective performance management. The unit will also explain the factors affecting performance appraisal and the performance appraisal system. Next the aspect of a person’s performance that should be assess is identified and it finishes by discussing different performance appraisal methods, problems associated with performance appraisal and the characteristics of a good performance appraisal system.

UNIT OBJECTIVES

At the end of this unit you should be able to:

1. Define Performance management and performance appraisal.
2. Differentiate between performance management and performance appraisal.
3. Explain the uses of Performance Appraisal.
4. Set performance goals.
5. Conduct a performance appraisal interview.

UNIT READINGS

As you work through this unit you should read the following online articles.


- Lesson 25 – Performance.
- Lesson 26 – Performance Appraisal.
ASSIGNMENTS AND ACTIVITIES

There are reflective activities offered throughout this unit. You should consider the questions or issues and record your responses in your course journal for later review by your instructor.

As you complete this unit you will be required to complete an assignment and submit them to your instructor for review, feedback and grading. The assignment is:

1. **Unit Assignment** – Produce a performance management plan.
INTRODUCTION
As a future entrepreneur, you should be able to manage the people within your organisation. However sometimes managers fail to acknowledge their role in performance management and the fact that their own performance is dependent on the performance of their subordinates. As an impending manager, it is important for you to learn about performance management and to develop skills in managing performance.

Welcome to this topic covering Performance Management. In the previous unit, we discussed amongst others the concept of human resource management, recruitment, selection and induction of employees. The reason for employing people is for them to perform tasks assigned to them satisfactory for the organisation to its overall objectives. The method used by organisations to manage the performance of its employees is commonly referred to as Performance Management and all of these will be explored in this first topic of the unit.

OBJECTIVES
Upon completion of this topic you should be able to:

1. Define Performance.
2. Analyse the determinants of job performance.
3. Define performance management.
4. Explain the principles and purpose of performance management.

PERFORMANCE MANAGEMENT OVERVIEW

Think about an organization that you have experience with? As an employee did you have a good understanding of the expectations of your boss and organization? How could they have better communicated their expectations?

Record your response in your course journal/

Performance Management has been one of the most crucial and positive advancement in the area of human resource management in current years. It was in 1976 that Beer and Ruth invented the phrase performance management. However, it was only in the mid-1980s, that it became recognised as a common approach, growing out of the awareness that a more permanent and incorporated approach was required to manage and reward
performance. For poorly developed and rapidly implemented performance-related pay and appraisal systems were all too often failing to give the results that were expected of them.

Performance Management started as a source of income validation and was used to establish an employee’s wage based on performance. Performance Management was used by organisations to encourage behaviours from the employees to obtain specific outcomes. In practice, this was accepted by the employees driven only by monetary rewards but failed miserable amongst the employees who were driven by other factors such as learning and development of their skills. The space between explanation of pay and the development of skills and knowledge became problematic in the use of Performance Management.

Nowadays, however the process of managing people has become more specialised and formalised. Much of the ancient performance appraisal methods have been included into the concept of performance management which aspire to be a more general and comprehensive process of management. Some of the development that has created performance management in the recent years is the differentiation of employees’ management, management by objectives and on-going monitoring and review.

The development of performance management was hastened by two main factors:

- The introduction of Human Resource Management as a strategic driver to the management and development of employees.
- The understanding that the process of performance management is something that managers should complete throughout the year and not a one off activity of the personnel department.

**WHAT IS PERFORMANCE?**
Performance management is of course about performance. But what is meant by the word? It is important to clarify what it means because if performance cannot be defined, it would not be possible to measure or manage it.

**Activity – What is Performance?**

Before proceeding consider the following questions.

1. How would you describe workplace performance?
2. How would you measure the performance of others?

Record your response in the course journal.

There are different views on what “performance” is. Let’s explore a few.
Performance can be considered as the record of outcomes achieved. On the individual basis it is a record of a person's accomplishments. Kane (cited in Armstrong, 2004:3), was of opinion that performance is something that the person leaves behind and that exists apart from the purpose. Bernadin et al (cited in Armstrong, 2004:3) believed that performance is the outcome of work because they give the strongest linkage to the strategic goals of the organisation, economic contributions and customer satisfaction. The Oxford English dictionary defines performance as the accomplishment, execution, carrying out and working out of anything ordered or undertaken. This refers to outcomes (achievements) but also states that performance is about doing the work as well as being about the results achieved. Performance could therefore be regarded as the behaviour; the way in which organisation, teams and individuals get work done.

A more comprehensive understanding of performance is attained if it is defined as embracing both behaviour and outcomes. This is clearly defined by Brumbrach (cited in Armstrong, 2004:3):

*Performance means both behaviours and results. Behaviours originate from the performer and change performance from abstraction to action. Performances are also outcomes in their own right – the product of mental and physical effort applied to tasks and can be judged apart from results.*

This definition of performance argues that, when managing the performance of individuals and teams, both inputs (behaviour) and outputs (results) should be considered.

In simple terms, performance can be defined as efforts together with the capability to put efforts supported with the organisational policies in order to attain certain objectives.

Performance is the function of ability, Motivation and Opportunity.

### Activities – Definitions

The terms ability, motivation, and opportunity are probably not new to you as future entrepreneurs. However, it is sometimes hard to define them. Create your own definition of the terms and record them in your course journal.

Below are suggested definitions of the terms:

- **Ability** - The basic skills possessed by an individual that are needed to give certain performance enhance to the level of performance.

- **Motivation** - Activities in HRM concerned with helping employees apply high level of energy and to get performance in desirable direction.
- Opportunity – Circumstances under which performance is made or completed.

**DETERMINANTS OF JOB PERFORMANCE**

There are three basic determinants of job performance. They are:

1. **Willingness to perform** – If the employee is performing the duties and responsibilities in the organisation with a high level of willingness, the performance will be high and up to the required standards.

2. **Ability to Perform** – If the employee has the basic qualifications and skills required to perform basic duties then the level of performance will meet the set standards.

3. **Opportunity to Perform** – If the employee is given the chance to perform challenging tasks which contributes more towards reaching the organisation objectives and missions, more effective performance can be achieved by them.

**WHAT IS PERFORMANCE MANAGEMENT?**

Performance management is a universal process, bringing together many of the elements which go to make up the successful practice of people management, including in particular learning and development. But for this very reason, it is complex and capable of being misunderstood. In his definitive text, Armstrong (2004) defines performance management as 'a process which contributes to the effective management of individuals and teams in order to achieve high levels of organisational performance. As such, it establishes shared understanding about what is to be achieved and an approach to leading and developing people which will ensure that it is achieved'. He goes on to stress that it is 'a strategy which relates to every activity of the organisation set in the context of its human resource policies, culture, style and communications systems. The nature of the strategy depends on the organisational context and can vary from organisation to organization.

Amos et al (2008) on the other hand defines Performance Management as “a process that begins with translating the overall strategic objectives of the organisation into clear objectives for each individual employee.

In his attempt to define the term, Dessler (2007) stated that performance management is an integrated approach to ensuring that an employee’s performance supports and contributes to the organization’s strategic aims.

In other words performance management should be:

- **Strategic** – It is concerned with longer-term goals and broader matters
- **Integrated** – It piece together various areas of the business, people management, and individuals and teams.
It should include:

- **Performance improvement** - throughout the organisation, for individual, team and organisational effectiveness

- **Development** - unless there is continuous development of individuals and teams, performance will not improve

- **Managing behaviour** - ensuring that individuals are encouraged to behave in a way that allows and fosters better working relationships.

**PURPOSE OF PERFORMANCE MANAGEMENT**

As future manager it is important for you to know the purpose of performance management within your organisation. Why do you need Performance Management? What contribution will it bring to your organisation?

Performance Management is a way of obtaining better results from the organisation as a whole, or teams, or individual within the organisation, by being aware of and managing performance within an agreed structure of planned goals, standards and capable requirements. It is a process for setting up shared understanding about what is to be attained, and an approach to developing and managing employees in a way that increases the odds that it will be achieved in the short and longer term.

As defined by Philpott and Sheppard (cited in Armstrong, 2004:6) "the basic goal of performance management is to establish a culture in which individuals and groups takes responsibility for the on-going improvement of business processes and for their own skills and contributions'.

The purpose of Performance Management is to:

**Share expectations.**

Managers can explain what they anticipate from individual and teams and in return individuals and teams can communicate their expectations of how they wish to be managed and their requirements to do their jobs.

**Building Interrelationships and about improving the quality of relationships.**

Between managers and individuals, between managers and teams, between members of teams and so on, and is therefore a joint process.
Plan and define expectations expressed as objectives and in business plans - and about measurement.

The old dictum is 'If you can't measure it, you can't manage it'. It should be relevant to all employees, not just managers, and to teams as much as individuals. It is an ongoing process, not a one-off event.

To be Holistic and should be part of every aspect of running an organisation.

Over time, the focus and importance of performance has shifted away from individual output to inform development or pay decisions, to individual contribution to organisational objectives through output, behaviour and capability. As such, performance management is now as much about driving engagement and collecting information and data to provide better insight into the drivers of performance as it is about providing information about individuals.

**Performance Management Principles**

Like any other terms, performance management also has its principles, which are as follows:

1. It interprets corporate (business) goals into department, divisional, team and individual goals.
2. It helps to clarify corporate goals.
3. It is an ongoing and evolutionary process in which performance improves over time.
4. It relies on agreement and co-operation rather than control or intimidation.
5. It creates a shared understanding of what is required to improve performance and how this will be reached.
7. It needs a management style that is open and honest and encourages two-way communication between the subordinates and their superiors.
8. It requires on-going feedback.
9. Feedback given allows the experience and knowledge acquired on the job by individuals to adjust corporate objectives

**Summary**
Workforce and job performance must be measured based on a set of standards that reflect the corporate, department and job specific requirements.
TOPIC 5.2 - PERFORMANCE APPRAISAL

INTRODUCTION
Performance appraisal is an important part of performance management and there is always confusion between the two terms. Performance appraisal is often carried out by line managers and as future entrepreneurs it is important for you to understand the role of performance appraisal in performance management and how it contributes to the overall aims of performance management.

OBJECTIVES
Upon completion of this topic you should be able to:

1. Define and critically analyse Performance Appraisal.
2. Differentiate between performance appraisal and performance management.
3. Conduct a performance appraisal.

WHAT IS PERFORMANCE APPRAISAL?
According to Armstrong (2004) performance appraisal can be defined as the formal assessment and rating of individuals by their superiors (managers). Performance appraisal is the process of observing and evaluating an employee’s performance in relation to pre-set performance standards.

Performance appraisal or performance review is an opportunity for employees and those concerned with their performance most usually their superiors to get together and discuss about the employee’s performance, development and requirements. Performance appraisal usually assess past behaviour which provides the opportunity to reflect on past behaviour.

Performance Management has been criticised because too often it has been carried out as a top-down and largely bureaucratic system owned by the personnel department rather than by the immediate supervisors or line managers of the employees. It was often backward looking focusing only on what had gone wrong, rather than looking forward to future development needs. As Armstrong and Murlis (1998) stated, performance appraisal too often reduced into ‘a dishonest and annual ritual’.

Many research studies by academic have criticised traditional approaches to performance appraisal. These are some classic comments:

- Townley (cited in Armstrong, 2004:11) stated that performance appraisal is a system of bureaucratic or management.
- Appraisal enlists compliance. (Barlow, 1989)
• Appraisal aims at voluntary compliance (Newton and Findlay, 1986).

• Appraisal is an inconsistent and fundamentally subjective process (Grint, 1993).

**PERFORMANCE APPRAISAL AND PERFORMANCE MANAGEMENT**

It is very easy for students like you to confuse the two terms. It is crucial as future entrepreneurs, that you are able to understand the difference and similarities between the two terms to ensure that they are used correctly within your future organisation.

In considering the nature of performance management and performance appraisal, you first need to appreciate how they are related but equally should not be seen as having the same meaning.

**Scope**

The basic difference between performance management and performance appraisal lies in its scope. Both performance appraisals and performance management includes setting performance aim, reviewing the attained aims and coming up with ways to allow employees to meet these aims. Both systems establishes clear expectations on what is required from the employees, set the guidelines on what successful job performances are and attempt to identify barriers to effective performance.

Performance appraisal is however, a restricted and reactive function of assessing past performance undertaken once or twice a year. It is a distinct staff activity with no direct involvement with the employee’s daily work.
In contrast, performance management is an on-going proactive system to manage the performance of an employee and make sure that he/she attain the set goals on a real-time basis, without reviews or corrective actions later on. It is a line activity and forms part of the employee’s daily work.

**Approach**

In performance management, the manager assumes the role of coach or mentor whereas in performance appraisal they have the role of being a judge.

**Methodology**

The performance appraisal tends to be more formal and structured. Although most performance appraisal system allow modification of key performance areas, the system however remains firm with laid down procedures and rating restriction binding on all employees equally. It is usually standardised based on the employee’s title, or at best on the employee’s job description rather than on their work requirement.

Performance management is more casual and flexible. It allows considerable changes to the guidelines established depending on the specific job situation and circumstances of the time. Performance Management remains customised for the individual employee’s actual work.

**THE PERFORMANCE APPRAISAL PROCESS**

There are many factors that can influence the performance appraisal process. Legislation obliges that the appraisal systems do not discriminate. The union of labour might affect the appraisal process by stressing seniority as the starting point for promotions and pay increases. Factors within the internal environment can also affect the performance appraisal process. The type of corporate culture can serve to help or obstruct the process.

Identification of specific goals is the starting point for the performance appraisal process. After specific appraisal goals have been recognised, workers and teams must understand what is expected from them in their tasks. Informing employees of what is expected of them is a most important employee relations task. At the end of the appraisal period, the appraiser observes work performance and evaluates it against established performance standards. The evaluation results are then communicated to the workers. The performance evaluation discussion with the supervisor serves to re-establish job requirements.

Steps in the performance appraisal process include:

1. Identify the specific performance appraisal goals.
2. Establish job expectations (job analysis).
3. Observe work performed.
5. Discuss appraisal with employee.
6. Agree upon ways to improve performance.

**USE OF PERFORMANCE APPRAISAL AND WHAT TO APPRAISE**

Performance appraisal serves multiple goals within the organization. They include:

1. To make the evaluation decisions.
2. To work with the employee to explore their performance.
3. Identify employee training and development requirements if there is a gap between actual and expected performance.
4. Explore other options with the employee on how to achieve expected performance.

For many organizations, the main goal of an appraisal system is to improve performance. Data obtained from the performance appraisal are potentially valuable for use in many human resource functional areas:

- **Human Resource Planning**—In assessing a firm's human resources, information must be available that describe the promotability and potential of all employees, especially key executives.

- **Recruitment and Selection**—Performance evaluation ratings can be helpful in the organisation predict the future performance of job applicants.

- **Training and Development**—A performance appraisal should point out an employee’s specific needs for training and development. By identifying deficiencies that negatively affect performance, human resource and line managers are able to develop Training and development programs that can help individuals to build on their strengths and minimize their weaknesses.

- **Career Planning and Development**—Career planning and development may can be seen from either an individual or organizational viewpoint.

- **Compensation Programs**—Performance appraisal results provide the basis for decisions regarding pay increases.
• **Internal Employee Relations**—Performance appraisal information can also be used for decisions in areas of internal employee relations including motivation, promotion, demotion, termination, layoff, and transfer.

• **Assessment of Employee Potential**—Some organisations attempt to assess employee potential as they appraise job performance.

What aspect of a person’s performance should your organization evaluate? In practice, the most common sets of appraisal criteria are traits, behaviours, and task outcomes.

• **Traits**—many employees in organizations are evaluated on the basis of certain traits such as *attitude, appearance, initiative,* etc.

• **Behaviours**—when an individual’s task outcome is difficult to determine, it is common to assess the person’s task-related behaviour.

• **Task Outcomes**— task outcomes become the most appropriate factor to evaluate, if ends are considered more important than means.

• **Improvement Potential**—It is important to given some attention to the future and the behaviours and outcome required to not only develop the employee, but also to attain the organisation’s objectives. This involves an assessment of the employee’s potential.

**PERFORMANCE APPRAISAL METHODS**

The type of performance appraisal system used depends on its purpose. If the major emphasis is on selecting people for promotion, training, and merit pay increases, a traditional method such as rating scales may be most appropriate. Collaborative methods are designed to assist employees in developing and becoming more effective.

Below are list of different appraisal methods.

1. **360-Degree Feedback**—Involves input from multiple levels within the firm and external sources as well.

2. **Rating Scales**—Rates employees according to defined factors. The factors chosen for evaluation are typically of two types: job related and personal characteristics.

3. **Critical Incidents**—Requires written records be kept of highly favourable and highly unfavourable work actions.
4. **Essay**—The supervisor simply writes a brief narrative describing the employee’s performance. This method tends to focus on extreme behaviour in the employee’s work rather than routine day-to-day performance.

5. **Work Standards**—Compares each employee’s performance to a per-established standard, or expected level of output.

6. **Ranking**—The supervisor simply places all employees in a given group in rank order on the basis of their overall performance. Paired comparison is a variation of the ranking method that involves comparing the performance of each employee with every other employee in the group.

7. **Forced Distribution**—An appraisal approach where the supervisor needs to assign individuals in the work group to a limited number of categories similar to a normal frequency distribution.

8. **Forced-Choice And Weighted Checklist Performance Reports**—The forced-choice performance report is a technique in which the appraiser is given a series of statements about an individual and then indicates which items are most or least descriptive of the employee. The weighted checklist performance report is a technique whereby the appraiser completes a form similar to the forced-choice performance report, but the various responses have been assigned different weights.

9. **Behaviourally Anchored Rating Scales**—A performance appraisal method that combines elements of the traditional rating scales and critical incidents methods.

10. **Results-Based Systems**—In a result-based system the superior and the subordinate jointly agree on objectives for the next appraisal period.

11. **Assessment Centres**—Recognising the differences in purposes, and the difficulty that a performance appraisal system will have in achieving both aims, some firms tend to use an assessment centre as an addition to their appraisal system.

12. **Management by Objectives (MBO)**—It is a goal-oriented performance appraisal method, requires that supervisors and employees determine objectives for employees to meet during the rating period, and the employees appraise how well they have achieved their objectives.

**THE APPRAISAL INTERVIEW**

The appraisal interview is the most common method of performance appraisal being used by the organisation. It is regarded as the key element of the whole evaluation process. As future entrepreneurs you will be conducting appraisal interviews with your employees. It is therefore essential for you to know the elements of a good appraisal interview.
Firstly you will need to **schedule** the interview. This is usually conducted at the end of the employee’s appraisal period.

The interview needs to be **structured** in a way to enable both yourself and your employee to see it as a problem solving discussion rather than a fault finding session.

During the interview, you need to provide praise to the employee when necessary and constructive criticism. Constructive criticisms are well-meant critique intended to help the employee improve. To give good constructive criticisms you need to focus on the valid and unbiased feedback and make your criticism clear, understandable and relevant.

In concluding the interview, you need to ensure that the employee is left with positive feelings about themselves, the organisation, their job and the management.

**PROBLEMS RELATED TO PERFORMANCE APPRAISAL**

As briefly stated before, many performances appraisal methods have been strictly criticised. However, many of the problems usually identified are not inherent in the method but, rather, reflect improper usage.

Read through some of the problems mentioned:

1. **Lack of Objectivity** — A prospective weakness of traditional methods of performance appraisal is that they lack objectivity. Some subjectivity will always exist in appraisal methods. However, the use of job-related factors does increase objectivity.

2. **Leniency/Strictness** — The giving of undeserved high or low ratings.

3. **Central Tendency** — Occurs when employees are incorrectly rated near the average or middle of the scale

4. **Personal Bias** — Supervisors doing performance appraisals may have biases related to their employees’ personal characteristics such as race, religion, gender, disability, or age group

5. **Recent Behaviour Bias** — It is easy to remember recent behaviour more clearly than those from a distant past. However, performance appraisals usually cover a particular period of time, and an individual’s performance should be considered for the entire period.

6. **Manipulating the Evaluation** — In some instances, supervisors control nearly every aspect of the appraisal process and are therefore in a position to manipulate the system.
You have come to the end of this topic; proceed to attempt the questions in the activity.

**SUMMARY**
A fair and effective performance appraisal system will increase productivity within the workplace and to improve employee satisfaction. Appraisal’s should result in meeting the needs of the worker and in turn should be a way of communicating the manager’s expectations about the future. Feedback is essential.
UNIT SUMMARY

Individual performance is vital to the implementation of strategy and to the organisation gaining success through meeting its strategic goals. Therefore it is important, for you as future entrepreneurs and managers not to leave performance with the hope that it will emerge naturally. Although as managers you will be eventually responsible for the performance of your employees, your organisation will need to design and implement a performance management system. This system will include reviewing of past performance, agreement to future performance requirements and management and appraisal of employees to attain the agreed objectives.

UNIT ASSIGNMENT

Assignment

Complete the following activity and submit it to your instructor for review, feedback and grading.

Jim was always one of the most solid employees in your business. However, during the course of the past six months there has been a noticeable decline in his performance. The time has come for you to conduct his performance review and you want to get to the bottom of the issue. Develop a script of how you will approach Jim during the appraisal interview.

Develop a checklist that outlines the key components of an effective performance system.

SUPPLEMENTARY READINGS


UNIT SIX – HRM FUNCTIONS

UNIT INTRODUCTION

Human Resource Management requires a practitioner to perform a variety of roles. The practitioners must be able to value the quality of work and the worker’s contribution to the success of the company. They must identify compensation and benefits programmes to their managers. The HRM professional must also act as a training development specialist. They must organize the training requirements and needs of the workforce. Finally they must ensure that the workforce has a safe and healthy environment in which to work. This unit will explore the different roles that an HR practitioner must perform.

UNIT OBJECTIVES

Upon completion of this unit you will be able to:

1. Describe your role in:
   a. training and development,
   b. the identification of compensation and benefits, and
   c. Occupational Safety and Health.

2. Explain how to create a motivated workforce.

UNIT READINGS

As you complete this unit you are required to read the following chapters/articles:


- Lesson 22 – Training and Development.
- Lesson 23 – Career Management.
- Lesson 28 Compensation System.
- Lesson 29 – Benefits.
- Lesson 30 – Role of Money in Performance of Employees.
- Lesson 31 – Motivation.
- Lesson 32 – Occupation Health and Safety.


ASSIGNMENTS AND ACTIVITIES

There are reflective activities offered throughout this unit. You should consider the questions or issues and record your responses in your course journal for later review by your instructor.

As you complete this unit you will be required to complete an assignment and submit them to your instructor for review, feedback and grading. The assignment is:

Final Course Assignment – Produce a comprehensive human resource plan for a specific business.
TOPIC 6.1 – COMPENSATION AND BENEFITS

INTRODUCTION
Compensation and benefits is an activity that is normally managed by the Human Resource Manager. It is focused on employee compensation and benefits policy-making and management. Compensation includes pay for work and other financial rewards for performance. Benefits include vacation time, paid medical and dental, work sponsored educational opportunities, retirement plans, etc.

OBJECTIVES
Upon completion of this topic you should be able to:

1. Identify the difference between compensation and benefits.
2. Describe different employee benefit programmes.
3. Explain the different forms of compensation packages.
4. Explain different bonus plans.

OVERVIEW
EMPLOYEE BENEFITS
Employee benefits typically refers to retirement plans, health life insurance, life insurance, disability insurance, vacation, employee stock ownership plans, etc. Benefits are increasingly expensive for businesses to provide to employees, so the range and options of benefits are changing rapidly to include, for example, flexible benefit plans.

Benefits are forms of value, other than payment, that are provided to the employee in return for their contribution to the organization, that is, for doing their job. Some benefits, such as unemployment and worker's compensation, are federally required. (Worker's compensation is really a worker's right, rather than a benefit.)

Prominent examples of benefits are insurance (medical, life, dental, disability, unemployment and worker's compensation), vacation pay, holiday pay, and maternity leave, contribution to retirement (pension pay), profit sharing, stock options, and bonuses. (Some people would consider profit sharing, stock options and bonuses as forms of compensation.)

You might think of benefits as being tangible or intangible. The benefits listed previously are tangible benefits. Intangible benefits are less direct, for example, appreciation from a boss, likelihood for promotion, nice office, etc. People sometimes talk of fringe benefits, usually referring to tangible benefits, but sometimes meaning both kinds of benefits.
You might also think of benefits as company-paid and employee-paid. While the company usually pays for most types of benefits (holiday pay, vacation pay, etc.), some benefits, such as medical insurance, are often paid, at least in part, by employees because of the high costs of medical insurance.

**EMPLOYEE COMPENSATION**

Compensation includes topics in regard to wage and/or salary programs and structures, for example, salary ranges for job descriptions, merit-based programs, bonus-based programs, commission-based programs, etc. (Also see the Related Info (including Benefits).)

Compensation is payment to an employee in return for their contribution to the organization, that is, for doing their job. The most common forms of compensation are wages, salaries and tips.

Compensation is usually provided as base pay and/or variable pay. Base pay is based on the role in the organization and the market for the expertise required to conduct that role. Variable pay is based on the performance of the person in that role, for example, for how well that person achieved his or her goals for the year. Incentive plans, for example, bonus plans, are a form of variable pay. (Some people might consider bonuses as a benefit, rather than a form of compensation.) Some programs include a base pay and a variable pay.

Organizations usually associate compensation/pay ranges with job descriptions in the organization. The ranges include the minimum and the maximum amount of money that can be earned per year in that role.

Employees have certain monies withheld from their payroll checks, usually including federal income tax, state income tax, FICA (social security) contributions, and employee contributions to the costs of certain benefits (often medical insurance and retirement).

**Exempt and Non-Exempt**

Jobs in organizations have two classifications, exempt and non-exempt.

Professional, management and other types of skilled jobs are classified as exempt. Exempt jobs get a salary, that is, a fixed amount of money per time interval, usually a fixed amount per month. It’s not uncommon for exempt positions to receive higher compensation and benefits than non-exempt jobs, although non-exempt jobs often can make more money than exempt jobs simply by working more hours.

Unskilled or entry-level jobs are usually classified as non-exempt. Non-exempt jobs usually get a wage, or an amount of money per hour. Non-exempt jobs also get paid over-time, that is, extra pay for hours worked over 40 hours a week or on certain days of the week or on holidays.
Each job must have the same pay range for anyone performing that job, that is, one person can't have a higher maximum pay than someone else doing that same job.
CATEGORIES OF COMPENSATION AND BENEFITS PACKAGES

Employee compensation and benefits are basically divided into four categories:

Guaranteed Pay (Base Salary) – is a monetary (cash) reward paid by an employer to an employee based on employee/employer relations. The most common form of guaranteed pay is the basic salary.

The basic element of guaranteed pay is the employee’s base salary, normally paid based on an hourly, daily, weekly, bi-weekly or a monthly rate. The base salary is typically used by employees for ongoing consumption. Many countries dictate the minimum base salary defining a minimum wage. Individual skills and level of experience of employees leave room for differentiation of income-levels within the job-based pay structure.

In addition to base salary, there are other pay elements which are paid based solely on employee/employer relations, such as salary and seniority allowance.

Variable Pay – monetary (cash) reward paid by an employer to an employee that is contingent on discretion, performance or results achieved. There are different types of variable pay plans, such as bonus schemes, sales incentives (commission), overtime pay, performance bonuses and more.

An example where this type of compensation plan is prevalent is the real estate industry and real estate agents. A common variable pay plan might be the sales person receives 50% of every dollar they bring in up to a level of revenue at which they then bump up to 85% for every dollar they bring in going forward. Typically, this type of plan is based on an annual period of time requiring a "resetting" each year back to the starting point of 50%. Sometimes this type of plan is administered so that the sales person never resets and never falls down to a lower level. It also includes Performance Linked Incentive which is variable and may range from 130% to 0% as per performance of the individual as per his KRA.

Benefits – programs an employer uses to supplement employees’ compensation, such as paid time-off, medical insurance, company car, and more. A benefit plan is designed to address a specific need and is often provided not in the form of cash. Many countries dictate different minimum benefits, such as minimum paid time-off, employer’s pension contribution, sick pay, and more.

Equity-Based Compensation – a plan using the employer’s share as compensation. The most common form is stock options, yet employers use additional vehicles such as restricted stock, restricted stock units (RSU), employee stock purchase plan (ESPP), and stock appreciation rights (SAR). The classic objectives of equity based compensation plans are retention, attraction of new hires and aligning employees’ and shareholders’ interests.
Bonus Plans

Bonus plans are a type of variable pay plans. They have three classic objectives:

**Adjust labor cost to financial results** – the basic idea is to create a bonus plan where the company is paying more bonuses in ‘good times’ and less (or no) bonuses in ‘bad times’. By having bonus plan budget adjusted according to financial results, the company’s labor cost is automatically reduced when the company isn’t doing so well, while good company performance drives higher bonuses to employees.

**Drive employee performance** – the basic idea is that if an employee knows that his/her bonus depend on the occurrence of a specific event (or paid according to performance, or if a certain goal is achieved), then the employee will do whatever he/she can to secure this event (or improve their performance, or achieve the desired goal). In other words, the bonus is creating an incentive to improve business performance (as defined through the bonus plan).

**Employee retention** – retention is not a primary objective of bonus plans, yet bonuses are thought to bring value with employee retention as well, for three reasons: 
- a) a well-designed bonus plan is paying more money to better performers; a competitor offering a competing job-offer to these top performers is likely to face a higher hurdle, given that these employees are already paid higher due to the bonus plan.
- b) if the bonus is paid annually, employee is less inclined to leave the company before bonus payout; often the reason for leaving (e.g. dispute with the manager, competing job offer) 'goes away' by the time the bonus is paid. the bonus plan 'buy' more time for the company to retain the employee.
- c) employees paid more are more satisfied with their job (all other things being equal) thus less inclined to leave their employer.

**SUMMARY**

If you wish to retain your employees your company must provide a competitive compensation and benefits package. As your company becomes more successful you should share your financial success with your employees by providing additional compensation and benefits or through some form of bonus plan. The key is to get your employees to understand if the company is successful and they have contributed to this success that they will be recognized for their contributions.
TOPIC 6.2 – TRAINING AND DEVELOPMENT

INTRODUCTION
In the field of human resource management, training and development is the activity which is concerned with organizational activity aimed at bettering the performance of individuals and groups in organizational settings. It has been known by several names, including human resource development, and learning and development.

OBJECTIVES
Upon completion of this topic you should be able to:

1. Explain the differences between training, development and education.
2. Explore the creation of a corporate education unit.
3. Examine different development strategies.

TRAINING AND DEVELOPMENT ACTIVITIES
Training and development encompasses three main activities: training, education, and development. Garavan, Costine, and Heraty, of the Irish Institute of Training and Development, note that these ideas are often considered to be synonymous. However, to practitioners, they encompass three separate, although interrelated, activities:

- **Training**: This activity is both focused upon, and evaluated against, the job that an individual currently holds.\[3\]
- **Education**: This activity focuses upon the jobs that an individual may potentially hold in the future, and is evaluated against those jobs.
- **Development**: This activity focuses upon the activities that the organization employing the individual, or that the individual is part of, may partake in the future, and is almost impossible to evaluate.

TRAINING
The term *training* refers to the acquisition of knowledge, skills, and competencies as a result of the teaching of vocational or practical skills and knowledge that relate to specific useful competencies. Training has specific goals of improving one’s capability, capacity, and performance. It forms the core of apprenticeships and provides the backbone of content at institutes of technology (also known as technical colleges or polytechnics). In addition to the basic training required for a trade, occupation or profession, observers of the labor-market recognize as of 2008 the need to continue training beyond initial qualifications: to maintain, upgrade and update skills throughout working life.
On-Job Training

On Job Training or OJT is one common form of training used by small to medium size businesses. On-the-job training takes place in a normal working situation, using the actual tools, equipment, documents or materials that trainees will use when fully trained. On-the-job training is considered an effective from of vocational training.

On job training should be guided by an On the Job Training Plan or OJT Plan. An OJT plan should include: An overview of the subjects to be covered, the number of hours the training is expected to take, an estimated completion date, and a method by which the training will be evaluated.

CORPORATE EDUCATION

Corporate Education refers to a system of professional development activities provided to educate employees. It may consist of formal university or college training or informal training provided by non-collegiate institutions. The simplest form of corporate education may be training programs designed "in-house" for an organization that may wish to train their employees on specific aspects of their job processes or responsibilities. More formal relationships may further exist where corporate training is provided to employees through contracts or relationships with educational institutions who may award credit, either at the institution or through a system of CEUs (Continuing Education Units).

Many institutions or trainers offering corporate education will provide certificates or diplomas verifying the attendance of the employee. Some employers use corporate and continuing education as part of a holistic human resources effort to determine the performance of the employee and as part of their review systems.

Increasingly organizations appear to be using corporate education and training as an incentive to retain managers and key employees within their organization. This win-win arrangement creates better educated managers for the organization and provides the employees with a more marketable portfolio of skills and, in many cases, recognized qualifications.

CORPORATE TRAINING VS. CORPORATE EDUCATION

Most organizations tend to think of corporate education as corporate training. Corporate training programs are often competency based and related to the essential training employees need to operate certain equipment or perform certain tasks in a competent, safe and effective manner. The outcome of a corporate training program is a participant who is either able to operate a piece of equipment or perform a specific task in an effective manner according to pre-determined training criteria.

The primary role of corporate training is to ensure an employee has the knowledge and skills to undertake a specific operation to enable an organization can continue to operate.
Fundamentally, corporate training is centred on knowledge transfer, with an instructor teaching or demonstrating a particular function and the student learning and demonstrating they can apply what they have learnt to a particular operation.

Corporate education, however, adds another dimension and depth to training by involving learners as participants in generating new knowledge that assists an organization to develop and evolve, rather than maintain the status quo. Corporate education focuses on developing the capability of an organization to be able to do things and, in particular, the right things in order to be a sustainable and successful organization.

Corporate education often involves a facilitator, rather than an instructor or trainer, to engage participants and encourage them to think about the what, how and why of what they are doing and to challenge their current paradigms. Corporate education is centred on introducing learning techniques to stimulate employees to think about what their organization does, where it is heading, potential new opportunities for the organization and new and better ways of doing things. While the role of corporate training is to develop the operational competency of individuals, the purpose of corporate education is to promote the development of capability of both an individual and their organization.

Increasingly organizations appear to be using corporate education as an incentive to retain managers and key employees within their organization. This win-win arrangement creates better educated managers and employees for the organization and gives individual employees a more marketable portfolio of skills and, in many cases, recognized qualifications.

**DEVELOPMENT**

Professional development is both an educational activity and a development activity. Professional development and career development can also occur outside of the classroom. Some of the development methods include:

1. **Mentoring** - Mentoring is a process for the transmission of knowledge, social capital, and the psychosocial support perceived by the recipient as relevant to work, career, or professional development; mentoring entails informal communication, usually face-to-face and during a sustained period of time, between a person who is perceived to have greater relevant knowledge, wisdom, or experience (the mentor) and a person who is perceived to have less. Mentoring plans can be created that describes the desired outcomes and the resources that should be used to support the mentee as he or she moves towards their goals.

2. **Succession Planning** - The development of "high potential employees or managers" to effectively take over the current leadership when their time comes to exit their positions is known as succession planning. This type of leadership development usually requires the extensive transfer of an individual between departments. In
many multinationals, it usually requires international transfer and experience to build a future leader. Succession planning requires a sharp focus on organization's future and vision, in order to align leadership development with the future the firm aspires to create.

**Coaching** - Business coaching is a type of personal or human resource development activity. It provides positive support, feedback and advice to an individual or group basis to improve their personal effectiveness in the business setting. Business coaching includes executive coaching, corporate coaching and leadership coaching. Coaching is not a practice restricted to external experts or providers. Many organizations expect their senior leaders and middle managers to coach their team members toward higher levels of performance, increased job satisfaction, personal growth, and career development. Business coaching is not the same as mentoring. Mentoring involves a developmental relationship between a more experienced "mentor" and a less experienced partner, and typically involves sharing of advice. A business coach can act as a mentor given that he or she has adequate expertise and experience. However, mentoring is not a form of business coaching. Some link coaching activities to the manager/coach compensation.

**DEVELOPING A TRAINING AND DEVELOPMENT STRATEGY**

Training and development in an organization requires implementation to achieve success. Therefore, the strategy will require vision, focus, direction and an action planning document. A training and development strategy is a mechanism that establishes what competencies an organization requires in the future and a means to achieve it.

**Why Create a T&D Strategy?**

Many points can be put forward in favor of why you need a T&D strategy. The most compelling though rests in the results of a recent study of 3,000 companies done by researchers at the University of Pennsylvania. They found that 10% of revenue -

- spent on capital improvements, boosts productivity by 3.9%
- spent on developing human capital, increased productivity by 8.5%

Remember, anything worth achieving, is worth planning for!

**What are a T&D Strategy's Components?**

There are many important aspects to consider here. To create the Strategic Training and Development Plan, you will need a detailed profile of your;

- Employee Training and Train-the-Trainer needs,
- Team Building and Team Development,
• Leadership Development,
• Executive Coaching,
• Competency Requirements and Skills Profiling,
• Objectives and Action Plans,
• Vision.

All of these profiles will further have to be considered within the realms of Equity and Diversity, Organization Values, Business Process Improvement, Change Management and Organization Design and Structure.

How are T&D Strategies Created and Implemented?

The most successful and profitable approach has been to;

• Identify the customer's training needs in terms of their organizational strategic plan, HR strategic plan, personal development plans and focus on comprehensive interviews or focus groups,
• Establish development gaps, present and future,
• Set organizational training objectives,
• Create a training action plan, which must ensure that the necessary systems are in place, access resources, source or design training and position the training. The training must then be delivered and coordinated,
• Monitor the training,
• Evaluate the training by assessment and verification, and
• Revise training and/or training plan.

A strategy designed but not implemented is worthless! In order to bring about the best results for the training strategy, the training products or services need to be marketed and promoted by manipulating the following;

• **Product/Service** - keep the training cutting edge and future focused. Make sure there is a practical transfer of learning, put a development support network in place, and ensure alignment to quality standards.

• **Promotion** - commit to a core training value system. Create a slogan or tagline to brand your training. Bridge the gap between perception and reality. Give your
training a personality and a brand, and remember your customers (your employees are customers) want to know, "What's in it for me".

- **Price** - cost the training accurately and calculate the value received.

- **Place** - decide between on-the-job, classroom, distance learning, web-based and virtual learning. Access, location, and distribution are key to consider.

- **People's needs** - establish what your employees want and need. Ensure your employees know the training is meeting their needs and that these needs provide a base for decisions in all other areas.

- **Project Management** - Establish roles and responsibilities. Action the Training and Development Strategic Plan. Monitor and evaluate progress and make adjustments where necessary.

**SUMMARY**
Employee training, development and education is another key factor to the success of any business. To maintain your competitive edge you must continuously introduce innovative ideas, methods and equipment. Employees must grow with the company, this growth includes their intellectual capabilities and their physical skills. The development of human resources will result in increased profitability.
**INTRODUCTION**
Now let’s talk about the health and safety issues since this a greater challenges face managers in organizations. Well, of course it is not a pleasant thing to know about when someone got hurt at work or became ill through work. According to [http://www.hse.gov.uk](http://www.hse.gov.uk) over 200 people a year lose their lives at work in Britain. In addition, around 150 000 non-fatal injuries are reported each year, and an estimated 2 million suffer from ill health caused or made worse by work.

Well, we can prevent these things from happening if proper measures are in place and if organizations are prepared to handle such situations. The question arises now is will it be very expensive to implement health and safety measures? There is no clear answer to this but one thing is clear us is that safer and more efficient working practices can often save money and, more importantly, they can help to save lives.

In today’s environment employers are obliged to provide employees safe and healthy working environment. However, the challenge is not easy; nor can all situations affecting employee health, safety, and security always be anticipated.

Who are responsible for health and safety matters? It can be an operating manager or HR specialists in your organization.

Requiring employees to work with unsafe equipment or in areas where hazards are uncontrolled is a highly questionable practice that has led to the passage of workplace safety and health laws. Managers also must ensure that employees are safety conscious and are not subjected to conditions causing poor health.

**OBJECTIVES**
Upon completion of this topic you will be able to:

1. Define health and safety and explain their importance in organizations.
2. Explain why it is important for businesses to improve occupational health and safety.
3. Relate hazards to occupational accidents and diseases.
4. Describe and explain strategies for improving the standard of occupational health and safety.
DEFINING HEALTH AND SAFETY
The terms health and safety are closely related. The term health refers to a general state of physical, mental, and emotional well-being.

Can you define a health person?
A healthy person is one who is free of illness, injury, or mental and emotional problems that impair normal human activity.

But the question of exactly what is healthy or normal behavior is open to interpretation.

Typically, safety refers to protecting the physical well-being of people. The main purpose of effective safety programs in organizations is to prevent work related injuries and accidents.

So, there is always the risk of accidents or incidences in your working environment or during the work. Therefore, it is very important to assess the risk.

What is risk assessment? A risk assessment is nothing more than a careful examination of what, in your work, could cause harm to people. Risk assessment should be a practical exercise, aimed at getting the right controls in place – keep it simple and put the results into practice.

WHAT IS OSH?
Occupational safety and health is a cross-disciplinary area concerned with protecting the safety, health and welfare of people engaged in work or employment. The goal of all occupational safety and health programs is to foster a safe work environment. As a secondary effect, it may also protect co-workers, family members, employers, customers, suppliers, nearby communities, and other members of the public who are impacted by the workplace environment.

REASONS FOR OSH
OSH policies and programmes should be implemented in every type of business, be it a production environment of a service environment. There are three main reasons every business should support OSH.

1. **Moral** - It is unacceptable for any business to put the health and safety of their people at risk. In addition OSH is driven by society’s attitude to a business’s moral obligations and the moral responsibilities of senior management

2. **Legal** – A business must ensure it works within the laws and regulations of the nations they are working in. Most nations have legislation and regulations governing worker occupational health and safety. In many jurisdictions the nation or region has established Worker Compensation Boards to oversee the effective implementation of employee health and safety in the workplace.
3. **Economic** – A business is as good as its people. The lack of safety or the poor health of employees has a direct and indirect cost associated with incidents and their impact on the organization. It can impact productivity and include insured and un-insured costs.

**OSH Responsibilities**

The task of overseeing health and safety measures, policies and programmes is usually implemented by the organization’s Supervisors and Managers. Some of the OSH tasks include:

1. Produce OSH policies and procedures.
2. Establish and enforce safe working practices.
3. Coordinate health and safety programs.
4. Investigate accidents and take appropriate corrective action.
5. Produce safety programme materials.
6. Conduct safety trainings.

A human resource department plays a key role in the planning and coordination of an OSH programme. As the table below illustrates they complement the role of their managers.

<table>
<thead>
<tr>
<th>HR Unit</th>
<th>Managers</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Coordinates health and safety programs.</td>
<td>• Monitor health and safety of employees daily.</td>
</tr>
<tr>
<td>• Develops safety reporting system.</td>
<td>• Coach employees to be safety conscious.</td>
</tr>
<tr>
<td>• Provide accident investigation expertise.</td>
<td>• Investigate accidents.</td>
</tr>
<tr>
<td>• Provides technical expertise on accident prevention.</td>
<td>• Observer health and behaviour of employees.</td>
</tr>
<tr>
<td>• Trains managers to recognize and handle difficult employee situations.</td>
<td>• Communicate with employees to identify potentially difficult employees.</td>
</tr>
<tr>
<td></td>
<td>• Follow security procedures and recommend changes as needed.</td>
</tr>
</tbody>
</table>
**MANAGEMENT TASKS**
Below is a list of specific OSH tasks that managers should conduct to ensure their OSH responsibilities are executed.

- Develop safe work systems and practices.
- Maintain safe and healthy work environment.
- Communicate health and safety policy in writing.
- Consult with safety representatives and appoint a safety committee if asked to do so.
- Carry out continuous risk assessment.
- Introduce controls to reduce risk.
- Share hazard information with other employers.
- Initiate/revise safety policies in light of risk.
- Identify employees particularly at risk.
- Provide relevant, up-to-date training in safety.
- Provide health and safety information to all employees.
- Employ competent health and safety advisors.

**ROLE OF THE EMPLOYEES**
The employees must take an active part in the implementation and conduct of a workplace OSH programme. Their roles include:

1. Practice safe working habits and routines.
2. Take reasonable care of themselves and others.
3. Comply with health and safety measures.
4. Inform their employer of any situation which presents a safety risk.
5. Report and record all accidents.
6. Maintain your own personal health and avoid situations where you could impact others in the workplace.
**Workers’ Compensation Laws**

As you may know different countries have different legal requirements regarding health and safety, complying with a variety of your countries laws is fundamental to everyone including employees. Let me look at some major legal areas in general.

Under Worker Compensation Laws/Regulations employers contribute to an insurance fund to compensate employees for injuries received while on the job. Premiums paid reflect the accident rates at each employer. Also, these laws usually provide payments for lost wages, for medical bills, and for retraining if the worker cannot go back to the old job.

What covers in the compensation laws? Do you have a compensation law in your country?

Some countries workers’ compensation law can cover emotional impairment that may have resulted from physical injury, job related strain, stress, anxiety, and pressure. According to (Robert L. Mathis, John H. Jackson, 2007) most common injuries are back problems, broken bones, cuts, and carpal tunnel syndrome. The most common illnesses are stress and allergies.

**Child Labour Laws**

Here is another area of safety concern, restricting worker under the age of 18 (child labour) and occupations which cannot be given to those of age less than 18.

Manufacturing or storing explosives, logging and sawmilling are just two examples of occupations which cannot be undertaken by a person less than 18 years of age in America. (Robert L. Mathis, John H. Jackson, 2007)

Yes!, depending on how serious and concerned we are about health and safety issues, appropriate laws come in place because it will help to minimize such incidences.

**Safety Management**

Of cause an effective way of managing safety is the commitment to safe working conditions by the organization. You will agree with me that well designed and better managed safety programs will benefits to the company such that lower number of accidents and other safety concerns hence less compensations and fine fines are paid by the company.

How will you know whether you company has an effective safety program? The following are ingredients of a good safety management program.

- Organizational commitment.
- Safety policies and disciplines.
- Safety training and communications.
• Safety committees.

• Investigations and inspections.

• Evaluation of safety efforts.

**SUMMARY**

No matter what type of business you are involved in you must consider the occupational health and safety of your employees. Training is an integral part of the OSH process. Employees need to be trained in safe practices and made aware of OSH policies and procedures. Even those working in a job like an office clerk, the employee health issues are important. Every time someone is out sick that impacts company productivity.
UNIT SUMMARY

HR specialists or managers who are responsible for the management and execution of HR activities must become familiar with a wide range of topics that impact the workforce. Their pay, health, development and safety must be considered. Appropriate policies and procedures must be created to guide these activities. Employees must be schooled in the HR policy framework that impact their work environment.

ASSIGNMENTS AND ACTIVITIES

This is the final assignment for the course. You will now complete the Major Project described at the beginning of the course. The earlier Major Project instructions are reproduced below.

Major Project – HRM Plan

Aim: Create a comprehensive Human Resource Management Plan to guide the creation and/or growth of a small business.

Overview: If you are currently in a business or you are considering starting a business think about what you will need to do to support your human resources as you grow the business. Consider the type of business you wish to build or grow. Consider the organization and structure of your business. Consider the type and quantity of personnel you will need to ensure the business meets its strategic goals.

Task: Create a multi-year HR plan that supports business growth and moves the company towards its stated business goals.

Content of the Plan: The HR Plan should describe:

1. The multi-year small business goals.
2. The proposed organization and management structure of the business.
3. The HR planning process you used to create the plan.
4. Job analysis to include:
   a. An organizational structure that illustrates the number and type of jobs and occupations.
   b. A minimum of three job specifications and job descriptions for a Manager, Supervisor and Employee.
5. Recruitment and Selection Plan to include:
   a. Advertising poster for at least one vacant job position.
   b. Description of selection process.
   c. Selection interview questionnaire.
6. Induction Plan that describes how you will orient new employees.
7. Compensation and Benefits Plan.
8. Training and Development Plan.
10. List of HR Policies and Procedures that need to be created and implemented.

Completion Instructions: Your instructor will provide further instructions on how to complete and submit the plan for grading. The instructor will also provide a rubric that describes the assessment procedures and marking plan for the major project.

SUPPLEMENTARY READINGS
LESSONS LEARNED

You are encouraged to reflect upon the lessons learned from this course. You should create your own list of lessons learned. You should note areas or topics that you would like to explore further. Just because the course has ended you should continue to gain additional expertise by reading Human Resource Management journals, articles and books. You may even want to participate in workshops and conference in organizational behaviour.

It is hoped that you will take the knowledge and skill you have learned during completion of this course to help improve your organization. This course should support the entrepreneur who is just starting out and individuals working in more mature organizations.

Good luck in the future.

COURSE JOURNAL SUBMISSION

By now your course journal should be very full. You should submit it to your instructor for review, feedback and grading. He or she will ensure that you get your original journal back so that you can continue to record your organizational behaviour discoveries and decisions as you move forward with your business.

FINAL ASSIGNMENT – MAJOR PROJECT

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8. Training and Development Plan.
10. List of HR Policies and Procedures that need to be created and implemented.

Completion Instructions: Your instructor will provide further instructions on how to complete and submit the plan for grading. The instructor will also provide a rubric that describes the assessment procedures and marking plan for the major project.

Course Evaluation

As a final step you are asked to complete a course evaluation. Your institution will provide you with the form and instructions on how to complete it and submit it.

<Insert instructions on how to complete and submit a course evaluation. You should include a course evaluation form as an Appendix.>

List of Human Resource Management Journals


APPENDIX ONE – SAMPLE JOB DESCRIPTION

Adopted from: About.com Human Resources
(http://humanresources.about.com/od/jobdescriptions/a/HR_Generalist.htm)

Job Title: Human Resources Generalist

Reporting to: HR Manager

Position Description:

The Human Resources Generalist manages the day-to-day operations of the Human Resource office. The HR Generalist manages the administration of the human resources policies, procedures and programs. The HR Generalist carries out responsibilities in the following functional areas: departmental development, Human Resource Information Systems (HRIS), employee relations, training and development, benefits, compensation, organizational development, and employment.

The Human Resources generalist is responsible for all or part of these areas:

- recruiting and staffing logistics;
- organizational and space planning;
- performance management and improvement systems;
- organization development;
- employment and compliance to regulatory concerns and reporting;
- employee orientation, development, and training;
- policy development and documentation;
- employee relations;
- company-wide committee facilitation;
- company employee communication;
- compensation and benefits administration;
- employee safety, welfare, wellness and health; and
- employee services and counseling.
The Human Resources Generalist originates and leads Human Resources practices and objectives that will provide an employee-oriented, high performance culture that emphasizes empowerment, quality, productivity and standards, goal attainment, and the recruitment and ongoing development of a superior workforce.

The Human Resources Generalist coordinates implementation of services, policies, and programs through Human Resources staff; reports to the Human Resources Director, and assists and advises company managers about Human Resources issues.

**Primary Objectives:**

- Safety of the workforce.
- Development of a superior workforce.
- Development of the Human Resources department.
- Development of an employee-oriented company culture that emphasizes quality, continuous improvement, and high performance.
- Personal ongoing development.

**Development of the Human Resources Department**

- Assists with the development and administration of programs, procedures, and guidelines to help align the workforce with the strategic goals of the company.
- Participates in developing department goals, objectives, and systems.
- Participates in administrative staff meetings and attends other meetings and seminars.
- Assists to establish departmental measurements that support the accomplishment of the company’s strategic goals.
- Assists with the monitoring of an annual budget.

**Human Resource Information Systems**

- Manages the development and maintenance of the Human Resources sections of both the Internet, particularly recruiting, culture, and company information; and Intranet sites.
- Maintains employee-related data bases. Prepares and analyzes reports that are necessary to carry out the functions of the department and company. Prepares periodic reports for management, as necessary or requested.
- Fully utilizes Human Resources software to the company's advantage.

Training and Development

- Assists with the implementation of the performance management system that includes performance development plans (PDPs) and employee development programs.
- Assists with the establishment of an in-house employee training system that addresses company training needs including training needs assessment, new employee orientation or onboarding, management development, production cross-training, the measurement of training impact, and training transfer.
- Assists managers with the selection and contracting of external training programs and consultants.
- Provides necessary education and materials to managers and employees including workshops, manuals, employee handbooks, and standardized reports.
- Assists with the development of and monitors the spending of the corporate training budget.
- Maintains employee training records.

Employment

- Manages the recruitment process for exempt and non-exempt employees and interns using the standard recruiting and hiring practices and procedures necessary to recruit and hire a superior workforce.
- Conducts the recruiting planning meetings when needed staff is identified.
- Reviews resumes for all candidates and interview non-exempt, and exempt when assigned, candidates for employment.
- Serves on employee selection committees or meetings.

Employee Relations

- Assists with the development of Human Resources policies for the company with regard to employee relations.
- Partners with management to communicate Human Resources policies, procedures, programs and laws.
• Recommends employee relations practices necessary to establish a positive employer-employee relationship and promote a high level of employee morale and motivation.

• Participates in the conduct of investigations when employee complaints or concerns are brought forth.

• Advises managers and supervisors about the steps in the progressive discipline system of the company. Counsels managers on employment issues.

• Assists with the implementation of company safety and health programs. Tracks and posts OSHA-required data and files reports.

Compensation

• Assists with the monitoring of the company wage and salary structure and the variable pay systems within the company including bonuses and raises.

• Provides competitive market research and prepares pay studies to help establish pay practices and pay bands that help to recruit and retain superior staff.

• Provides payroll processing backup support. Partners with accounting and payroll to maintain the payroll data base.

• Participates in one salary survey per year.

Benefits

• Provides day-to-day benefits administration services. Assist employees with any claim issues.

• Develops and schedules benefits orientations and other benefits training.

• Administers the 401(k) plan and completes yearly compliance reporting.

• Administers disability and worker's compensation claims.

• Recommends changes in benefits offered, especially new benefits aimed at employee satisfaction and retention.

Law

Complies with all existing governmental and labor legal and government reporting requirements including any related to the Equal Employment Opportunity (EEO), the Americans With Disabilities Act (ADA), the Family and Medical Leave Act (FMLA), Employee Retirement Income Security Act (ERISA), the Department of Labor, worker compensation,
the Occupational Safety and Health Administration (OSHA), and so forth. Maintains minimal company exposure to lawsuits.

Protects the interests of employees and the company in accordance with company Human Resources policies and governmental laws and regulations.

**Organization Development**

- Assists with the carrying out of a company-wide process of organization development that addresses issues such as succession planning, superior workforce development, key employee retention, organization design, and change management.

- Assists with employee communication and feedback through such avenues as company meetings, suggestion programs, employee satisfaction surveys, newsletters, employee focus groups, one-on-one meetings, and Intranet use.

- Helps monitor the organization’s culture so that it supports the attainment of the company’s goals and promotes employee satisfaction.

- Assists with the company-wide committees including the wellness, training, environmental health and safety, activity, and culture and communications committees.

- The Human Resources Generalist assumes other responsibilities as assigned by the Human Resources Director.

To perform the Human Resources Generalist job successfully, an individual must be able to perform each essential responsibility satisfactorily. These requirements are representative, but not all-inclusive, of the knowledge, skill, and ability required of the company Human Resources Generalist. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

**Human Resources Generalist Requirements**

- General knowledge of employment laws and practices.

- Experience in the administration of benefits and compensation programs and other Human Resources programs.

- Excellent computer skills in a Microsoft Windows environment. Must include Excel and demonstrated skills in database management and record keeping.

- Effective oral and written communication.
- Excellent interpersonal and coaching skills.
- Evidence of the practice of a high level of confidentiality.
- Excellent organizational skills.
Education and Experience

- Minimum of a Bachelor’s degree or equivalent in Human Resources, Business, or Organization Development or equivalent. Masters degree preferred.
- Three to five plus years of progressive leadership experience in Human Resources positions.
- Specialized training in employment law, compensation, organizational planning, organization development, employee relations, safety, training, and preventive labor relations, preferred.
- Professional in Human Resources (PHR) certification preferred not required.

Physical Demands of the HR Generalist's Job

These physical demands are representative of the physical requirements necessary for an employee to successfully perform the essential functions of the Human Resources Generalist's job. Reasonable accommodation can be made to enable people with disabilities to perform the described essential functions of the Human Resources Generalist's job.

While performing the responsibilities of the Human Resources Generalist's job, the employee is required to talk and hear. The employee is often required to sit and use their hands and fingers, to handle or feel and to manipulate keys on a keyboard. The employee is occasionally required to stand, walk, reach with arms and hands, climb or balance, and to stoop, kneel, crouch or crawl. Vision abilities required by this job include close vision.

Work Environment for the HR Generalist's Job

While performing the responsibilities of the Human Resources Generalist's job, these work environment characteristics are representative of the environment the Human Resources Generalist will encounter. Reasonable accommodations may be made to enable people with disabilities to perform the essential functions of the Human Resources Generalist’s job.

While performing the duties of this job, the employee is occasionally exposed to moving mechanical parts and vehicles. The noise level in the work environment is usually quiet to moderate.

Conclusion

This job description is intended to convey information essential to understanding the scope of the Human Resources Generalist's position and it is not intended to be an exhaustive list of skills, efforts, duties, responsibilities or working conditions associated with the position.
APPENDIX TWO – SAMPLE INTERVIEW QUESTIONS

INTERVIEW QUESTIONS: WORK HISTORY
- Name of company, position title and description, dates of employment.
- What were your expectations for the job and to what extent were they met?
- What were your starting and final levels of compensation?
- What were your responsibilities?
- What major challenges and problems did you face? How did you handle them?
- What have you learned from your mistakes?
- What did you like or dislike about your previous job?
- Which was most / least rewarding?
- What was the biggest accomplishment / failure in this position?

QUESTIONS ABOUT THE CANDIDATE’S SUPERVISORS AND CO-WORKERS.
- What was it like working for your supervisor?
- What do you expect from a supervisor?
- What problems have you encountered at work?
- Have you ever had difficulty working with a manager?
- Who was your best boss and who was the worst?
- Why are you leaving your job?
- Why did you resign?
- Why did you quit your job?
- What have you been doing since your last job?
- Why were you fired?

JOB INTERVIEW QUESTIONS ABOUT THE CANDIDATE
- What is your greatest weakness?
- What is your greatest strength?
• How will your greatest strength help you perform?
• How would you describe yourself?
• Describe a typical work week.
• Describe your work style.
• Do you take work home with you?
• How many hours do you normally work?
• How would you describe the pace at which you work?
• How do you handle stress and pressure?
• What motivates you?
• Are you a self motivator?
• What are your salary expectations?
• What do you find are the most difficult decisions to make?
• Tell me about yourself.
• What has been the greatest disappointment in your life?
• What are you passionate about?
• What are your pet peeves?
• What do people most often criticize about you?
• When was the last time you were angry? What happened?
• If you could relive the last 10 years of your life, what would you do differently?
• If the people who know you were asked why you should be hired, what would they say?

**Teamwork Interview Questions.**

• Do you prefer to work independently or on a team?
• Give some examples of teamwork.
• What type of work environment do you prefer?
• How do you evaluate success?
• If you know your boss is 100% wrong about something how would you handle it?
• Describe a difficult work situation / project and how you overcame it.
• Describe a time when your workload was heavy and how you handled it.
• More job interview questions about your abilities.
• More job interview questions about you.

**JOB INTERVIEW QUESTIONS ABOUT THE NEW JOB AND THE COMPANY**
• What interests you about this job?
• Why do you want this job?
• What applicable attributes / experience do you have?
• Are you overqualified for this job?
• What can you do for this company?
• Why should we hire you?
• Why are you the best person for the job?
• What do you know about this company?
• Why do you want to work here?
• What challenges are you looking for in a position?
• What can you contribute to this company?
• Are you willing to travel?
• What is good customer service?
• How long do you expect to remain employed with this company?
• Is there anything I haven't told you about the job or company that you would like to know?

**INTERVIEW QUESTIONS: THE FUTURE**
• What are you looking for in your next job? What is important to you?
• What are your goals for the next five years / ten years?
• How do you plan to achieve those goals?
• What are your salary requirements - both short-term and long-term?
• What will you do if you don't get this position?

**CANDIDATE SPECIFIC JOB INTERVIEW QUESTIONS**
• Insert candidate specific questions extracted from the job description.

Adopted from About.com.Job Searching available at:  
http://jobsearch.about.com/od/interviewquestionsanswers/a/interviewquest.htm

Note: This web site also provides best answers to each question.
**APPENDIX THREE – SAMPLE APPRAISAL FORM**

<table>
<thead>
<tr>
<th>org/division/dept:</th>
<th>location/based at:</th>
</tr>
</thead>
<tbody>
<tr>
<td>name:</td>
<td>position:</td>
</tr>
<tr>
<td>ref:</td>
<td></td>
</tr>
<tr>
<td>year or period covered:</td>
<td>time in present position:</td>
</tr>
<tr>
<td>appraisal date &amp; time:</td>
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**Part A**  
Appraisee to complete before the interview and return to the appraiser by (date) ____________

**A1**  
State your understanding of your main duties and responsibilities.

**A2 Discussion points:**

1. Has the past year been good/bad/satisfactory or otherwise for you, and why?

2. What do you consider to be your most important achievements of the past year?

3. What do you like and dislike about working for this organisation?

4. What elements of your job do you find most difficult?

5. What elements of your job interest you the most, and least?
6. What do you consider to be your most important aims and tasks in the next year?

7. What action could be taken to improve your performance in your current position by you, and your boss?

8. What kind of work or job would you like to be doing in one/two/five years time?

9. What sort of training/experiences would benefit you in the next year? Not just job-skills - also your natural strengths and personal passions you'd like to develop - you and your work can benefit from these.

A3 List the objectives you set out to achieve in the past 12 months (or the period covered by this appraisal) with the measures or standards agreed - against each comment on achievement or otherwise, with reasons where appropriate. Score the performance against each objective (1-3 = poor, 4-6 = satisfactory, 7-9 = good, 10 = excellent):

<table>
<thead>
<tr>
<th>objective</th>
<th>measure/standard</th>
<th>score</th>
<th>comment</th>
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### A4
Score your own capability or knowledge in the following areas in terms of your current role requirements (1-3 = poor, 4-6 = satisfactory, 7-9 = good, 10 = excellent). If appropriate bring evidence with you to the appraisal to support your assessment. The second section can be used if working towards new role requirements.

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<td>18.</td>
<td>corporate responsibility and ethics</td>
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### A5
In light of your current capabilities, your performance against past objectives, and your future personal growth and/or job aspirations, what activities and tasks would you like to focus on during the next year. Again, also think of development and experiences outside of job skills - related to personal aims, fulfilment, passions.
Part B  To be completed during the appraisal by the appraiser - where appropriate and safe to do so, certain items can completed by the appraiser before the appraisal, and then discussed and validated or amended in discussion with the appraisee during the appraisal.

**B1** Describe the purpose of the appraisee’s job. **Discuss and compare with self-appraisal entry in A1. Clarify job purpose and priorities where necessary.**

**B2** Review the completed discussion points in A2, and note the points of and action.
**B3** List the objectives that the appraisee set out to achieve in the past 12 months (or the period covered by this appraisal - typically these objectives will have been carried forward from the previous appraisal record) with the measures or standards agreed - against each comment on achievement or otherwise, with reasons where appropriate. Score the performance against each objective (1-3 = poor, 4-6 = satisfactory, 7-9 = good, 10 = excellent). **Compare with the self-appraisal in A3. Discuss and note points of significance, particularly training and development needs and wishes, which should be noted in B6.**

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<tr>
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**B4** Score the appraisee's capability or knowledge in the following areas in terms of their current (and if applicable, next) role requirements (1-3 = poor, 4-6 = satisfactory, 7-9 = good, 10 = excellent). If appropriate provide evidence to support your assessment. The second section can be used for other criteria or if the appraisee is working towards new role requirements. **Compare scores with the self-appraisal in B4. Discuss and note agreed points training/development needs and wishes (to B6).**

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**B5** Discuss and agree the appraisee's career direction options and wishes, and readiness for promotion, and compare with and discuss the self-appraisal entry in A5. (Some people do not wish for promotion, but everyone is capable of, and generally benefits from, personal development - development and growth should be available to all, not just people seeking promotion). **Note the agreed development aim(s):**
B6 Discuss and agree the skills, capabilities and experience required for competence in current role, and if appropriate, for readiness to progress to the next role or roles. Refer to actions arising from B3 and the skill-set in B4, in order to accurately identify all development areas, whether for competence at current level or readiness to progress to next job level/type.) Note the agreed development areas:

B7 Discuss and agree the specific objectives that will enable the appraisee to reach competence and to meet required performance in current job, if appropriate taking account of the coming year’s plans, budgets, targets etc., and that will enable the appraisee to move towards, or achieve readiness for, the next job level/type, or if no particular next role is identified or sought, to achieve the desired personal growth or experience. These objectives must adhere to the SMARTER rules - specific, measurable, agreed, realistic, time-bound, ethical, recorded.
B8 Discuss and agree (as far as is possible, given budgetary, availability and authorisation considerations) the training and development support to be given to help the appraisee meet the agreed objectives above.

Refer to the guidance notes. Personal development and support must be offered to all employees, irrespective of age, gender, race, disability, etc., and not just to those seeking promotion. Development is not restricted to job skills - it includes 'whole person'. Use your imagination. Job skills training isn't restricted to courses. Think about coaching, mentoring (by and of the appraisee), secondment to another role, holiday job cover, shadowing, distance-learning, e-learning, books, videos, attending meetings and workshops, workbooks, manuals and guides, researching, giving presentations; anything relevant, helpful and agreed to help the person develop. Avoid committing to training expenditure before suitable approval or availability has been confirmed. Understand development options and procedures before conducting the appraisal. Develop the whole person.

B9 Other issues (to be covered separately outside of this appraisal - continue on a separate sheet if necessary):

Signed and dated by appraisee: and by appraiser:

Grade/recommendation/summary as applicable:

Distribution of copies/confidentiality/accessibility details:

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