



# PEOPLE IN ORGANIZATIONS

HUMAN RESOURCE MANAGEMENT

## AUSTRALIA AND CHINA – HUMAN RESOURCE MANAGEMENT IN TWO COUNTRIES

Before 1978 in China, all industry was state owned and all staff were state employees. Industries were inefficient and over-staffed – jobs were given for life. There was no human resource management (HRM) because firms had no control over staffing or recruitment – these were political decisions. Since the time when privately owned companies were allowed and many state industries were bought by the private sector, the need to improve efficiency and productivity has become very great. So nearly all firms of any size now have professional human resource (HR) managers.

## AUSTRALIA AND CHINA – HUMAN RESOURCE MANAGEMENT IN TWO COUNTRIES

They try to recruit and select the best workers for their firms and –unheard of in communist times – they can ‘hire and fire’ in response to changing demand for their products. Many posts of responsibility are given to internal staff – because it is often said that the cultural links in each firm, or ‘guanixi’ (interpersonal relationships), are so strong that it is difficult for external recruits to break into the business structure.

# AUSTRALIA AND CHINA – HUMAN RESOURCE MANAGEMENT IN TWO COUNTRIES

Australia businesses have used 'Western-style' HRM for many years. There is widespread belief that good management of people has a direct impact on a firm's future profitability and success. Advertising in papers and even on TV and radio is common when a firm wants to recruit new workers. Internal promotions are often given – not for cultural reasons, but because firms do not want to lose their training investment in staff by not promoting and retaining them.



## AUSTRALIA AND CHINA – HUMAN RESOURCE MANAGEMENT IN TWO COUNTRIES

Interviews are the most widely used selection procedure, but references from past employers are very important too, and , for senior management jobs, it is common for the husband or wife to be interviewed too. Unlike China, there is a huge private recruitment industry with over 300 agencies, which allows people to seek jobs easily in other parts of the country – moving from one region to another in China is still unusual for most workers.

# AUSTRALIA AND CHINA – HUMAN RESOURCE MANAGEMENT IN TWO COUNTRIES

Points to think about:

- From the passage, list as many HRM tasks or responsibilities as you can.
- Do you think there is a close link between managing people and business profitability? Explain your answer.
- What HR problems might an Australian business experience if it tried to open a base in China?



# HUMAN RESOURCE MANAGEMENT (HRM)

THE STRATEGIC APPROACH TO THE EFFECTIVE MANAGEMENT OF AN ORGANIZATION'S WORKERS SO THAT THEY HELP THE BUSINESS GAIN A COMPETITIVE ADVANTAGE

# HUMAN RESOURCE MANAGEMENT – PURPOSE AND ROLE

The central purpose of HRM is to recruit, train and use the workers of an organization in the most productive manner.

This management function has developed from, but is different from, the work of traditional 'personnel departments'.

Personnel departments tended to be:

- Rather bureaucratic in their approach with an inflexible approach to staff issues
- Focused on recruitment, selection and discipline rather than development and training
- Reluctant to give any HR roles to any other departmental managers
- Not represented at board of directors level and not part of the strategic management team.

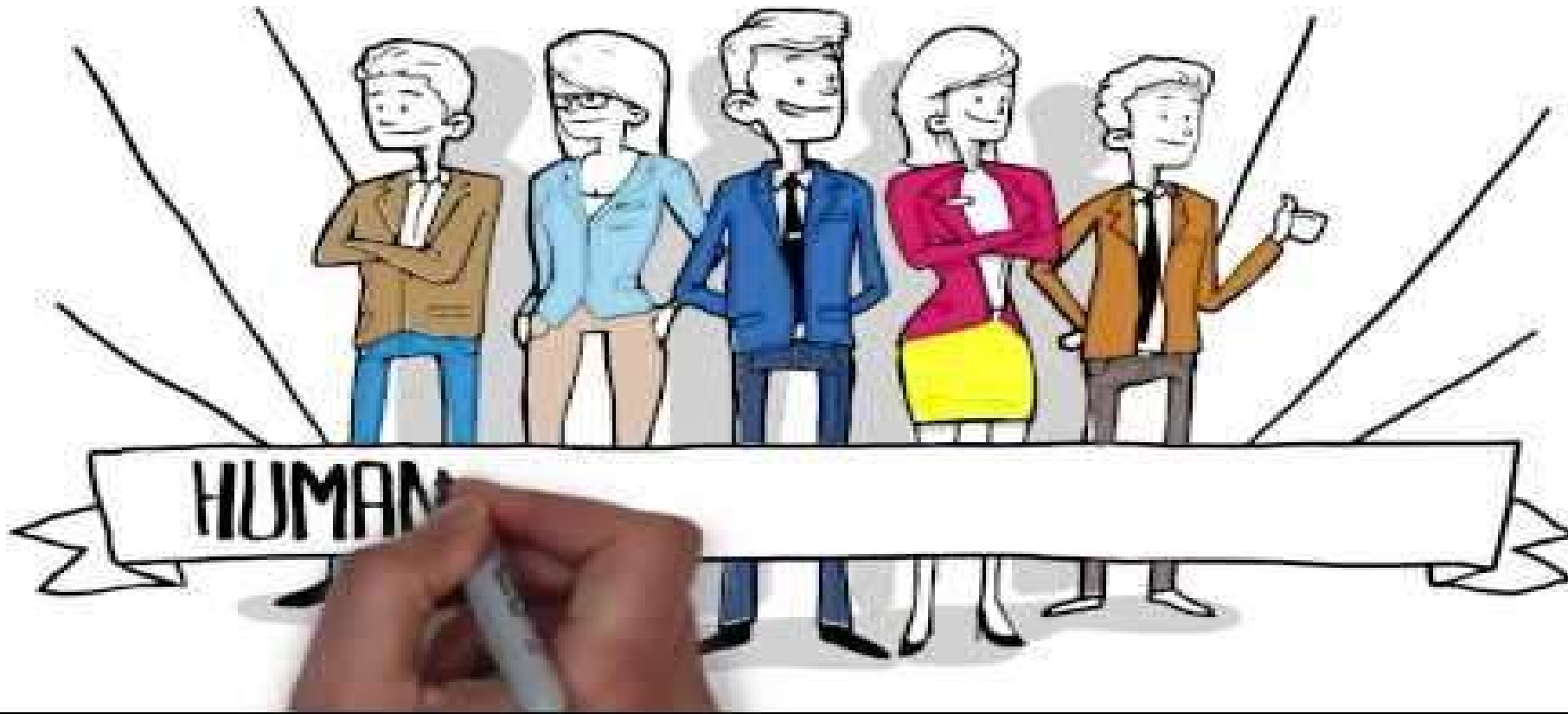


# HUMAN RESOURCE MANAGEMENT – PURPOSE AND ROLE

HRM is broader and more far-reaching in scope. It focuses on:

- Planning the workforce needs of the business
- Recruiting and selecting appropriate staff, using a variety of techniques
- Appraising, training and developing staff at every stage of their careers
- Preparing contracts of employment for all staff and deciding on whether these should be permanent or temporary, full-or part-time.
- Involving all managers in the development of their staff – emphasizing that this is not just an HR responsibility
- Improving staff morale and welfare
- Developing appropriate pay systems for different categories of staff
- Measuring and monitoring staff performance

# TRANSFORMATION OF PERSONNEL MANAGEMENT TO HRM





# WORKFORCE PLANNING

ANALYZING AND FORECASTING THE NUMBERS OF WORKERS AND THE SKILLS OF THOSE WORKERS THAT WILL BE REQUIRED BY THE ORGANIZATION TO ACHIEVE ITS OBJECTIVES

# PLANNING THE WORKFORCE NEEDS OF THE BUSINESS

## – STRATEGIC WORKFORCE PLANNING

HR departments need to calculate the future staffing needs of business. Failure to do this can lead to too few or too many staff or staff with the wrong skills. Workforce planning means thinking ahead and establishing the number and skills of the workforce required by the business in the future to meet its planning objectives.







# WORKFORCE AUDIT

A CHECK ON THE SKILLS AND QUALIFICATIONS OF ALL EXISTING WORKERS/MANAGERS.

# PLANNING THE WORKFORCE NEEDS OF THE BUSINESS

## – STRATEGIC WORKFORCE PLANNING

Once a workforce audit has been conducted the next stages in workforce planning are to assess what additional staff and skills might be needed.



# PLANNING THE WORKFORCE NEEDS OF THE BUSINESS

## – STRATEGIC WORKFORCE PLANNING

1. The number of staff required in the future depends on many factors:

- Forecast demand for the firm's product
- The productivity levels of staff
- The objectives of the business
- Changes in the law regarding workers' rights
- The labor turnover and absenteeism rate



# PLANNING THE WORKFORCE NEEDS OF THE BUSINESS

## – STRATEGIC WORKFORCE PLANNING

### 2. The skills of the staff required:

- The need for better-qualified staff or for staff with different skills is a constant factor in the minds of HR managers. The importance of these issues will depend upon –
  - The pace of technological change in the industry
  - The need for flexible or multi-skilled staff as businesses try and avoid excessive specialization.







# RECRUITMENT

THE PROCESS OF IDENTIFYING THE NEED FOR A NEW EMPLOYEE, DEFINING THE JOB TO BE FILLED AND THE TYPE OF PERSON NEEDED TO FILL IT, ATTRACTING SUITABLE CANDIDATES FOR THE JOB AND SELECTING THE BEST ONE.



# JOB DESCRIPTION

A DETAILED LIST OF THE KEY POINTS ABOUT THE JOB TO BE FILLED – STATING ALL ITS KEY TASKS AND RESPONSIBILITIES

# RECRUITING AND SELECTING STAFF

## 1. Establishing the EXACT nature of the job vacancy and drawing up a job description -

- A job description provides a complete picture of the job and will include:
  - Job Title
  - Details of the tasks to be performed
  - Responsibilities involved
  - Place in the hierarchical structure
  - Working Conditions
  - How the job will be assessed and performance measured





# PERSON SPECIFICATION

A DETAILED LIST OF THE QUALITIES, SKILLS AND QUALIFICATIONS THAT A SUCCESSFUL APPLICANT WILL NEED TO HAVE



# RECRUITING AND SELECTING STAFF

## 2. Drawing up a person specification-

- An analysis of the type of qualities and skills being looked for in suitable applicants:
  - Clearly based on the job description



# RECRUITING AND SELECTING STAFF

## 3. Preparing a job advertisement reflecting the requirements of the job and the personal qualities needed.

- The job advertisement can be displayed:
  - On business premises
  - In government job centers (i.e. unemployment offices)
  - In Newspapers
  - On Websites
- When creating a job advertisement care must be taken to ensure that there is no element of discrimination implied by the advertisement as nearly all countries outlaw unfair selection on the basis of race, gender, or religion.



# RECRUITING AND SELECTING STAFF

## 4. Drawing up a short list of applicants -

- A small number of applicants are chosen based on their application forms and personal details.
- References may have been obtained in order to check on character and previous work performance of the applicants.



# RECRUITING AND SELECTING STAFF

## 5. Conducting Interviews – or using other selection methods

- Interviews are conducted that will be designed to question the applicant on their skills, experience and character to see if they will both perform well and fit into the organization.
- Some interviewers use a seven-point plan to carry out a methodical interview.
  1. Achievements
  2. Intelligence
  3. Skills
  4. Interests
  5. Personal Manner
  6. Physical Appearance
  7. Personal Circumstances







WHO WOULD YOU HIRE?



# TRAINING

WORK-RELATED EDUCATION TO INCREASE WORKFORCE SKILLS AND EFFICIENCY

# TRAINING, DEVELOPING, AND APPRAISING STAFF

INDUCTION TRAINING – given to all new recruits. Its purpose is to introduce them to the people they will be working closely with, explaining the internal organization structure, outlining the layout of the premises and making clear essential health and safety issues.



# INDUCTION TRAINING

INTRODUCTORY TRAINING PROGRAM TO FAMILIARIZE NEW RECRUITS WITH THE SYSTEMS USED IN THE BUSINESS AND THE LAYOUT OF THE BUSINESS SITE



# TRAINING, DEVELOPING, AND APPRAISING STAFF

ON-THE-JOB TRAINING – involves instruction at the place of work. Usually conducted by the HR managers or departmental training officers. Watching or working closely with existing experienced members of staff is a frequent component of this type of training. It is cheaper than sending recruits on external training courses.



# ON-THE-JOB-TRAINING

INSTRUCTION AT THE PLACE OF WORK ON HOW A JOB SHOULD BE CARRIED OUT

# TRAINING, DEVELOPING, AND APPRAISING STAFF

OFF-THE-JOB TRAINING – entails any course of instruction away from the place of work. It could be at a specialist training center such as a university or a computer manufacturer to introduce new ideas. These courses can be expensive.



# OFF-THE-JOB-TRAINING

ALL TRAINING UNDERTAKEN AWAY FROM THE BUSINESS, E.G. WORK-RELATED COLLEGE COURSES



# DEVELOPMENT AND APPRAISAL OF STAFF

This should be a continuous process. Development might take the form of:

- New challenges and opportunities
- Additional training courses to learn new skills
- Promotion with additional delegated authority
- Chances for job enrichment



# STAFF APPRAISAL

THE PROCESS OF ASSESSING THE EFFECTIVENESS OF AN EMPLOYEE JUDGED AGAINST PRE-SET OBJECTIVES.

# DEVELOPMENT AND APPRAISAL OF STAFF

Appraisal is often undertaken annually (yearly).

- Analysis of performance against preset and agreed targets
- Setting of new targets
- Includes reports from employee's direct supervisors



# DRAWING UP CONTRACTS OF EMPLOYMENT

Employment contracts are legally binding documents. They should be

- Fair
- Inline with current employment laws
- Details the employee's
  - Responsibilities
  - Working Hours
  - Rate of Pay
  - Holiday entitlement
  - Number of days' notice to be given if the employee wishes to leave or if the employer wishes to let the employee go





# EMPLOYMENT CONTRACT

A LEGAL DOCUMENT THAT SETS OUT THE TERMS AND CONDITIONS GOVERNING A WORKER'S JOB

# DISCIPLINE AND DISMISSAL OF EMPLOYEES

At times it is necessary for an HR manager to discipline or dismiss a worker.

- This is not a matter that should be taken lightly
  - The worker loses immediate means of financial support
  - The worker may lose some social status
- Civil court action can result if HR is not in full accordance with the law.
- Before dismissal can occur the HR department must be seen to have done all that it could to help the employee reach the requirements of the job.



# DISMISSAL

BEING DISMISSED OR SACKED FROM A JOB DUE TO INCOMPETENCE OR BREACH OF DISCIPLINE

# DISCIPLINE AND DISMISSAL OF EMPLOYEES

- If an employee is involved in gross misconduct, such as stealing, the organization can dismiss with immediate effect, without notice or pay.
- However, if the employee is simply late regularly, then the organization must give warnings and follow the agreed disciplinary procedure before dismissal.



# DISCIPLINE AND DISMISSAL OF EMPLOYEES

- To show that a dismissal is fair employers need to be able to show that one of the following is true and that agreed procedures were followed:
  - Inability to do the job in a situation where necessary and after sufficient training had been given;
  - A continuous negative attitude at work, which has badly affected the employees or their work;
  - Continuous disregard of required health and safety procedures;
  - Deliberate destruction of an employer's property;
  - Continued bullying of other employees.

# DISCIPLINE AND DISMISSAL OF EMPLOYEES

- There are certain situations in which dismissal has been considered unfair or in breach of employment law. These include:
  - pregnancy
  - A discriminatory reason, e.g. race, color or religion of a worker
  - Being a member of a union
  - A non-relevant criminal record; if the employer has previously been unaware of a criminal record, it is not a reason for dismissal unless it is central to the job, e.g. a cashier convicted of stealing from the till.



# UNFAIR DISMISSAL

ENDING A WORKER'S EMPLOYMENT CONTRACT FOR A REASON THAT THE LAW REGARDS AS BEING UNFAIR

# STAFF REDUNDANCIES

- This is not the same as dismissal. Redundancy occurs when workers' jobs are no longer required.
  - Fall in demand
  - A change in technology
  - Budget cuts

Often this principle followed to determine who is to be let go is 'last in – first out'.





# REDUNDANCY

WHEN A JOB IS NO LONGER REQUIRED, SO THE EMPLOYEE DOING THIS JOB BECOMES REDUNDANT THROUGH NO FAULT OF HIS OR HER OWN

## EMPLOYEE WELFARE

- Most HR departments will offer counselling and other services to staff who are in need of support, perhaps because of family or financial problems. These support services can reflect well on the caring attitude of the business towards its workforce. When workers feel that the employer is concerned about their long-term welfare, then this is likely to lead to a much stronger sense of loyalty and desire to do well for the business.