

Lecture-23

Maximizing Learning

- Selecting the Stage for Learning
- Provide clear task instructions
- Model appropriate behavior



Increasing Learning during Training

- Provide for active participation
- Match training techniques to trainees self-efficacy
- Ensure specific, timely, diagnostic, and practical feedback
- Provide opportunities for trainees to practice new behavior

Maintaining Performance after Training

- Develop learning points to assist knowledge retention
- Set specific goals
- Identify appropriate reinforcers
- Teach trainees self-management skills.

Following up on Training

Evaluate effectiveness

- Make revisions as needed.

Learning Principles

- Participation
- Repetition
- Relevance
- Transference
- Feedback



Purposes of T & D

- Orient new employees
- Prepare for promotion
- Satisfy personal growth needs
- Reduced learning time
- To cope with the change
- Improve performance
- Update employees skills
- Avoid Managerial Obsolescence
- Solve organizational problems

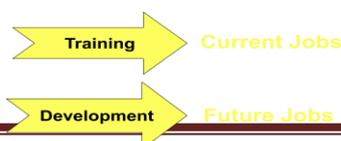


Selecting T & D Program

- Cost effectiveness
- Desired Program content
- Learning principles
- Appropriateness of the facilities
- Trainee performance and capabilities
- Trainer performance and capabilities



Training vs. Development



Human Resource Development (HRD)

- HRD has been defined as an organized learning experience, conducted in a definite time period, to increase the possibility of improving job performance and growth.

HRD programs are divided into Three categories

- Training,
- Education &
- Development

Training Is the acquisition of technology which permits employees to perform their present job to standards.

Education Is training people to do a different job. It is often given to people who have been identified as being promotable, being considered for a new job either lateral or upwards.

Development Is training people to acquire new horizons, technology, or viewpoints. It enable leaders to guide their organizations onto new expectations by being proactive rather than reactive.

Training for the present, Educating for the future, Developing to lead.

- Developing a succession planning program
- Ensure specific, timely, diagnostic, and practical feedback
Provide opportunities for trainees to practice new behavior

Line Managers and Training and Development

- Provide employee orientation training. www.vuanswer.com
- Assess training needs and plan developmental strategies.
- Provide on-the-job training.
- Ensure transfer of training.



The HRM Department and Training and Development

- Provide employee orientation training.
- Contribute to management development programs.
- Provide training and development.
- Evaluate training.

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Career

∞ A career consists of all the jobs held during one's working life

Develop occupational self-image, assess alternative occupations, develop initial occupational choice, pursue necessary education.

Obtain job offer (s) from desired organization (s), select appropriate job based on complete and accurate information.

Learn job, learn organizational rules and norms, fit into chosen occupation and organization, increase competence, pursue goals.

Reappraise early career goals, reaffirm or modify goals, make choices appropriate to middle adult years, remain productive.

Remain productive in work, maintain self-esteem, prepare for effective retirement.



Career Planning Terms

Career Path

∞ A career path is the sequential pattern of jobs that forms one's career.

Career Goals

✂ Career goals are the future positions one strives to reach as part of a career. These goals serve as benchmarks along one's career path.

Career Planning

✂ Career planning is the process by which one selects career goals and the path to those goals.

Career Development

✂ Career Development consists of the personal improvements one undertakes to achieve a personal career plan

Common Concerns

- ✂ Do company training programs help my chances for a promotion?
- ✂ How do I advance my career?
- ✂ Why hasn't my boss given me career counseling?
- ✂ Aren't most promotions based on luck and knowing the right people?
- ✂ Do I need a degree for that job?
- ✂ With all the talk of downsizing, how secure is my job?

Individual Career Development

- ✂ Job Performance
- ✂ Exposure
- ✂ Networking
- ✂ Resignations
- ✂ Organizational Loyalty
- ✂ Mentors and Sponsors
- ✂ Key Subordinates
- ✂ Growth Opportunities
- ✂ International Experience

Stages of Career Development

- ✂ Stage 1: Preparation for Work (ages 0–25)
- ✂ Stage 2: Organizational Entry (ages 18–25)
- ✂ Stage 3: Early Career (ages 25–40)
- ✂ Stage 4: Mid-career (ages 40–55)
- ✂ Stage 5: Late Career (ages 55–retirement)



Stage 1: Preparation for Work (ages 0–25)

Traditional career stages

- ✂ Exploration stage—involves identifying interests and opportunities.
- ✂ Establishment stage—involves creating a meaningful and relevant role in the organization.
- ✂ Maintenance stage—involves optimizing talents or capabilities.
- ✂ Disengagement stage—the individual begins to gradually pull away from work and develop other interests.

Alternative Career Moves

Career Planning

- ✂ “If you don't have a plan for yourself you'll be a part of someone else's” - American Proverb
- ✂ Career Planning is a tool to encourage employee development
- ✂ Important to give employee a sense of a career vs a job with the company
- ✂ Having a plan does not mean auto promotion
- ✂ Need to have good performance, experience, education, planning and preparation

Career Planning & Development

✂ Often done through planning, education information and counseling

HR Support & Career Development

- ✂ Develop management support for career planning activities
- ✂ Can offer career planning, education, info and counseling

✂ Also need to ensure employees receive accurate and timely feedback on career development & performance

Career Education

- ✂ Employees often know very little about planning
- ✂ Feel luck & performance only ways to get ahead
- ✂ Might not be aware of other opportunities

HR can increase planning awareness by

- ✂ Holding seminars
- ✂ Workshops
- ✂ Speeches
- ✂ Newsletters

– All of these items can help to increase interest in planning

– Senior management backing is a must www.vuanswer.com

Career Counseling

- ✂ Have trained counselors in the department
- ✂ Can assist with guidance on realistic goals and plans
- ✂ Often self & environmental assessments required

HR's Role in Career Development

- ✂ The Goal: Matching Individual and Organizational Needs

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Career (cont..)



Internal Barriers to Career Advancement

- ✂ Lack of time, budgets, and resources for employees to plan their careers and to undertake training and development.
- ✂ Rigid job specifications, lack of leadership support for career management, and a short-term focus.
- ✂ Lack of career opportunities and pathways within the organization for employees.

Successful Career-Management Practices

- ✂ Placing clear expectations on employees.
- ✂ Giving employees the opportunity for transfer. www.vuanswer.com
- ✂ Providing a clear succession plan
- ✂ Encouraging performance through rewards and recognition.
- ✂ Encouraging employees to continually assess their skills and career direction.
- ✂ Giving employees the time and resources they need to consider short- and long-term career goals.

Individual and Organizational Perspectives on Career Planning



Performance

$$\text{Performance} = A * E * S$$

- ✂ A: Ability
- ✂ E: Effort
- ✂ S: Organizational Support

Why Do We Care?

Determinants of Job Performance Sample Core Performance Indicators

Financial (Economic) Perspective

How do we look to shareholders?

Survive Cash flow

Maintain Quarterly sales growth and operating income

Prosper Increased market share, profit, ROI /value-added

Customer Perspective

How do our customers experience us?

New products Percent of sales derived from new products **Value** Competitive pricing, product quality

Brand loyalty Market share **Customer satisfaction** Repeat business, response time, accuracy and minimal product returns ...

Innovation, Learning and Equity

How can we sustain our success?

Leadership, Staff development and learning, participation

Staff stability Employee retention /turnover trends; satisfaction & loyalty

Innovation, Continuous process, improvement and redesign, creativity valued

Internal Business (Operational) Perspective

What must we excel at?

Manufacturing excellence, Product develop cycle time, unit cost, time to market

Design & productivity, Efficiency (output per labor cost), material yields

Factors that influence whether performance will be sustained

- ⊗ Valid performance measurement
- ⊗ Value of reward and negative consequence
- ⊗ Ongoing feedback

Why is performance measured?

- Enhances motivation & productivity
- Assists in validation studies
- Detects problems
- Helps evaluate change efforts
- Provides basis for making decisions
- Differentiates employees in job-related areas
- Helps ensure legal compliance

What Is Measured?

Dimensions against which performance is evaluated

Performance Management

- ⊗ A means of getting better results... by understanding and managing performance within an agreed framework of planned goals, standards and competence requirements.
- ⊗ It is a process to establish a shared understanding about what is to be achieved, and an approach to managing and developing people...(so that it)... will be achieved.

Goal:

- ⊗ Improve the effectiveness & efficiency of the organization by:
- ⊗ Aligning the employee's work behaviors & results with the organization's goals
- ⊗ Improving the employee's work behaviors & results
- ⊗ On-going, integrative process

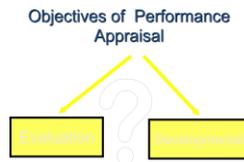
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Performance Appraisal

- ⊗ The ongoing process of evaluating and managing both the behavior and outcomes in the workplace.
- ⊗ Its goal is to provide an accurate picture of past and / or future employee performance.
- ⊗ To achieve this, performance standards are established.

Objectives of Performance Appraisal



Evaluating Objectives

- ✂ Staffing decisions
- ✂ Compensation decisions
- ✂ Evaluate selection system

Developmental Objectives www.vuanswer.com

- ✂ Performance feedback.
- ✂ Decision for future performance.
- ✂ Identify training & development needs.

What to evaluate?

- ✂ Traits
- ✂ Behaviors
- ✂ Task Outcomes

Performance Standards

- ✂ Expected levels of performance
- ✂ Benchmarks
- ✂ Goals
- ✂ Targets
- ✂ Should relate back to the job description details

Characteristics of Well-defined Standards

- ✂ Realistic
- ✂ Measurable
- ✂ Clearly understood

Appraisal process

- ✂ Determine performance requirements.
- ✂ Choose an appropriate appraisal method.
- ✂ Train supervisors.
- ✂ Discuss methods with employees.
- ✂ Appraise according to Job standards.
- ✂ Discuss appraisal with employees.
- ✂ Determine future performance goals.

Performance Appraisal methods

- ✂ **Rating Scales**
 - Graphic Scales
- ✂ **Comparative Methods**
 - Ranking
 - Forced Distribution
 - Paired Comparison
- ✂ **Critical Incidents**
 - Annual Review
 - Checklist
 - Behaviorally Anchored Rating Scale (BARS)
- ✂ Essay
- ✂ MBO
- ✂ Combination Methods



Graphic Rating Scale

Graphic Rating Scale

Quantity of Work X
 1(Low) 2 3 4 5 6 7(High)



BARS Dimension: Quality of Group Member Input

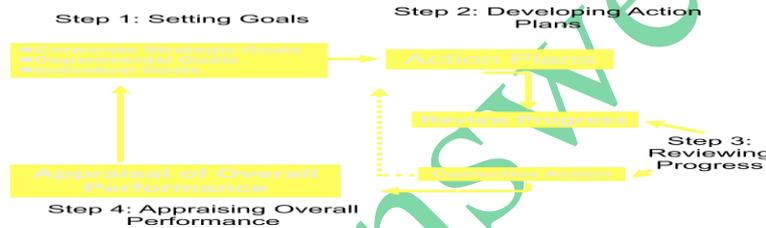
BARS Dimension: Quality of Group Member Input

Effective 5 Group member has read all agreed-upon material
 4
 3 Group member participates in discussions, though not always prepared
 2
 Ineffective 1 Group member does little work and offers no valuable ideas or feedback

Management-By-Objectives



Model of the MBO Process



Appraisal Interviews

Appraisal Interviews



Who Should Do the Rating?

- ⊗ Supervisors
- ⊗ Peer Evaluation
- ⊗ Customer/Client Evaluation
- ⊗ Self Rating
- ⊗ Reverse Appraisal
- ⊗ Team Appraisal
- ⊗ Multiple (360)

360 Degree Feedback



Common Rater Errors in PA's

- ⊗ Supervisory Bias
- ⊗ Halo Effect
- ⊗ Central Tendency
- ⊗ Leniency
- ⊗ Strictness

- ⌘ Regency
- ⌘ Overall Rating

Lecture-27

JOB EVALUATION AND PRICING



When is Performance Measured?

- ⌘ Base timing on organization's strategy
 - Typical times include:
 - Focal-point (everyone at same time)
 - Anniversary
 - Natural time span of job
 - Project base

- ⌘ How frequently?

The Line Manager and Performance Appraisal

- ⌘ Complete the ratings.
- ⌘ Provide performance feedback.
- ⌘ Set performance goals.



The HRM Department and Performance Appraisal

- ⌘ Develop the appraisal system.
- ⌘ Provide rater training.
- ⌘ Monitor and evaluate the appraisal system.



Strategies for Improving Performance



Designing an Appraisal System

- ⌘ Gain support for the system
- ⌘ Choose the appropriate rating instrument
- ⌘ Choose the raters
- ⌘ Determine the appropriate timing of appraisals
- ⌘ Ensure appraisal fairness

Job evaluation and pricing, job analysis outcomes?

- ⌘ Job description
- ⌘ Job specification
- ⌘ Job evaluation

Job Evaluation is...

- ⌘ Process for ensuring internal equity (jobs of comparable worth receive comparable wages)
- ⌘ Systematically determining relative worth of jobs to create job structure
- ⌘ An attempt to identify inputs that are most valuable to the organization & to develop job hierarchy based on which jobs have more or less of those dimensions

So.....

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⌘ The comparison results in a wage or salary hierarchy

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Choosing a Job Evaluation Method

- ✘ There are four general job evaluation methods.
- ✘ Ranking
- ✘ Classification
- ✘ Factor comparison
- ✘ Point factor

Common Approaches to JE

	Whole Job	Specific Job Factors
Job vs. Job	Ranking Method	Factor Comparison Method
Job vs. Standard	Classification Method	Point Method

Job Evaluation Method 1: Ranking

- ✘ Simplest method
- ✘ Raters examine description of each job
- ✘ Jobs arranged in order according to value
- ✘ Must first conduct job analysis and write job description

Method 2: Job Classification

- ✘ Determine how many categories.
- ✘ Write definitions for each class – the standards for comparison.
- ✘ Rates categories of jobs into groups
- ✘ Groups called classes if jobs are similar
- ✘ Called grades if groups contain different jobs of similar difficulty
- ✘ Compare jobs to be evaluated with class definitions
- ✘ Place jobs in appropriate classifications
- ✘ Write-up class or grade descriptions
- ✘ Draw up a set of guidelines
- ✘ Choose compensable factors and develop class or grade definitions

Example Clerical Worker Classification System

- ✘ Class I – simple work, no supervisory responsibility, no public contact
- ✘ Class II – simple work, no supervisory responsibility, public contact
- ✘ Class III – Work of medium complexity, no supervisory responsibility, public contact
- ✘ Class IV – Work of medium complexity, supervisory responsibility, public contact
- ✘ Class V – Complex work, supervisory responsibility, public contact

Method 3: Factor Comparison

- ✘ Factor comparison is a widely used method to rank jobs by a variety of skills and difficulties, then adding these to obtain a numerical rating for each job
- ✘ Obtain job descriptions
- ✘ Determine compensable factors (e.g., mental, physical, skill, responsibility, working conditions)
- ✘ Select key jobs
- ✘ Must vary on the factors
- ✘ Must have well-defined rates
- ✘ Rank each job on each factor
- ✘ Assign money values to factors
- ✘ Build master schedule of rates
- ✘ Evaluate all other jobs

Method 4: Point (Factor) Method

- ✘ The point method is more quantitative
- ✘ Identifies compensable factors

Steps

- ✂ Obtain job data
- ✂ Select job evaluators
- ✂ Select compensable factors
- ✂ Define compensable factors
- ✂ Define factor scales
- ✂ Assign Point Values to Factors
- ✂ Assigning points to degree levels within each factor
- ✂ Write up Job Evaluation Manual
- ✂ Evaluate all jobs.

Helpful Criteria When Considering Which to Use...

- ✂ Simplicity & Cost
- ✂ ranking ✂ classification ✂ factor comparison ✂ point
- ✂ Acceptability
- ✂ Understandable, easily communicated
- ✂ Reliability & Validity

Lecture-28



COMPENSATION SYSTEM

- ✂ Pay is a statement of an employee's worth by an employer.
- ✂ Pay is a perception of worth by an employee.

Employee Compensation

- ✂ Employee compensation refers to all forms of pay or rewards going to employees and arising from their employment.
- ✂ It consists of 2 parts
- ✂ Direct financial payments www.vuanswer.com
- ✂ Indirect financial payments
- ✂ **Direct or Indirect compensation is given based on**

✂ Increments of time

- ✂ Hourly
- ✂ Salaried

✂ Performance

- ✂ Piecework
- ✂ Commission

- ✂ **Piecework** - Pay is tied directly to what the worker produces



Wages versus Salaries

- **Wages:** generally refer to hourly compensation paid to operating employees; the basis for wages is time.
- **Salary:** is income that is paid an individual not on the basis of time, but on the basis of performance.

Compensation System

- ✂ A total reward system includes both monetary and nonmonetary compensation.

Phases of Compensation Management

- ✂ **Phase:-1.** Evaluate every job to ensure internal equity based on each job's relative worth.
- ✂ **Phase:-2.** Conduct wage and salary surveys to find the rates paid in the labour market.
- ✂ **Phase:-3.** Price each job to determine the rate of pay based.

Objectives of Effective Compensation Management

- ✂ The "Big Three"
- ✂ Attract qualified employment applicants
- ✂ Retain qualified employees, while discouraging retention of low performing
- ✂ Motivate employee behavior toward organization objectives

∪ Ensure Equity

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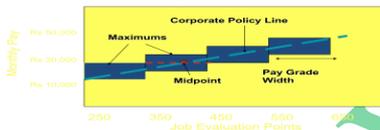
- ⌘ Reward Desired Behavior
- ⌘ Control Costs
- ⌘ Comply With Legal Regulations
- ⌘ Facilitate Understanding
- ⌘ Achieve external competitiveness
- ⌘ Support organization priorities
 - Strategy and goals
 - Culture and values
- ⌘ Easy to administer

Steps for Establishing Pay Rates

- ⌘ Conduct a salary survey of what other employers are paying for comparable jobs
- ⌘ Employee committee determines the worth of each job in your organization through job evaluation
- ⌘ Group similar jobs into pay grades
- ⌘ Price each pay grade by using wage curves
- ⌘ Fine-tune pay rates

Pay Grade Structure for Job-Based System

Pay Grade Structure for Job-Based System

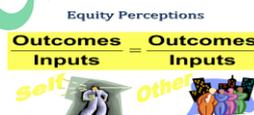


What Determines How Much You Pay?

- ⌘ Prevailing Wages
- ⌘ Ability to Pay
- ⌘ Cost of Living
- ⌘ Productivity
- ⌘ Bargaining Power
- ⌘ Job Requirements
- ⌘ Government Laws



Equity Perceptions



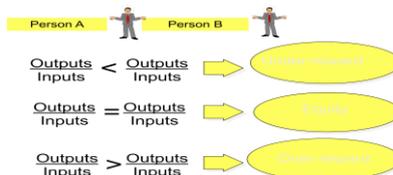
Equity Theory Description

⌘ Pay should be based upon contributions made by the Employees. Higher effort should be rewarded with higher pay.

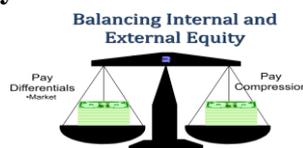
Application to Compensation

⌘ Pay should be tied to the performance level of individual Employee

Equity Theory Predictions



Balancing Internal and External Equity



Pay above Market Rate

Advantages

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- ✘ Attracts better employees
- ✘ Minimizes voluntary turnover
- ✘ Fosters strong culture and competitive superiority

Disadvantages

- ✘ Additional compensation costs
- ✘ Sense of entitlement

Pay at Market Rate

Advantages

- ✘ Higher quality of human resources at midrange of market-driven compensation costs

Disadvantages

- ✘ Does not attract higher performers
- ✘ Turnover will vary with labor demands of competing firms

Pay below Market Rate

Advantages

- ✘ Lower compensation costs
- ✘ Useful in labor markets where unemployment is high

Disadvantages

- ✘ Lower-quality employees
- ✘ Low morale/job satisfaction
- ✘ Higher turnover; especially among high performers

Conditions Necessary for Perceptions of Pay Fairness

- ✘ Internal consistency
- ✘ External competitiveness
- ✘ Employee contributions

Line Managers and Compensation

- ✘ Evaluate the worth of jobs.
- ✘ Negotiate starting salaries.
- ✘ Recommend pay raises and promotions.
- ✘ Notify HRM department of job changes.

The HRM Department and Compensation

- ✘ Establish rates of pay.
- ✘ Oversee job evaluation process. www.vuanswer.com
- ✘ Conduct salary surveys.
- ✘ Establish procedures for administering pay plans.
- ✘ Ensure compliance with antidiscrimination laws.
- ✘ Communicate benefits information .

Lecture-29

Benefits

An indirect compensation given to an employee or group of employees as a part of organizational membership.

Strategic Role of Benefits

- ✘ Benefits absorb social costs for health care and retirement.
- ✘ Benefits influence employee decisions about employers (e.g., recruitment and retirement).
- ✘ Benefits are increasingly seen as entitlements.
- ✘ Benefit costs are about 40% of total payroll costs.

Why Focus on Benefits?

- ✘ Integral part of compensation strategy to compete for employees
 - E.g., new firm – lower base pay, high variable incentives, keep benefit costs low
 - May help build business image

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- ⌘ Influence employee decisions on whether to apply, accept an offer, stay, & when to retire
- ⌘ Depends on external environment, org environ, etc.

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- ✂ Communicate organization's values & support strategic objectives
 - ✂ Cost containment (use them wisely!)
 - ✂ **Note:** benefits average **about 40%** of payroll costs
 - ✂ Enhance organizational image
- Benefits depend on the times! They aren't motivators (not Performance-based), but can Attract & Retain employees.

What Happens to Benefit Money?

- ✂ Insurance Payments
 - (e.g., medical premiums, vision care, dental care, life insurance, etc).
- ✂ Payment for Time Not Worked
 - (e.g., leaves, vacations, holidays)
- ✂ Legally Required Contributions
 - (e.g., Social Security, unemployment, workers' compensation)
- ✂ Retirement Plans
 - (e.g., pensions)
- ✂ Paid Rest Periods
 - (e.g., coffee breaks, lunch period, travel time)
- ✂ Miscellaneous
 - (e.g., educational assistance, severance pay, child care, etc.)

Types of Benefits & Services

- ✂ Insurance Benefits
 - Medical Insurance
 - Vision Insurance
 - Dental Insurance
 - Mental Health Insurance
 - Life Insurance
 - Disability Insurance



- ✂ Employee Security Benefits
 - Employment Income Security
 - Retirement Security

- ✂ Time-Off Benefits
 - On-the-job Breaks
 - Sick Days Pay
 - Holidays & Vacations
 - Leaves of Absence

- ✂ Work Scheduling Benefits
 - Shorter Work Times
 - Flextime
 - Job Sharing

- ✂ Employee Services
 - Educational Assistance
 - Financial Services
 - Social Services

- ✂ Family Oriented
 - Child Care
 - Elder Care
 - Relocation Programs

Other Benefits



Retirement Benefits

- ✂ Early retirement options
- ✂ Pre-retirement counseling
- ✂ Disability retirement benefits
- ✂ Health care for retirees
- ✂ Pension plans

Retirement Programs

- ✂ Silver Handshake
- ✂ An early-retirement incentive in the form of increased pension benefits for several years or a cash bonus.
- ✂ Preretirement Programs
- ✂ Counseling
- ✂ Seminars
- ✂ Workshops

Types of Pension Plans

- ✂ Contributory plan
- ✂ Contributions to a plan are made jointly by employees and employers.
- ✂ Noncontributory plan
- ✂ Contributions to a plan are made solely by the employer.

Family-Oriented

- ✂ Family & Medical Leave
- ✂ Dependent care
- ✂ Alternative work arrangements (Flextime)
- ✂ Job sharing

Social & Recreational

- ✂ Tennis courts
- ✂ Other sports activities
- ✂ Sponsored events (athletic, social)
- ✂ Company cafeteria & food services
- ✂ Recreation programs



Other Employee Benefits and Services



The Annual Bonus

A bonus is aimed at motivating short term performance with three issues to consider when awarding them:

- ✂ Eligibility – based on job level and salary
- ✂ Fund size – use a formula

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⌘ Individual awards – based on performance

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Long Term Incentives

- ✘ Stock options
- ✘ Different stock option plans
- ✘ Performance plans
- ✘ Cash plans
- ✘ Other plans

Benefits....Money's Going In, but What Are We Getting In Return???

- ✘ Are your company's benefits adding value?
- ✘ Evaluate the effectiveness!
- ✘ Conduct benefits needs analysis periodically. Ask questions such as:
 - ✘ How much total comp (incl benefits) should be provided?
 - ✘ What part should benefits comprise of total comp?
 - ✘ Why are we offering each type of benefit?
 - ✘ Which employees get what?
- ✘ Collect measurements on effectiveness for decision-making
 - ✘ What are your goals for offering benefits (e.g., attraction, retention, productivity, etc.)?
 - ✘ Design study to assess the effectiveness

Effective Benefit Administration

- ✘ Communication is critical
 - Most employees don't know their benefits or the value!
- ✘ Benefits Communication
 - Benefits Statements
 - Annual "personal statement of benefits" that translates the benefits into dollars to show their worth.
 - HRIS and Benefits Communication
 - HRIS information allows employees to obtain benefits information on-line.
- ✘ Consider flexible benefits
 - ✘ Flexible benefits plan ("cafeteria")
 - ✘ More & more popular, especially w/larger employers
- ✘ Scan the environment
 - ✘ What are employee preferences?
 - ✘ What do different generations look for in benefits?
 - ✘ What about benefits for part-timers?
 - ✘ What's your corporate strategy?

Lecture-30

ROLE OF MONEY IN PERFORMANCE OF EMPLOYEES

Motivation

A compensation philosophy of higher pay for higher contributions

- ✘ Performance will be calculated on - corporate performance and personal performance .

Meeting the Challenges of Pay-for-Performance System

- ✘ Link pay and performance appropriately
- ✘ Use Pay-for-Performance as part of a broader HRM system
- ✘ Build employee trust
- ✘ Promote the belief that performance makes a difference
- ✘ Use multiple layers of rewards
- ✘ Increase employee involvements
- ✘ Use motivation and non-financial incentives

Types of Pay-for-Performance Plans

- ✘ Individual-Based plans
- ✘ Merit Pay

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- ⌘ Bonus program or lump-sum payment
- ⌘ Award

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- ✘ Team-Based plans
- ✘ Plant-wide plans (gain sharing)
- ✘ Corporate-wide plans (profit sharing)

Determinants of Effective Pay-For-Performance Systems

- ✘ Worker values outcomes (rewards)
- ✘ Outcome is valued relative to other rewards
- ✘ Desired performance must be measurable
- ✘ Worker must be able to control rate of output
- ✘ Worker must be capable of increasing output
- ✘ Worker must believe that capability to increase exists
- ✘ Worker must believe that increased output will result in receiving the reward
- ✘ Size of reward must be sufficient to stimulate increased effort
- ✘ Performance measures must be compatible with strategic goals for short and long term

Six Criteria of Value of Performance

1. ✘ Quality
2. ✘ Quantity
3. ✘ Timeliness
4. ✘ Cost-effectiveness
5. ✘ Need for supervision
6. ✘ Interpersonal impact

Reasons for Pay-For-Performance Failures

- ✘ Poor perceived connection between performance and pay
- ✘ Level of performance-based pay is too low
- ✘ Lack of objective accountable results for most jobs, so performance appraisal ratings are used in place of objective outcomes
- ✘ Faulty performance appraisal systems
- ✘ Union resistance
- ✘ Poor connection between Pay-For-Performance outcomes and corporate performance measures

The Role of Money

When someone says, "It's not the money, it's the principle, it's the money!-- Anonymous

The Meaning of Money



Money and employee needs

Affects several needs, not just existence needs

- ✘ They value their services and place high value on them
- ✘ Perceive money as symbol of their achievement
- ✘ Will not remain in low paying organization
- ✘ Very self – confident
- ✘ Know their abilities and limitations

Money and attitudes

Money ethic -- not evil, represents success, should be budgeted carefully

Money and self-identity

- ✘ Influences our self-perceptions
- ✘ Evidence that men more than women identify with money

Improving Reward Effectiveness

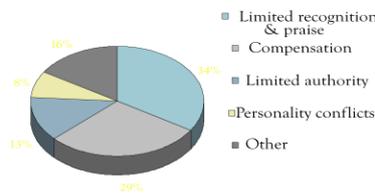
- ✘ Link rewards to performance
- ✘ Ensure rewards are relevant
- ✘ Use team rewards for interdependent jobs
- ✘ Ensure rewards are valued
- ✘ Beware of unintended consequences

Money as a Motivator

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- ⌘ According to Maslow and Alderfer, pay should prove especially motivational to people who have strong lower-level needs.
- ⌘ If pay has this capacity to fulfill a variety of needs, then it should have good potential as a motivator

Why People Leave Organizations



"What's in it for me?" calculation

- Conscious ↔ subconscious (self image and comparisons)

Fairness (equitable social (economic) exchange)

- ↳ interpret rewards/pay-offs of others
- ↳ judge what is fair/unfair
- ↳ satisfaction if each party achieves a balance (relative equality)

Lecture-31 MOTIVATION

The inner drive that directs a person's behavior toward goals.

Performance Formula

Performance = f (ability X motivation X opportunity)

Ability = individual's knowledge, skills, and ability to accomplish task

Motivation = level of individual energy for the task

Opportunity = right performance opportunity

McGregor's Theory-X and Theory-Y

Theory X

- Management view that assumes workers generally dislike work and must be forced to do their jobs.

Theory Y

- Management view that assumes workers like to work and under proper conditions, employees will seek responsibility to satisfy social, esteem, and self-actualization needs.

Effective goal setting

- ⌘ Changing workforce
- ⌘ younger generation employees have different needs and expectations to senior workers
- ⌘ people have more diverse values – results in more variety in what motivates employees
- ⌘ Cultural values
- ⌘ globalization has added to diversity

Motivating Professionals

- ⌘ Provide challenging projects.
- ⌘ Allow them the autonomy to be productive.
- ⌘ Reward with educational opportunities.
- ⌘ Reward with recognition.
- ⌘ Express interest in what they are doing.
- ⌘ Provide flexible work, leave, and pay schedules.
- ⌘ Provide child and elder care benefits.
- ⌘ Structure working relationships to account for cultural differences and similarities.

Basic assumptions

- Once a need is satisfied, its role declines
- Needs are complex, with multiple needs acting simultaneously
- Lower level needs must be satisfied before higher level needs are activated
- More ways exist to satisfy higher level needs

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- Individual and environment influence employee behavior

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- Individuals decide behavior, although environment can place constraints
- Individuals have different needs/ goals
- Decide among alternatives based on perception of behavior leading to desired outcome

Why is motivation important?

- Important in getting and retaining people
- The glue that links individuals to organizational goals
- Make individuals go beyond the job and be creative

But why is it so important for managers

- Organizations are hiring more contract workers
- Each of us would have worked in 5-6 firms in our life time instead of just 1
- New organizational designs- teams
- Employees need to upgrade skills

Motivating Contingent Workers

- Provide opportunity for permanent status.
- Provide opportunities for training
- Provide equitable pay

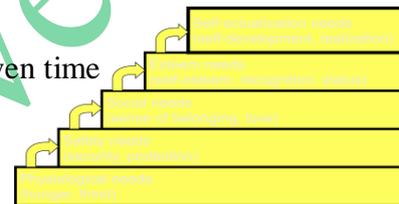
Motivating Low-Skilled Service Workers

- Increase pay and benefits
- Make jobs more appealing.

Motivating People Doing Highly Repetitive Tasks

Unsatisfied needs = deficiencies that a person experiences at any given time

- Recruit and select employees that fit the job
- Create a pleasant work environment
- Mechanize the most distasteful aspects of the job



Three Approaches to Motivation



**Lecture-32
OCCUPATION, HEALTH & SAFETY**

Occupational health & safety refers to the physiological-physical and psychological conditions of a workforce that result from the work environment provided by the organization.



What Causes Accidents?

- ✗ Chance occurrences
- ✗ Unsafe working conditions
- ✗ Unsafe acts by employees
- ✗ Unsafe conditions

Physical conditions

- ✗ defective equipment
- ✗ inadequate machine guards
- ✗ lack of protective equipment

Environmental conditions

- ✗ Noise

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☹ dust, fumes
☹ stress

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- ✘ Unsafe behaviors

Causes of Accidents

- ✘ Human
- ✘ Overwhelming majority
- ✘ Carelessness
- ✘ Intoxication
- ✘ Daydreaming
- ✘ Inability to do the job
- ✘ Other human deficiency

Safety Hazards

✘ Aspects of the work environment that have the potential of causing immediate and sometimes violent harm or even death

✘ Examples of safety hazards:

- ✘ poorly maintained equipment
- ✘ unsafe machinery
- ✘ exposure to hazardous chemicals



Health Hazards

✘ Aspects of the work environment that slowly and cumulatively lead to deterioration of health

✘ The person may:

- ✘ develop a chronic or life threatening illness
- ✘ become permanently disabled

✘ Typical causes are:

- ✘ physical and biological hazards
- ✘ toxic and carcinogenic dusts and chemicals
- ✘ stressful working conditions



Organizational Stress

✘ **Four Ss:**

Supervisor, Salary, Security, Safety

- ✘ Organizational change
- ✘ Work pacing
- ✘ Physical environment
- ✘ Stress-prone employees

The Costs of Workplace Injuries and Illnesses

- ✘ Medical and insurance
- ✘ Workers' compensation
- ✘ Lost wages
- ✘ Damaged equipment and materials
- ✘ Production delays
- ✘ Other workers' time losses
- ✘ Selection and training costs for replacement workers
- ✘ Accident reporting

Steps to Take to Reduce Workplace Accidents

- ✘ Reduce unsafe conditions.
- ✘ Reduce unsafe acts.
- ✘ Use posters and other propaganda.
- ✘ Provide safety training.
- ✘ Use positive reinforcement.
- ✘ Emphasize top-management.
- ✘ Emphasize safety.

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- ⌘ Establish a safety policy.
- ⌘ Set specific loss control goals.

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- ⌘ Conduct safety and health inspections regularly.
- ⌘ Monitor work overload and stress.
- ⌘ Safety committees.

Violence Prevention Suggestions

- ⌘ Develop a plan
- ⌘ Review policies
- ⌘ Treat with respect and dignity
- ⌘ Problems occur
- ⌘ Disciplined too harshly
- ⌘ Laid off without reason
- ⌘ Supervisor training
- ⌘ Employee assistance programs
- ⌘ Keep weapons out

Healthy Work Environment

- ⌘ Sick buildings
- ⌘ Airborne pathogens
- ⌘ Indoor pollution
- ⌘ Smoking
- ⌘ Germs
- ⌘ Mold
- ⌘ Fungus



To Have A Healthy Work Environment

- ⌘ Fresh air
- ⌘ Avoid suspect building materials
- ⌘ Test new buildings
- ⌘ Keep air ducts clean and dry
- ⌘ Workers' complaints
- ⌘ Smoking

Smoke-free Environment

- ⌘ Problems
- ⌘ Second-hand smoke
- ⌘ Health insurance
- ⌘ Productivity
- ⌘ Absence
- ⌘ Accidents
- ⌘ Breaks



Cumulative Trauma Disorders (repetitive stress injuries)

To Avoid CTDs

- ⌘ Stretch 2 - 3 times per hour
- ⌘ Maintain good posture
- ⌘ Sit erect.
- ⌘ Feet flat on floor.
- ⌘ Bend elbows at a comfortable angle.
- ⌘ Sit about 18-28 inches from the screen.
- ⌘ Place documents at the same height and angle as monitor.



Benefits of a Safe and Healthy Workforce

- ⌘ More productivity
- ⌘ Increased efficiency and quality
- ⌘ Reduced medical and insurance costs



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⌘ Lower workers' compensation rates and payments

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- ✂ Greater workforce flexibility
- ✂ Help employees should work safely.
- ✂ Ensure that workers are doing their jobs safely.
- ✂ Investigate accidents.
- ✂ Ensure legal compliance.
- ✂ Alleviate worker stress.
- ✂ Maintain confidentiality of employee information.

Elements of Workplace Safety and Health

- Physical Conditions:
- Conditions resulting from the workplace environment that include occupational diseases and accidents, such as:
 - Repetitive motion injuries
 - Back pain
 - Cancer
 - Etc.

Occupational diseases & accidents

- Loss of life
- Loss of limb
- Back pain
- Cardiovascular disease
- Various forms of cancer

Psychological Conditions:

Conditions resulting from the workplace environment that result from organizational stress and low quality of working life.

These include:

- Dissatisfaction, withdrawal
- Mistrust in others, irritability

Lecture-33 STRESS MANAGEMENT

Stressor

The person or event that triggers the stress response Stressors in the Work Environment

Stressors in the Work Environment

- ✂ Job risk
- ✂ Prolonged noise
- ✂ Glaring or inadequate lighting
- ✂ Temperature variations
- ✂ Poor air quality
- ✂ Required repetitive motions
- ✂ Talking too fast or too loud
- ✂ Bad moods
- ✂ Being irritable
- ✂ Defensiveness
- ✂ Being critical
- ✂ Aggression
- ✂ Irrationality
- ✂ Overreaction and reacting emotionally
- ✂ Reduced personal effectiveness
- ✂ Being unreasonably negative
- ✂ Making less realistic judgments

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- ⌘ Being unable to concentrate and having difficulty making decisions
- ⌘ Being more forgetful

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- ✂ Making more mistakes
- ✂ Being more accident prone
- ✂ Changing work habits
- ✂ Increased absenteeism
- ✂ Neglect of personal appearance

Stress Management

Procedures for helping people cope with or reduce stress already being experienced.

Stress Prevention

Focuses on controlling or eliminating stressors that might provoke the stress response.

Stress Management Programs

- ✂ Training
 - ✂ Time management
 - ✂ Coping skills
- ✂ Wellness
 - ✂ Assessment
 - ✂ Self-help materials
 - ✂ Group programs

Individual Stress Management

- ✂ Relaxation
- ✂ Time management
- ✂ Manage Change
- ✂ Get fit
- ✂ Let it go
- ✂ Social support
- ✂ Relaxation
- ✂ Physical Exercise

Dealing with Long-Term Stress

- ✂ Fatigue and exhaustion
 - Go to bed earlier
 - Take a good break (vacation)
 - Change work commitments if possible
 - Time management strategies

✂ **Handling depression**

- Deep depression is a clinical illness and should be handled professionally

✂ **Otherwise**

- Positive thinking
- Talk to people and get support
- Get away from situation causing stress

✂ **Lack of self-confidence**

- Set personal goals
- List your shortcomings and deal with them
- List the things that worry you and see if it is really important to worry about them at all.
- Write down the things you do well
- Positive thinking

✂ **Relationships**

- Being more assertive will help
- Improve your social skills
- Are other people contributing to this problem? Are you better off without them?

Standards

- Are your standards impossibly high?

Organizational Stress Management



Organizational Approaches

- Improved personnel selection and job placement
- Training
- Use of realistic goal setting
- Redesigning of jobs
- Increased employee involvement
- Improved organizational communication
- Offering employee sabbaticals
- Establishment of corporate wellness programs

Organizational Stress Prevention

- Focuses on people's work demands
- Focuses on ways to reduce distress at work
- Most organizational prevention is primary
 - job redesign
 - goal setting
 - role negotiation
 - career management

What is Stress? Stress Management

Stress is an adaptive response, moderated by individual differences, that is a consequence of any action, situation, or event that places special demands on a person.

Three key factors determine the likelihood of stress

■ importance:

How significant the event is to the person

■ Uncertainty:

Degree of clarity over what will happen

■ Duration:

Length of time the demands remain in place

Is stress good or bad?

- Stress response itself is neutral
- Some stressful activities (aerobic exercise, etc.) can enhance a person's ability to manage stressful demands or a situations
- Stress can provide a needed energy boost
- Negative stress results from a prolonged activation of the stress response

Lecture-34

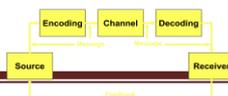
Burnout

A pattern of emotional, physical, and mental exhaustion in response to chronic job stressors.

Communication Defined

The transmission of information and understanding through the use of common symbols.

The Communication Process



Communication Defined

⌘ Noise

- ⌘ Interference in the flow of a message from a sender to a receiver.

⌘ Nonverbal Communication

- ⌘ Messages sent with body posture, facial expressions, and head and eye movements.

How Communication Works

Communications experts tell us that effective communication is the result of a common understanding between the communicator and the receiver. In fact the word communication is derived from the Latin *communis*, meaning “common.”



Downward Communication

- Communication that flows from individuals in higher levels of the organization’s hierarchy to those in lower levels.

Upward Communication

- Communication that flows from individuals at lower levels of the organizational structure to those at higher levels.

Horizontal Communication

- Communication that flows across functions in an organization.

Diagonal Communication

- Communication that cuts across functions and levels in an organization.

How do you find out about what happens at work?

⌘ BULLETIN BOARD

⌘ NEWSLETTER

⌘ GOSSIP

What HR functions are involved?

⌘ All of them?

⌘ Recruiting

⌘ Orientation

⌘ Rewarding

⌘ AND....

⌘ Compensation

⌘ Motivation

⌘ Change

⌘ Health and safety

⌘ Benefits

⌘ Keep employees informed

⌘ Tool to bring about positive change

⌘ Influence culture

⌘ Employee

⌘ Information central source

⌘ Commitment, security

⌘ Direction

⌘ Employer

⌘ Committed workforce

⌘ Recruit

⌘ Educate, inform, and guide employees

⌘ Helps employees learn about company at their own pace

⌘ Provides references regarding policies, rules, and benefits

⌘ Ensures HRM policies will be consistently applied

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⌘ Creates sense of security and commitment for employees

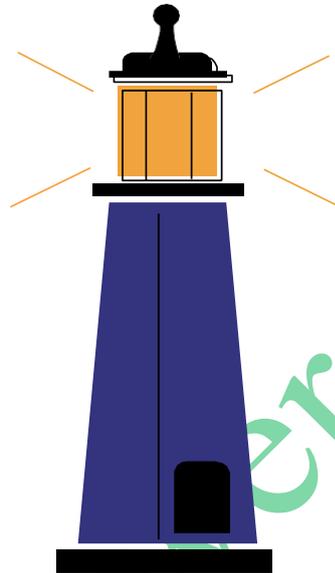
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- ⊗ Provides information to recruits
- ⊗ May be interpreted as implied contract
- ⊗ Should be updated continually

To Achieve that....

AN EMPLOYEE HANDBOOK SHOULD BE

- ⊗ Well organized
- ⊗ Clearly written
- ⊗ Legally limited
- ⊗ Introductory comments
- ⊗ What you should know
- ⊗ Your benefits
- ⊗ Your responsibilities and safety procedures
- ⊗ Greetings
- ⊗ Welcome
- ⊗ Valuable to the company
- ⊗ Tone setting, culture statement
- ⊗ Performance, role expectations
- ⊗ Rules and policies
- ⊗ Attendance, work hours
- ⊗ Lunch hours
- ⊗ Lay off practices
- ⊗ Performance appraisal issues
- ⊗ Membership-based
- ⊗ Keep morale high
- ⊗ Costs
- ⊗ Eligibility
- ⊗ Safety
- ⊗ Personal conduct
- ⊗ Reporting accidents
- ⊗ Compliance requirements

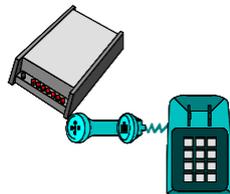


Communication Methods

- ⊗ Employee handbook
- ⊗ Bulletin board
- ⊗ Company newsletter
- ⊗ Company-wide meetings
- ⊗ Digital Media
- ⊗ Etc.

For Offsite Employees

- ⊗ Facsimile machines
- ⊗ Emails
- ⊗ Internet
- ⊗ Phone



HRM Communications Programs

- ⊗ Keep employees informed
- ⊗ Convey organization's concern for employees
- ⊗ Build trust and openness
- ⊗ Monitor employee concerns

Lecture-35



Unions

⊗ Union

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⌘ organization formed for purpose of representing members' interests in dealing with employers

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✂ **Factors Promoting Interest in Unions**

- ✂ Working environment
- ✂ Compensation
- ✂ Management style
- ✂ Organization treatment

Working Environment

- ✂ Inadequate staffing
- ✂ Mandatory overtime
- ✂ Poor working conditions

Management Style

- ✂ Arbitrary Management Decision Making
- ✂ Use of fear
- ✂ Lack of recognition

Organization Treatment

- ✂ Job insecurity
- ✂ Unfair discipline and policies
- ✂ Harassment and abusive treatments
- ✂ Not responsive to complaints

Unions Defined

- ✂ Organization of workers
- ✂ Acting collectively
- ✂ Seeking mutual interest
- ✂ Protection
- ✂ Promotion
- ✂ Through collective bargaining

What is a Trade Union?

A trade union is an organization that represents the interest of its members in work and related matters. It seeks to maintain and improve their employment relations through direct collective bargaining with management.

Why Do Workers Organize?

The urge to unionize often boils down to the belief that it is only through unity that the workers can get their fair share of the pie and also protect themselves from the arbitrary decisions of management.

Why People Join Union

- ✂ Greater bargaining power
- ✂ Desire for self-expression
- ✂ Minimize favoritism & discrimination
- ✂ Social factors (peer pressures)
- ✂ To gain advancement



Reasons to reject Unions

- ✂ Cultural problems
- ✂ Job satisfaction
- ✂ Fear of reprisal
- ✂ Shift in employment from manufacturing to service
- ✂ Employers oppose unions and take aggressive stands against them
- ✂ Employers often find permanent replacements for striking employees
- ✂ Bargain for improved wages, hours, working conditions and benefits for members
- ✂ Protect members for arbitrary management actions
- ✂ Provide services and assistance to members
- ✂ Present the social aspirations and political ideology of members to the public.

Union Benefits

⌘ Higher wages and benefits

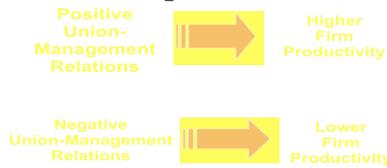
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- ⌘ Influence work rules
- ⌘ Greater job security
- ⌘ Dealing with management
- ⌘ Decisions and policies are subject to challenge and negotiation
- ⌘ Management powers are limited
- ⌘ May have to disclose certain information about the company to union representatives

Union can also effect management...

- ⌘ Staffing
- ⌘ Employee Development
- ⌘ Compensation
- ⌘ Employee Relations

Union-Management Relations Moderate the Impact of Unions on Productivity



- ⌘ Government
- ⌘ Manufacturing
- ⌘ Transportation
- ⌘ Public utilities
- ⌘ Large industrial corporations

The negotiation process between management and labour in which both parties try to agree on the terms of the contact is known as collective bargaining

Collective Bargaining Objectives

- Contract agreement
- Acceptable to both parties
- Common issues

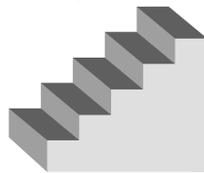
- ⌘ Wages
- ⌘ Hours
- ⌘ Terms and conditions of employment
- ⌘ Grievance procedure

Collective Bargaining - Involved

- ⌘ Labor
- ⌘ Management
- ⌘ Government
- ⌘ Financial institutions (Indirectly)

Collective Bargaining Steps

- ⌘ Preparation
- ⌘ Negotiation
- ⌘ Agreement
- ⌘ Contract Administration



Union Power in Collective Bargaining

Grievance is a formal expression of individual or collective employee dissatisfaction with company policies as well as inappropriate management actions.

- ⌘ Clear and publicized grievance procedures will clarify the process of handling employee complain.
- ⌘ Perceived fairness may be a motivating factor.

Grievance Procedure Steps

- ⌘ Start at lowest level
- ⌘ Supervisor

♁ Manager, specialist

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✂ Grievance rights arbitration

Key Points

- ✂ Procedure should be simple with adequate opportunities for communication
- ✂ Some formality is inevitable since senior management is involved
- ✂ Written complaint is needed at the later stage of the procedure
- ✂ If possible, grievance should be settled at the lowest step in the process
- ✂ Sufficient training of foreman or first level supervisor in the grievance procedure is important

Line Managers and HRM in a Unionized Setting

- ✂ Comply with provisions of the collective bargaining agreements.
- ✂ Understand the agreement provisions and grievance system.
- ✂ Resolve conflicts early.

Line Managers and HRM in a Nonunionized Setting

- ✂ Fairly allocate rewards and punishments.
- ✂ Cultivate a climate that stresses open communication.
- ✂ Negotiate and consult with union officials.
- ✂ Ensure compliance with the labor contract.
 - Provide workers with a greater voice in determining work conditions.
 - Install a formal grievance system.
 - Hire a labor relations consultant.

Phases of Labor Relations

- Union organizing
- Collective bargaining
- Contract administration



Lecture-36 Conflict and Negotiation



Conflict

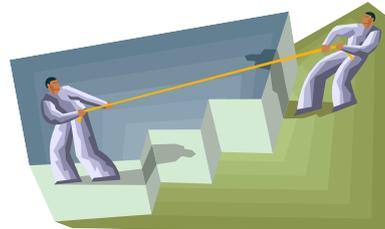
The process in which one party perceives that its interests are being opposed or negatively affected by another party.

- ✂ Perceived by the parties
- ✂ Parties are in opposition to one another
- ✂ At least one party is blocking the goal attainment of the other party
- ✂ Goals can be tangible or psychological
 - ✂ Money
 - ✂ Task Achievement
 - ✂ Happiness

“a process which begins when one party perceives that the other is frustrated, or is about to frustrate, some concern of his (or her).”

Organizational conflict

- ✂ Organizational hierarchy
- ✂ Competition for scarce resources
- ✂ Self-image & stereotypical views of others
- ✂ Differing goals & objectives
- ✂ Failures & resultant blame fixing
- ✂ Poor coordination of activities



Traditional

- ☞ Conflict is bad & should be avoided
- ☞ Results from lack of openness & trust
- ✂ Evidence of a failure in management
- ✂ The “Common Sense” view of conflict

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Human Relations

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- ✂ Conflict is a natural occurrence
- ✂ We should accept conflict

Interactionist

- ✂ The view of current Conflict Theory
- ✂ Conflict should be encouraged & managed
- ✂ Brings life, creativity & synergy
- ✂ **Two kinds:**
 1. Functional
 2. Dysfunctional

Is Conflict Good or Bad?

✂ Functions of Conflict

- ✂ Synergy
- ✂ Promotion of change
- ✂ Promotes goal achievement

✂ Dysfunctions of Conflict

- ✂ Wasted time & energy
- ✂ Stress
- ✂ Detracts from the goal of the group

Organizational Conflict Outcomes

✂ Dysfunctional outcomes

- ✂ Diverts energy and resources
- ✂ Encourages organizational politics
- ✂ Encourages stereotyping
- ✂ Weakens knowledge management

✂ Potential benefits

- ✂ Improves decision making
- ✂ Strengthens team dynamics

Level of conflict	Type of conflict
Organization	→ Within and between organizations
Group	→ Within and between groups
Individual	→ Within and between individuals

Types of Conflict

- Task conflict

Conflicts over content and goals of the work

- Relationship conflict

Conflict based on interpersonal relationships

- Process conflict

Conflict over how work get done

Managing conflict effectively

- ✂ Identify the problem
- ✂ Plan
- ✂ Communicate effectively
- ✂ Close at the appropriate moment
- ✂ Follow up the outcomes

What is negotiation?

Negotiation is the process that is used to achieve agreement about the goals and the outcome of the situation

Essential skills are..

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⌘ Planning and preparing thoroughly before a negotiation

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- ✂ Using appropriate techniques during the negotiation
- ✂ Following up effectively
- ✂ Evaluating the effectiveness of a negotiation

Determine the negotiation outcome

- ✂ Win/lose
- ✂ Lose/lose
- ✂ Win/win
 - Lose-lose methods: compromise
 - Win-lose methods: dominance
 - Win-win methods: problem solving

Preparation for Bargaining

- ✂ Fact gathering
- ✂ Goal setting
- ✂ Strategy development

Issues for Negotiation

- ✂ Mandatory Issues
 - ✂ Wages
 - ✂ Hours
 - ✂ Other terms and conditions of employment
- ✂ Permissive Issues (If parties agree)
 - ✂ Price
 - ✂ Product design
 - ✂ New jobs

Prohibited Issues

- ✂ Illegal or outlawed activities such as a demand that the employer use only union-produced goods

So, during Negotiation...

- ✂ Separate the people from the problem
- ✂ Focus on interests not positions
- ✂ Generate a variety of possibilities before deciding what to do
- ✂ Insist that the result be based on some objective standard

Lecture-37

Power & Political Behavior

Power

- ✂ What is it?
- ✂ Do you have any?
- ✂ Do you want some?
- ✂ How can you get some?



Concept of Power

Power - the ability to influence another person

Influence - the process of affecting the thoughts, behavior, & feelings of another person

Authority - the right to influence another person

Sources of Organizational Power

Coercive

Exists when one person believes another person can and will provide or withhold punishment

Reward

Exists when one person believes another person can and will provide or withhold rewards

Legitimate

Exists when one person believes that another person has the right to influence him or her (authority)

Expert

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Exists when one person believes another person has desired expertise and is willing to share or withhold it

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👉 **Information power**

Power that comes from access to and control over information

👉 **Expert power**

Influence based on special skills or knowledge

Interpersonal Power

The ability to influence others and maintain control over your own fate

Dependency: The Key To Power

Principles of Power

- ✂ Power is perceived
- ✂ Power is relative
- ✂ Power bases must be coordinated
- ✂ Power is a double-edged sword (used and abused)

Organizational Power Management

- ✂ Select charismatic individual
- ✂ Select & train for desired expertise
- ✂ Assign to position of authority
- ✂ Provide resources to manage
- ✂ Empower to punish others
- ✂ Empower to reward others

Personal Power Management

- ✂ Be a nice person
- ✂ Acquire and make expertise known
- ✂ Acquire and make resources known
- ✂ Use & make authority known
- ✂ Show ability to provide or with-hold rewards
- ✂ Show ability to provide or with-hold punishment

Using Power Ethically

- ✂ Does the behavior produce a good outcome for people both inside and outside the organization?
- ✂ Does the behavior respect the rights of all parties?
- ✂ Does the behavior treat all parties equitably and fairly?

Two Faces of Power

Personal Power

- ✂ used for personal gain

Social Power

- ✂ used to create motivation
- ✂ used to accomplish group goals

Organizational Politics

Organizational politics refer to activities that people perform to acquire, enhance, and use power and other resources to obtain their preferred outcomes in a situation where there is uncertainty or disagreement.

Power tactics

Ways in which individuals translates power bases into specific actions

Organizational politics refer to activities that people perform to acquire, enhance, and use power and other resources to obtain their preferred outcomes in a situation where there is uncertainty or disagreement.

The use of power in nonprescribed ways (means) and/or for nonprescribed purposes (ends)

Political behavior

Activities that are not required as part of one's formal role in the organization, but that influence, or attempt to influence, the distribution of advantages and disadvantages within the organization

Political Behavior in Organizations

Organizational Politics - the use of power and influence in organizations

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Political Behavior - actions not officially sanctioned by an organization that are taken to influence others

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in order to meet one's personal goals

Organizational Factors that Contribute to Political Behavior

- ✘ Low trust
- ✘ Democratic decision making
- ✘ High performance pressures
- ✘ Scarcity of resources
- ✘ Role ambiguity
- ✘ Self-serving senior managers
- ✘ Unclear evaluation systems
- ✘ Zero-sum allocations

Ethical Guidelines for Political Behavior



Employee Responses to Organizational Politics

- ✘ Decreased job satisfaction
- ✘ Increased anxiety
- ✘ Increased turnover
- ✘ Reduced performance

Managing Political Behavior

- ✘ Maintain open communication
- ✘ Clarify performance expectations
- ✘ Use participative management
- ✘ Encourage cooperation among work groups
- ✘ Manage scarce resources well
- ✘ Provide a supportive organizational climate

Lecture-38

Employee Rights & Discipline

Rights and Responsibilities Issues

✘ Rights

- ✘ That which belongs to a person by law, nature, or tradition.

✘ Responsibilities

- ✘ Obligations to be accountable for actions.

✘ Statutory Rights

- ✘ Rights based on specific laws and statutes passed by federal, state, and local governments.

Employee Rights in the Workplace



Employment at Will

✘ A common law doctrine stating that employers have the right to hire, fire, demote, or promote whomever

they choose, unless there is a law or contract to the contrary.

✘ Employees have the right to quit and get another job under the same constraints.

Employee Rights....

✘ There are many laws and regulations governing human resource management that have been created to help define, maintain, and preserve employee rights.

✘ Discrimination laws essentially give people the right to work without being evaluated on the basis of

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nonjob- relevant factors such as religion, origins, sex or race.

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- ✂ Minimum wage legislation gives people the right to expect a certain base level of compensation for their work.
- ✂ Labor laws give employees the right to organize and join a labor union under certain prescribed circumstances.
- ✂ A rights issue that has arisen lately is – employee right to privacy.
- ✂ What about an employee's private life? Is it private or does the organization have the right to monitor what the employee does after work hours?

Just Cause & Due Process

✂ Just Cause

- Reasonable justification for taking an employment-related action.

✂ Due Process

- The means used for individuals to explain and defend their actions against charges or discipline.

✂ Distributive Justice

- Perceived fairness in the distribution of outcomes.

✂ Procedural Justice

- Perceived fairness of the process used to make decision about employees.

Just Cause

- ✂ Cause of action should be a fair one.

Due Process

- ✂ Inform employees of “charges” against them.
- ✂ Provide employees opportunity to defend themselves.

3 Types of Employee Rights

Statutory Rights

- ✂ Protect from discrimination
- ✂ Safe working conditions
- ✂ Right to form unions

Contractual Rights

- ✂ Employment contract
- ✂ Union contract
- ✂ Employment policies

Other Rights

- ✂ Ethical treatment
- ✂ Limited privacy
- ✂ Limited free speech

Employee Rights

- ✂ Protection of one's job
- ✂ Due process and just cause
- ✂ Freedom of speech
- ✂ Privacy
- ✂ Off-the job behavior
- ✂ Protection against layoff

Management Rights

- ✂ Run business and retain any profits
- ✂ Manage workforce: hire, promote, assign, discipline, discharge employees
- ✂ Influenced by stakeholders
- ✂ Employment at will

Creating Ethical and Fair Work Environment

- ✂ Develop trust
- ✂ Honor commitments

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∞ Act consistently

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- ✂ Be truthful and avoid white lies
- ✂ Avoid manipulating others
- ✂ Keep confidences
- ✂ Show concern for others

Create Healthy Work Environment

- ✂ Define clear expectations
- ✂ Treat employees equitably
- ✂ Avoid favoritism
- ✂ Adhere to reasonable standards
- ✂ Respect employees
- ✂ Recognize employee contributions

Discipline

Management action taken to encourage compliance with organizational standard and regulations.

Why?

Fair and open disciplinary procedures are essential to maintain harmonious corporate relations in organizations.

How?

Clearly-defined disciplinary procedures should be made known to all employees and included in employee handbook.

Discipline

- The primary objective of discipline is to motivate an employee to comply with the company performance standards.
- Second objective of discipline is to create and maintain mutual respect and trust between the employees

Approaches to Discipline

✂ **Progressive Discipline**

- Application of corrective measures by increasing degrees.
- Employees always know where they stand regarding offenses.
- Employees know what improvement is expected of them.
- Employees understand what will happen next if improvement is not made.

✂ **Positive Discipline (problem solving)**

- Discipline that focuses on the early correction of employee misconduct, with the employee taking total responsibility for correcting the problem.

So, Employee Discipline...

✂ Discipline

- A form of training that enforces organizational rules.

✂ Positive Discipline Approach

1. Counseling
2. Written Documentation
3. Final Warning (decision day-off)
4. Discharge

HR Policies, Procedures, and Rules

✂ Policies: General guidelines that focus organizational actions.

• “Why we do it”

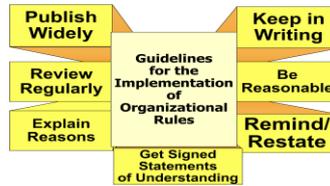
✂ Procedures: Customary methods of handling activities

• “How we do it”

✂ Rules: Specific guidelines that regulate and restrict the behavior of individuals.

- “The limits on what we do”

Implementing Organizational Rules



Lecture-39 Discipline (Cont..)

Common Disciplinary Problems

Attendance

- ✘ Unexcused absence
- ✘ Chronic absenteeism
- ✘ Leaving without permission

Work Performance

- ✘ Not completing work assignments
- ✘ Producing substandard products or services
- ✘ Not meeting established production requirements

Dishonesty and Related Problems

- ✘ Theft
- ✘ Falsifying employment application
- ✘ Willfully damaging organizational property
- ✘ Punching another employee’s time card
- ✘ Falsifying work records

On-the-job Behaviors

- ✘ Insubordination
- ✘ Smoking in unauthorized places
- ✘ Fighting
- ✘ Gambling
- ✘ Failure to use safety devices
- ✘ Failure to report injuries
- ✘ Carelessness
- ✘ Sleeping on the job
- ✘ Using abusive or threatening language with supervisors
- ✘ Possession of narcotics or alcohol
- ✘ Possession of firearms or other weapons
- ✘ Sexual harassment

Discipline System Recommended by Labour Department

- (a) Warning (oral or written)
- (b) Suspension (with or without pay)
- (c) Dismissal with appropriate notice
- (d) Dismissal without notice
- (e) Appeal

Progressive Discipline Procedure



The Hot Stove Rule

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Good discipline (or a rule) is like a hot stove in that:

⌘ It provides a warning (feels hot)

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- ✘ It is consistent (burns every time)
- ✘ It is immediate (burns now)
- ✘ It is impersonal (burns all alike)

Approaches to Discipline

Let's take some examples.. Ineffective Employees

There are three general questions a manager might use to analyze the performance problem:

1. What is the discrepancy?
2. Is it important?
3. Is it a deficiency in skills?

✘ If there is a deficiency in skills, then it must be corrected

✘ If the problem does not have to do with skills, then it must be addressed in terms of:

- ✘ removing obstacles
- ✘ creating a more positive motivational climate
- ✘ bringing about some type of job change

Participants in Theft and Other Illegal Acts

✘ Employees engage in illegal acts including:

- ✘ employee theft
- ✘ misuse of company facilities or property
- ✘ disclosure of trade secrets
- ✘ embezzlement
- ✘ sabotage of products
- ✘ use of company telephones and credit cards for personal use

✘ To deal with employee dishonesty problems, HR managers use:

- ✘ discipline
- ✘ termination
- ✘ rehabilitation

✘ HR departments have responsibility for crime prevention

- ✘ security programs
- ✘ pre-employment screening mechanisms

Rule Violators

✘ Consistently violate company rules, e.g.,

- ✘ sleeping on the job
- ✘ having weapons at work
- ✘ fighting at work
- ✘ coming in late
- ✘ abusing the supervisor

✘ Workplace violence is a particularly difficult issue

Discipline Systems

✘ Discipline should:

- ✘ Be proportional to the bad behavior
- ✘ Be applied before the bad behavior becomes a habit
- ✘ Be focused on specific behaviors
- ✘ Be applied consistently across people and time
- ✘ Not be followed by positive rewards that lessens manager's guilt
- ✘ Be administered by someone the employee trusts and respects

Reasons Why Discipline Might Not Be Used

✘ Organization culture regarding discipline

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- ⌘ Lack of support by higher management
- ⌘ Guilt

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- ✂ Loss of friendship
- ✂ Time loss
- ✂ Fear of lawsuits

Separation

- ✂ Disciplinary separation
 - ✂ Dismissal
- ✂ Non-disciplinary separation
 - ✂ Layoff
 - ✂ Downsizing
 - ✂ Retirement

Involuntary Separation

Issues:

- ✂ Employment-At-Will
- ✂ Discipline Systems
- ✂ Termination for Cause
- ✂ Layoff

Termination for Cause

Some offenses are so bad they typically justify immediate termination

- ✂ Falsify résumé or employment application
- ✂ Falsify work records
- ✂ Divulge trade secrets
- ✂ Steal company property
- ✂ Assault of supervisor or fellow employees
- ✂ Possession of a weapon
- ✂ Possession of alcohol or illegal drugs

Acceptable Reasons

- ✂ Incompetence that is not responsive to training/accommodation
- ✂ Gross/repeated insubordination
- ✂ Repeated lateness/unexcused absences
- ✂ Illegal behavior/drug activity
- ✂ Verbal Abuse
- ✂ Physical violence

Unacceptable Reasons

- ✂ Reporting illegal company actions or cooperating in a legal investigation
- ✂ Filing workers' compensation claim
- ✂ Engaging in concerted activity to protest wages, working conditions, safety hazards
- ✂ Engaging in lawful union activity
- ✂ Refusing an assignment because of a reasonable belief it is dangerous

Termination does 2 things:

- ✂ Punishes the problem employee
- ✂ Sends a message to other employees about what will not be tolerated

Managing terminations

- ✂ Document, document, document

Demotion as Alternative to Termination

- ✂ Demotions used as alternative to discharge
- ✂ Demotion is process of moving worker to lower level of duties and responsibilities, usually involving a reduction in pay

Layoffs

- Other terms:

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- Downsizing

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- Restructuring
- Right-sizing
- ✂ Downsizing also known as restructuring and rightsizing
- ✂ Reverse of company growing; suggest one-time change in organization and number of people employed
- ✂ Layoff/recall
- ✂ Outplacement

Voluntary Separation

- ✂ Dissatisfaction leads to withdrawal & negative job behaviors
- ✂ Quitting may also be due to sudden changes
 - Internal job-related, e.g., not getting a promotion
 - External job-related, e.g., getting better job offer
 - External off-job, e.g., spouse getting transferred

Resignation

- ✂ Exit interview
- ✂ Advance notice of resignation



Retirement

- ✂ Completed service
- ✂ Early retirement



Lecture-40 Leadership



Why Leadership?

Leadership is a Process, Not a Position

Leadership Defined

- ✂ Directing and coordinating the work of group members (Fiedler, 1967).
- ✂ An interpersonal relations in which others comply because they want to, not because they have to (Merston, 1969, Hogan, Curphy, & Hogan, 1994).
- ✂ The process of influencing an organized group toward accomplishing its goals (Roach & Behling, 1984).
- ✂ The leader's job is to create conditions for the team to be effective (Ginnett, 1996.)

Leadership

The process of influencing an organized group toward accomplishing its goals

Leadership

The ability to get things done through people.

Myths That Hinder Leadership Development

- ✂ Good leadership is all common sense.
- ✂ Leaders are born, not made.
- ✂ The only school you learn leadership from is the school of hard knocks.

Leadership Theories

- ✂ Trait Theories
- ✂ Behavioral Theories

Trait Theories

People are born with certain characteristics which make them leaders.

Common Traits

- ✂ Intelligence
- ✂ Dominance
- ✂ Self-confidence
- ✂ High energy level
- ✂ Task relevant knowledge

Trait of a Charismatic Leader

♋ Self-confidence

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- ✂ A vision
- ✂ Strong conviction in that vision
- ✂ Out of the ordinary behavior
- ✂ The image of a change agent

Behavioral theories

- ✂ There are behavioral determinants of leadership which can be **learned**.
- ✂ People can be **trained** to be effective leaders.

Conventional Wisdom About Leadership

- ✂ People who are tall and athletic make better leaders.
- ✂ Smarter people make better leaders.
- ✂ Leaders who are stable and predictable are more effective.

Research Findings About Leadership

- ✂ People who are tall and athletic do not necessarily make better leaders.
- ✂ In some situations, smarter leaders consistently performed less well than those who were less smart (Fiedler et al.)
- ✂ The most effective leaders use different bases of power to meet situational demands.

What is the Relationship between Power and Leadership?

✂ Leadership

- ✂ Focuses on goal achievement.
- ✂ Requires goal compatibility with followers.
- ✂ Focuses influence downward.

✂ Power

- ✂ Used as a means for achieving goals.
- ✂ Requires follower dependency.
- ✂ Used to gain lateral and upward influence.

Two Faces of Power

Personal Power

- ✂ used for personal gain

Social Power

- ✂ used to create motivation
- ✂ used to accomplish group goals

Decisions, Decisions, Decisions!

Both managers and leaders make many decisions.

Reaching Consensus

Both managers and leaders help groups make decisions.

Resolving Conflicts

Both managers and leaders help to resolve conflicts.

Goal Setting

Both managers and leaders help set goals in their companies.

Motivating Employees

Both managers and leaders motivate others.

“All Leaders are Managers....But not all Managers are Leaders” True or False?

Distinctions Between Managers and Leaders

Leaders

- ✂ Innovate
- ✂ Develop
- ✂ Inspire
- ✂ Take the long-term view

Managers

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- ⚡ Administer

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- ✂ Maintain
- ✂ Control
- ✂ Have a short-term view

Leaders

- ✂ Ask what and why
- ✂ Originate
- ✂ Challenge the status quo.

Managers

- ➔ Ask how and when
- ➔ Accept the status quo

A LEADER....

- Visionary
- Challenger
- Inspirer
- Developer Of People

A MANAGER...

- ✂ Planner
- ✂ Organizer
- ✂ Coordinator
- ✂ Performance Coach
- ✂ Day-To-Day Problem Solver
- ✂ Get The Work Of The Organization Done Through Others

Leader Traits That Influence the Leadership Process

- ✂ Personality
- ✂ Position
- ✂ Experience

Follower Traits That Influence the Leadership Process

- ✂ Expectations
- ✂ Personality
- ✂ Maturity
- ✂ Competency levels
- Motivation
- Number of followers
- Trust and confidence

How Leaders Interact with Followers

- ✂ Create environments where followers' innovations and creative contributions are welcome.
- ✂ Encourage growth and development in followers.
- ✂ Interested in the big picture of followers' work.
- ✂ Motivate followers through more personal and intangible factors.
- ✂ Redefine the parameters of tasks and responsibilities.
- ✂ Change situations rather than just optimize their group's adaptation to it.

Sources of Leader Power

- ✂ Furniture and office arrangements
- ✂ Prominently displayed symbols
- ✂ Appearances of title and authority
- ✂ Choice of clothing
- ✂ Presence or absence of crisis

Building Power

- ✂ Knowledge, skill, reputation, professional credibility (expert and information power)

⌘ Political network

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- ✂ Formal or informal
- ✂ Often based on position in a communication channel
- ✂ Create perception of dependence: control of scarce resources

Trust: The Foundation of Leadership



Five Dimensions of Trust

- ✂ Integrity (honesty and truthfulness)
- ✂ Competence (technical/interpersonal)
- ✂ Consistency (reliability, predictability and good judgment in handling situations)
- ✂ Loyalty (willingness to protect and save face for a person)
- ✂ Openness (willingness to share ideas and information freely)

When are leaders irrelevant?

✂ Substitutes for Leadership make a leader unnecessary.

- ✂ Followers are experts and self-leaders.
- ✂ Task is clear and routine.
- ✂ Organizational rules and policies.

“Leadership is the art of accomplishing more than the science of management says is possible.”

"Great leaders are almost always great simplifiers, who can cut through argument, debate and doubt, to offer a solution everybody can understand."

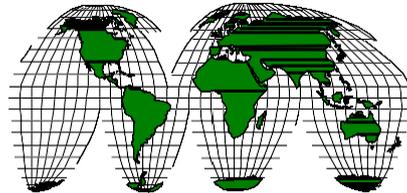
"The day people stop bringing you their problems is the day you have stopped leading them. They have either lost confidence that you can help them or concluded that you do not care. Either case is a failure of leadership."

Lecture-44

Managing Human Resources in an International Business

Stages of a Global Organization

- ✂ Domestic
- ✂ International
- ✂ Multinational
- ✂ Global or Trans-national



Why?

The Evolution of Global Business

- ✂ **Exporting** - Selling abroad
- ✂ **Licensing** - Organization grants a foreign firm the right to use intellectual properties
- ✂ **Franchising** - Parent company grants another firm the right to do business in a prescribed manner
- ✂ **Multinational corporation** - Firm that is based in one country and produces goods or provides services in one or more foreign countries
- ✂ **Global corporation** - Has corporate units in a number of countries that are integrated to operate as one organization worldwide

Expatriate: A citizen of one country living and working in another country.

Multinational Corporation (MNC): A firm with assembly and production facilities in several countries and regions of the world.

Transnational Corporation: A firm with operations in many countries and highly decentralized operations. The firm owes little allegiance to its country of origin and has weak ties to any given country.

HR and International Business Challenge

- ✂ What HRM strategies are appropriate at different stages of internationalization?
- ✂ How is the best employee mix (host-country and expatriate) determined?
- ✂ Why do international assignments fail?
- ✂ How are returning employees re-integrated into the firm?

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- ⌘ Development
- ⌘ Knowledge & innovation dissemination

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- ✘ Identifying and development talent on a global basis

How Inter-country difference affects HRM?

- ✘ Cultural factors
- ✘ Economic factors
- ✘ Labor cost factors

Cultural Environment

Language, religion, values, attitudes, education, social organization, technology, politics, and laws of a country

Dimensions to Culture

- ✘ Power distance
- ✘ Individualism
- ✘ Uncertainty avoidance
- ✘ Masculinity/femininity
- ✘ Long-term/short-term orientation

Dimensions on Which Cultures Differ

- ✘ The nature of people
- ✘ How people relate to others
- ✘ Primary mode of activity
- ✘ Conception of space
- ✘ Time orientation

Impact of Culture on IHRM Practices

Aspects of culture you can see

- ✘ Dress
- ✘ Food
- ✘ Climate
- ✘ Housing

Aspects of culture you can't see

- ✘ Communication style
- ✘ What motivates people
- ✘ Role expectations
- ✘ Negotiation styles
- ✘ Non-verbal communication
- ✘ Tempo of work
- ✘ How tasks are assigned
- ✘ Attitude toward authority

Cross-Cultural Differences in the Workplace

- ✘ How interviews should be conducted
- ✘ How managers should act with their subordinates
- ✘ How negotiations should be conducted
- ✘ How training should be delivered
- ✘ How people should be paid for work

Difference in economic systems

In free enterprise systems-the need for efficiency tends to favor HR policies that value productivity, efficient workers and staff cutting where market dictate. In more socialist systems, HR practices tend to shift toward preventing unemployment, even at the expense of sacrificing efficiency

Why Discuss IHRM?

Becoming truly global requires effective management of a diverse international labor force

Defining "IHRM"

International HR Management is the strategic integration and alignment of HR practices with business objectives to enhance firm and employee performance around the globe Think about how you would get

talent

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IN → THROUGH → OUT

of an organization on a global scale:

- ✂ Recruiting
- ✂ Selection
- ✂ Compensation
- ✂ Benefits
- ✂ Performance Management
- ✂ Training

Global HR: HR Planning

- ✂ In deciding level of international involvement of the business....
- ✂ HR provides information about relevant HR issues (e.g., local market pay rates, labor laws)
- ✂ Decisions about where & how many employees are needed for each facility

International Staffing

Global HR: Selection

- ✂ Identify host-country, parent-country, & third-country nationals
- ✂ Hire locally? For which jobs?

Anticipate emotional cycle associated with foreign assignment:

- ✂ Culture shock
- ✂ Learning
- ✂ adjustment

Consider criteria associated with success in working overseas:

- ✂ Competence in area of expertise
- ✂ Ability to communicate verbally & nonverbally in foreign country
- ✂ Flexibility, tolerance of ambiguity, & sensitivity to cultural differences
- ✂ Motivation to succeed & enjoyment of challenges
- ✂ Willingness to learn about country's culture, language, customs
- ✂ Support from family members

Selection of Employees for International Assignments

- ✂ Emphasize cultural sensitivity as a selection criteria
- ✂ Establish a selection board of expatriates
- ✂ Require previous international experience
- ✂ Screen candidates' spouses and families

Global HR: Training & Development

- ✂ Consider differences when developing training
- ✂ Norms for participation? Language? Content?
- ✂ Cross-cultural preparation for international assignment (departure, assignment, return)
- ✂ International assignments as a part of career paths (development)
- ✂ Process for identifying employees

Four Step Approach to Training Overseas Candidates

- ☞ **Level 1** training focuses on the impact of cultural differences, and on raising trainees' awareness of such differences and their impact on business outcomes.
- ☞ **Level 2** training aims at getting participants to understand how attitudes (both negative and positive) are formed and how they influence behavior.
- ☞ **Level 3** training provides factual knowledge about the target country.
- ☞ **Level 4** training provides skill building in areas like language and adjustment and adaptation skills.

Global HR: Performance Mgmt

- ✂ Consider legal requirements, local business practices, national culture
- ✂ Think about
- ✂ What is rated & how it is rated

⌘ How much performance is measured

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- ✂ Norms for providing feedback

Global HR: Compensation

- ✂ Pay level & relative worth of jobs may differ across countries (e.g., different labor markets)
- ✂ Pay consistency vs. tailoring to location?
- ✂ Consider company costs & ability to compete
- ✂ Incentive pay
- ✂ Benefits – legal issues, expectations

Why International Assignments Fail ?

- ✂ Career blockage
- ✂ Culture shock
- ✂ Lack of pre-departure cross-cultural training
- ✂ Overemphasis on technical qualifications
- ✂ Family problems

Upon Return

- ✂ Lack of Respect for Acquired Skills
- ✂ Loss of Status
- ✂ Poor Planning for Return Position
- ✂ Reverse Culture Shock

Managing Host Country Employees

- ✂ Adjust HRM practices to the norms and culture of the host country.
- ✂ Develop training programs that are compatible with the host country's views of the educational process.
- ✂ Develop compensation systems that are adapted to what motivates employees in the host culture.

Five Figures Important in International Assignee Importance Factors' Components

1. Job Knowledge and Motivation

- Managerial ability
- Organizational ability
- Imagination
- Creativity
- Administrative skills
- Responsibility
- Industriousness
- Initiative and energy
- High motivation
- Frankness
- Belief in mission & job

2. Relational Skills

- Respect
- Courtesy & tact
- Display of respect
- Kindness
- Empathy
- Integrity
- Confidence

3. Flexibility/Adaptability

- Resourcefulness
- Ability to deal with stress
- Flexibility
- Emotional stability
- Willingness to change

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- Tolerance for ambiguity

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- Adaptability
- Independence
- Dependability
- Political sensitivity
- Positive self-image

4. Extra-Cultural Openness

- Variety of outside interests
- Interest in foreign cultures
- Openness
- Knowledge of local language(s)
- Outgoingness
- Overseas experience

5. Family Situation

- Adaptability of spouse & family
- Spouse's positive opinion
- Willingness of spouse to live abroad
- Stable marriage

The Global Marketplace

Employers:

- ◆ Importing & exporting organizations
- ◆ Multinational enterprises (MNEs)
- ◆ Global organizations

Employees:

- ◆ Parent-country national
- ◆ Host-country national
- ◆ Third-country national
- ◆ Expatriate

Compensation

- ◆ Provide expatriate with disposable income equivalent to what s/he would get at home
- ◆ Provide explicit "add-on" incentive for accepting international assignments
- ◆ Avoid having expatriates fill same jobs held by locals or lower-ranking jobs

Selecting Employees for International Assignments

- ☞ Emphasize cultural sensitivity as a selection criteria
- ☞ Establish a selection board of expatriates
- ☞ Require previous international experience
- ☞ Explore the possibility of hiring foreign-born employees who can serve as "expatriates" at a future date
- ☞ Screen candidates' spouses and families

Five Major Dimensions to Culture

- ◆ Power distance Extent to which individuals expect a hierarchical structure that emphasizes status differences between subordinates and superiors.
- ◆ Individualism Degree to which a society values personal goals, autonomy, and privacy over group loyalty, commitment to group norms, involvement in collective activities, social cohesiveness, and intense socialization.
- ◆ Uncertainty avoidance Extent to which a society places a high value on reducing risk and instability.
- ◆ Masculinity/femininity Degree to which a society views assertive or "masculine" behavior as important to success and encourages rigidly stereotyped gender roles.
- ◆ Long-term/short-term orientation Extent to which values are oriented toward to future (saving, persistence) as opposed to the past or present (respect for tradition, fulfilling social obligation).

Lecture-45

Human Resource Management

Managerial function that tries to match an organization's needs to the skills and abilities of its employees.

Managing Human Resources

- ✘ To attract
- ✘ To Develop
- ✘ To Motivate and
- ✘ To Keep/Retain talented people

Why is HRM Important?

- ✘ Every manager manages human resources
- ✘ Human resources- the primary source of lasting competitive advantage

Traditional Sources of Competitive Advantage

- ✘ Financial or Economic Capabilities
- ✘ Product Capabilities
- ✘ Technological or Process Capability
- ✘ Organizational Capability

Strategies for Gaining Competitive Advantage

- ✘ Cost leadership: Compete by lower costs
- ✘ Core workforce mindset: cost reduction & effectiveness
- ✘ Product Differentiation/Innovation
- ✘ Core mindset: innovation & flexibility
- ✘ Focus: Best customer service or quality
- ✘ Core mindset: reward teamwork and quality successes that surpass customer needs
- ✘ Speed to Market
- ✘ Core mindset: Work faster than competitors

The Strategic Importance of Managing Human Resources

- ✘ **Competitive Advantage:** When all or part of the market prefers the firm's products and/or services.
- ✘ Ways firms can use HRM to gain sustainable competitive advantage:
 - ✘ Maximize the value added by employees
 - ✘ Acquire rare employees
 - ✘ Develop a culture that can't be copied.

Human Resource Roles

- ✘ Strategic Management Role
- ✘ Enabler Consultant Role
- ✘ Monitoring and Maintaining Role
- ✘ Change and Knowledge Facilitator Role
- ✘ Innovator Role

Strategic Management Role

✘ Linking the firm's HR policies and practices to the broader, longer-term needs of the firm and its stakeholders

Includes:

- ✘ Setting the direction
- ✘ Crafting corporate- and business-level plans
- ✘ Developing and implementing functional plans
- ✘ Measuring, evaluating, revising and refocusing

Enabler and Consultant Role

✘ Enabling line managers to make things happen

Includes:

- ✘ Training
- ✘ Assisting with problem diagnosis
- ✘ Developing solutions with managers

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⌘ Being accessible and attuned to employee needs and concerns

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Monitoring and Maintaining Role

- ✘ Monitoring compliance with legal regulations and effectiveness of HR activities

Includes:

- ✘ Monitoring morale
- ✘ Providing support during change and uncertain times

Innovator Role

- ✘ Improving productivity and quality of work life

Includes:

- ✘ Adapting to an environment of uncertainty, energy conservation, and international competition
- ✘ Justifying the benefits and costs of programs

Change and Knowledge Facilitator Role

- ✘ Facilitating organizational change and maintaining organizational flexibility

Includes:

- ✘ Focusing on the future
- ✘ Guiding the flow of knowledge, information and learning throughout the organization

The HR Triad

- ✘ All managers responsible for leading people
- ✘ Employees share responsibility for human resource management
- ✘ “Customerization” means:
 - ✘ Viewing people inside and outside the organization as customers to be satisfied
 - ✘ Involving customers in the design of products and services

High-performance Work System (HPWS)

- ✘ A specific combination of HR practices, work structures, and processes that maximizes employee knowledge, skill, commitment, and flexibility.
- ✘ Systems composed of many interrelated parts that complement one another to reach the goals of an organization, large or small.

Ensuring Fit

✘ Internal fit

- ✘ The situation in which all the internal elements of the work system complement and reinforce one another.

✘ External fit

- ✘ The situation in which the work system supports the organization’s goals and strategies.

Benefits of HPWS

✘ Employee Benefits

- ✘ Have more involvement in the organization.
- ✘ Experience growth and satisfaction, and become more valuable as contributors.

✘ Organizational Benefits

- ✘ High productivity
- ✘ Quality
- ✘ Flexibility
- ✘ Customer satisfaction.

Expectations for HR Professionals

- ✘ Understand problems assigned
- ✘ Stay competent and professional through study and research
- ✘ Maintain high standards of personal honesty and integrity
- ✘ Consider the personal interests, welfare, and dignity of all employees affected by recommendations and actions
- ✘ Ensure organizations maintain high regard for public interest and personal interests and dignity of employees

Current HRM Challenges

- ✘ Managing Teams
- ✘ Managing Diversity
- ✘ Managing Globalization
- ✘ Managing Change

Organizational Ethics Problems Related to HRM

- ✘ Using favoritism rather than ability or job performance for managerial decisions regarding:
 - ✘ employment
 - ✘ promotion
 - ✘ pay
 - ✘ discipline

HR Professionals' Roles in Workplace Ethics

- ✘ **Monitor:** ensure all individuals are treated fairly and ethically
- ✘ **Investigator:** investigate complaints bearing on ethical issues
- ✘ **Spokesperson:** defend company's actions when confronted by a regulatory agency or the media

Code of Ethics for HR Professionals

- ✘ Maintain the highest standards of professional and personal conduct.
- ✘ Encourage employers to make fair and equitable treatment of all employees a primary concern.
- ✘ Maintain loyalty to employers and pursue company objectives in ways consistent with the public interest.
- ✘ Uphold all laws and regulations relating to employer activities.
- ✘ Maintain the confidentiality of privileged information.

Code of Ethics for Human Resource Management

“Practitioners must regard the obligation to implement public objectives and protect the public interest as more important than blind loyalty to an employer’s preferences.”

Why Aren't “Best HR Practices” Used More Often?

- ✘ Resistance to change
- ✘ Ignorance on the part of decision makers
- ✘ Political considerations

How Can You Gain Support for “Best HR Practices?”

- ✘ Link the use of HR practices to the solution of real business problems, and to achieving tangible business goals.
- ✘ Demonstrate how the benefits outweigh the costs of using “best HR practices.”
- ✘ Speak the language of business people, i.e., money, not correlation coefficients!

Future HR Trends

- ✘ **Workplace Flexibility:** collaborative work in a virtual office
- ✘ **Global Business:** borderless business requires a global workforce
- ✘ **Work & Society:** working to live, not living to work
- ✘ **Workforce Development:** constant learning in a just-in-time format , learning organization & high skill utilization
- ✘ **Definition of Jobs:** jobs get bigger & broader
- ✘ **Strategic Role of HR:** becoming leaders, not just partners
- ✘ **The Value of Predicting:** having a vision & a way to achieve it

The Key Issues

How to achieve it?

Managing and retaining learning Human Resources.. Who deliver....

Think Globally Act Locally

“Knowledge and experience are available but often ignored”

