**Human Ressources Management**

**Origins**

**HRM: no unanimous agreement on definition of HRM.**  However, HRM can be seen as a set of loosely related ideas, concepts and techniques held together by the common underlying premise that within an org, maximization of human resources is crucial to maintain and enhance the orgs competitiveness.

Strategic HRM: sets the various HRM policies, approaches, techniques that can be adopted by the Org within its Business Strategy. » HRM strategy supports Business Strategy.

3 “**CPR**” factors caused the emergence of HRM.

* **C**ompetitive business environment (namely the Japanese who were seen to be offer quality products at a low operational cost); competitive “edge” was seen to be the better utilization of human resources; further globalization of markets would continue to increase competition
* **P**olitical environment was changing - entrepreneurship was becoming highly valued, innovative thinking and emphasis on client satisfaction
* **R**esearch studies had emerged (Waterman) indicating that better management of people would lead to better business performance (leading to improved competitive edge in the market)

The CPR factors contributed to development of HRM. Though much is shared with concept of Personnel Management (PM), differs in several important aspects.

**PM HRM**

|  |  |
| --- | --- |
| Is specialist and technical in its **operational level**  | Continues to use technical knowledge in operational activities but **also** applies this knowledge into **formulating strategy**  |
| Is seen as being **reactive** | Is seen as being **proactive** |
| Operational activities:* Recruitment & Selection
* Performance Appraisal
* Training & Development
* Pay and Pension Plans
* Industrial Relations
* Attendance / Leave Recording
 | HRM will harness the operational elements of PM and incorporate elements into a cohesive strategy embracing the org culture / overall business strategy.Ie. PM will “fill a slot” during recruitment whereas HRM looks to “select the person who not only has the paper qualifications but also possesses those qualities (traits, behaviors etc) seen as essential in supporting the org strategy; person who will “fit in” |

3 major **“SOP”** influences on the evolutionary development of HRM:

* **S**trategy formulation/implementation: “How to maximize HR to gain competitive advantage?” SWOT (strength, weakness, opportunities, threats) analysis will be applied to both overall business and HRM strategies.
* **O**rganizational behavior theories and research are the root of HRM theories (motivation, performance, organizational structures and so on)
* **P**ersonnel management knowledge & techniques at the operational level need to be absorbed to achieve strategic objectives.

**Models**

**HRM Models:** all models are differentiated in characteristics particularly in the degrees of **Hard** (people considered like any other resource & therefore contribution must maximized & costs minimized) or **Soft** (emphasizes the “human” element of HR therefore possible to develop HR policies which mutually benefit the org and the employee).

2 most common HRM model types can be identified as and noting **Boxall’s** evaluations of each:

**Matching Harvard**

|  |  |
| --- | --- |
| 1) are rarely backed up with systematic data; uses anecdotal information**-** | 1) question the realism of assumptions and their practical application **-** |
| 2) assumptions are too unitaristic (actions are “done to” not “done with” people) | 2) does increased commitment truly lead to improved performance |
| 3) strategy formulation is not as straightforward as outlined by the model | 3) do we (HRM) know how to increase committment |
| 4) assumptions can be misplaced when based on criticized data (Schuler’s Model) | 4) argument that culture is important but do we (HRM) really know how to change it? |
| 5) overly restrictive in its definitions of major HRM areas (doesn’t include unions, leaders) | 5) Are common interests sustainable in the long term? |
| 6) wants HRM strategy to fit into the business strategy but too close a fit can lead to lack of flexibility | 6) Principle / Agent problem – natural conflict of interest? |
| 1) acknowledges many groups have vested interests in influencing business / HR strategy**+** |
| 2) situational factors & business strategy influence HRM strategy |
| Though overly simplistic, Matching models DO show potential value for theory in HRM. **+** | 3) recognizes society’s influence on HR practices therefore able to make international comparisons of HRM |
|  | 4) market focus is key but not exclusive basis of managerial choice of action |

**ALL** models will vary along these **6 “SSUPPL”** parameters:

1. all models are concerned with **S**trategicaspects but may vary on its concentration
2. **S**oft or Hard
3. **U**nitarist or Pluralist
4. **P**rescriptive or Descriptive
5. Variation /diversion from traditional **P**ersonnel Management
6. extent of HRM responsibility assigned to **L**ine Managers

**Fombrun et al Matching Model**

The HR cycle in the Fombrun Model

SSUPPL: Strategic insofar as its strategy is dictated by the business strategy which in turn was driven by market forces; Hard approach; Unitarist (gives slight nod to external influences on business strategy; Prescriptive (tells mgrs how to do things); Personnel ; Line Managers have little involvement in HRM

**+:**  argues for a link in various HR activities in support of overall business strategy;

-**:** doesn’t take into account employee needs; narrow number of stakeholders; HR has no reciprocal influence on business strategy.

Schuler and Jackson Matching Model

* based largely on Fombrun’s model » any weakness / failings of the Fombrun model will also apply to Schuler’s model
* Schuler attempted to provide easy-to-use lists of HR practices and policies; lists that indicated the performance requirement with the associated HR policy.

SSUPPL: Aims to be strategic in a mechanical sort of way; Hard; can lean towards pluralist than unitarist (since it can include the activities of additional parties like trade unions in its lists); lists are highly prescriptive; closer to the traditional operational role of PM than strategic HRM; some responsibilities (job performance appraisals, job analysis) with line managers but mainly rests with HR office

How useful is this model? Unlikely that optimal HR strategy can be “mechanically” slotted onto business strategy as suggested with these ready made lists. The best HRM strategy will of course take particular org circumstances into consideration when formulating its strategy.

**Beer et al (original Harvard) Model**

Key desirable outcome in this model is achieving increased “commitment”

\* 1. **B**usiness strategy 2. **L**abour market 3. **L**aws 4. Nature of **W**orkplace 5. **S**ocietal values 6. **R**eward system type 7. **W**ork system type

SSUPPL: Strategic over long term and is less dominated by the general strategy than the matching model; Soft approach as it is taking into account stakeholder (employee) wants/needs to achieve key outcome of commitment; Pluralist as it acknowledges a wide group of stakeholders; more descriptive than prescriptive (though the element of key outcome being commitment has a prescriptive element to it); closer to traditional Personnel Management then matching models; Line Managers will presumably have an increased role in HRM

**Guest (Harvard) Model**

|  |  |  |
| --- | --- | --- |
| HRM Policies | HR Outcomes | Org Outcomes |
| Org & Job Design |  | HighJob Performance |
| Change Management | Strategic Information | Change, Problem Solving |
| Recruitment/Selection | Commitment | Innovation |
| Appraisal; Training & Development | Flexibility; Adaptability | Cost effectiveness |
| Reward SystemsCommunication | Quality | LowTurnover ,Absences, Grievances |

All of which is strongly influenced by

Leadership which bears upon Org Culture which in turn affects Strategy

SSUPPL: Strategic elements are broadly defined; Interest in attaining commitment, quality and flexibility of org individuals are indicators of a soft approach; extent of pluralism is debatable but implied through soft approach; more prescriptive in its recommendations (than the Beer model) as is lists a desired set of outcomes; the series of HRM policies in the model are based on PM activities; broad definition of strategy infers that managers share (and accept) the values driving the HRM strategy and will take an active role in its implementation.

**S**ocio-Economic

**T**echnical

**P**olitical / Legal

**C**ompetitive

**C**ulture; **S**tructure

**P**olitics / Leadership

**T**ask Technology

**B**usiness Outputs

**O**bjectives

**P**roduct / Market

**S**trategy / Tactics

**H**R Flows

**W**ork Systems

**R**eward Systems

**E**mployee Reactions

**R**ole

**D**efinition

**O**rganization

**H**R Outputs

**Pettigrew (Harvard) Model**

Outer Context

Business Strategy Content **OPS**

Inner Context

HRM Content **HREW**

HRM Context **DOHR**

 **STCPB**

**STCP**

SSUPPL: highly integrated strategy which is influenced in reciprocal fashion amongst all elements; Soft approach (employee reactions are taken into account!); Descriptive as there is absence of any prescriptive elements; Pluralistic; normal operational requirements for PM; Line managers will be engaged to be part of the HRM strategy

**Analysis of Performance Requirements**

**Enhancement of Performance** is a central objective of strategic HRM. While performance has always been a central part of PM, now in HRM it has a sharper focus and is placed in a wider context. Performance can be defined in terms of **end results** (ie. Sales results or productivity levels) or **in terms of processes** that included both the task to be performed and the personal qualities needed to perform those tasks effectively.

Link any comments to Performance Appraisal & Management:

Analysis of Performance is taken at 3 different levels and can opt to use either of the 2 defining terms:

**End Results Process Indicators**

**Organization**

|  |  |
| --- | --- |
| 1) bottom line profit | 1) level of workforce commitment **-** |
| 2) dividends to shareholders | 2) existence of strong culture |
| 3) market share in comparison to competition | 3) level of employee satisfaction |
| 4) growth / diversification of business | 4) extent to which workforce is empowered |

Not perfect perf. indicators; short term focus; org focus only on growth runs danger of becoming too big & excessively bureaucratic for optimum perf., noted in HR themes: commitment-perf. relationship not proven

**☹**

**Group**

|  |  |
| --- | --- |
| 1) meeting / exceeding productivity targets | 1) group cohesiveness |
| 2) meeting / exceeding quality targets | 2) level of empowerment |
| 3) achieving cost savings**☹** | 3) degree of self management |

Unwise to rely on any single factor as error free; note there are factors outside groups control; increased productivity may result in decreased quality

**Individual**

**☹**

|  |  |
| --- | --- |
| 1) productivity  |  Increased productivity may result in decreased productivity |
| 2) absenteeism |  How does one measure productivity of managers? |
| 3) turnover |  High turnover can be costly; low turnover can be stifling |

» individual performance analysis tends to focus more on process indicators (identifying the key tasks the role needs to perform and what are the skills/abilities needed to produce the desired outcome). As a result, focus is on the qualities needed for the job. » 2 inter-related aspects in determining individual performance criteria: 1) what are the tasks? and 2) what human qualities are needed to perform those tasks?

How to sort & define the mass of human qualities in order to establish performance criteria? Divide into 3 groups of characteristics:

1. **Core Abilities**: those abilities that are genetic (ie. Intelligence, fast vs. slow learner, aptitudes)

They are difficult to identify & modify » are responsibility during selection to ensure their presence

1. **Skills:** those characteristics that can be learned (punctuality, communication, problem solving)

Will be responsibility of training & development programs.

1. **Motivational:** level of effort, reasons /reaction will depend on environment (pay systems, rewards) and circumstances (individual or that of the org)

Listing all the characteristics from each group above necessary to perform a job would be cumbersome and time consuming. How to better categorize these characteristics? Source Traits are regarded as being responsible for a collection of behaviors which co-exist in a person (personality, values, attitudes, intelligence). Example: conscientiousness trait would manifest itself in punctuality, meeting deadlines, checking for errors, etc.

☺ Small number of traits needed to show picture of performance requirements

Traits represent underlying qualities responsible for behaviours needed for performance

Traits easily understood and accepted

Research and theories supported by scientists

☹ Inferred… not observed (can’t see conscientousness… can see punctuality

Ill defined – not all managers use the same list of behaviours associated with a given trait

Traits rarely linked to performance

Not readily measured (as they are ill defined and not directly observable)

Different from behavioural repertoires

Trait Indicators in analyzing performance requirements is thus rarely used

Core characteristics are difficult to identify

Alternatives to Trait approach and listing of characteristics? Behavioural Indicators of Performance!

Traits are given meaning to the behaviours that flow from them. Ultimately, job performance is what is done in the job – the behaviour.

☺ Avoid long lists (as in characteristics) by categorizing behaviours into dimensions

Dimensions are based on areas of work activity (with no need for assumptions on individual behaviours).

Behavioural indicators are now dominantly used in defining performance requirements. Assume from here on that behavioral indicators will be used but now what? **How does one generate a comprehensive picture (list of behaviours) relevant to the job in question?**

Job Analysis Techniques (JAT) Blum& Naylor

* List 9 methods (Q1 DOG WCCC) of JAT. None is superior to the other but use more than one to gain a more complete picture.
* Not all JAT focus on behaviour directly but rather tasks » many JAT will contain elements of both.
* JAT most widely used in Selection & Recruitment, also used in Training & Development and Performance Appraisal.

Traditional JAT support of Strategic HRM

☹ (**PA FAD**) – JAT not in sync with new ways of thinking… looking for alternatives

**P**erformance Measurement Context: too narrow a context for the wider scope aimed for by HRM

**A**ttitudinal Qualities: little focus on such qualities (ie. Reacting positively to change) in JAT

**F**unctional Flexibility: JAT emphasizes the differences in work roles, HRM seeks functional flexibility

**A**daptation and change: lists current requirements; not forward looking but backward like Critical Incident

**D**iversification of Work Roles: 1 set of skills no longer enough, lots of training need (implies learning)

**Job Analysis Techniques – Q1 DOG WCCC**

|  |  |
| --- | --- |
| **Q**uestionnaires | ☹ time consuming to prepare and complete; important job features not addressed; employees with limited education may feel intimated in written form☺ easily distributed & collected; option to purchase ready made questionnaires |
| **1** to 1 interviewsused for complex / senior jobs or highly specialized jobs | ☹ time consuming; difficulty in quantifying / categorizing this quality information☺ qualitative information; actual job holder compiles list of behaviours/tasks |
| **D**iaries | ☹ time consuming ☺ comprehensive job record  |
| **O**bservation & Interview | ☹ time consuming ☺ actual behaviour as seen by analyst and job holder |
| **G**roup Interviews | ☹ certain participants can be dominating or feel inhibited in front of group☺ time saving; one participants ideas may stimulate another  |
| **W**ork participation Analyst does the job | ☹ only applicable to certain jobs (not surgeon for example)☺ better able to identify abilities for the job |
| **C**ritical Incident | ☹ past performance/not future oriented; ignore mundane but relevant aspects; ☺ uses real life events to assess effective & ineffective behaviours  |
| **C**onference | ☹ time consuming; generates too much informationProcess: Brainstorming session / 8-10 people; 1. generation of ideas (no critical evaluations at this stage)
2. evaluation

Questionnaires compiled to new & large group (50 people)1. Rate behaviour importance
2. Choose behaviour dimension
 |
| **C**hecklists | ☹ time consuming to prepare and complete; important job features not addressed; employees with limited education may feel intimated in written form☺ easily distributed; check only items that apply to joboption to purchase ready made questionnaires (behavioural qualities) |

Competencies (what individuals need to be able to do with reference to behaviour) offered an alternative to JAT. 3 different “competency” concepts arose causing confusion as the concepts & methodologies used interchangeably.

**MCI** (Management Charter Initiative) **competencies:** aim in the 1980’s to raise the standard of management through improved management education & training. Produced broad generic competencies for managers at various levels indicating a minimal standard level. Was hoped that these standards would become the driving force towards improved training & development of management.

**3** ☺ **NTR**

1) Informs responsible person of what managers **n**eed ;

2) encourages **t**raining & development to minimal performance level

3) **r**eady made competency lists valuable to small orgs with little money or expertise

**4** ☹ **BMSG** which may explain why MCI competencies not widely accepted:

1) long lists are **b**ureaucratic ;

2) focuses on **m**inimum standards instead of superior performance

3) focus on trainable **s**kills will lose ½ picture if no core abilities are included

4) provides **g**eneric (as opposed to org/job specific) competencies

**Behavioural Competencies (McBer Corp)** aims to identify excellent performance with org and job specific competencies. As a result, this approach addresses the weaknesses outlined in MCI approach (though this was coincidental as both systems were being developed at the same time).

**4** ☺ **UBSO**

1) **U**nderstandable / user friendly

2) **B**ehaviour Indicators focus

3) **S**imilar to behavioural approach in specifying job requirements

4) **O**ffers a broader and more integrated method of assessing performance (in line with new HRM strategic thinking)

**4** ☹ **MDSG**:

1) **M**easurement of competency by using critical incident (backward looking)

2) **D**imensions of competency – which behaviour elements go with what?

3) **S**kills vs Core abilities – which are which?

4) **G**eneric vs org/job specific competencies: is there really such a thing? Some data indicates strong generic component but not conclusions.

**Organizational Competencies** aims to focus on the totality of the org’s strategic options in light of its resources and capabilities. Considerations would include group competencies (self managed groups, departments, cross functional groups etc), leadership of top management, culture strength and physical assets.

**Summary of module**: Performance requirements can be identified at the org, group or individual level and in terms of end results or process indicators. Needs and thinking changed encouraging evolution in methods to define job performance. Analysis and definition of the performance requirements is one thing. The ability to accurately measure the performance is another (addressed in Performance Appraisal & Management).

**Recruitment and Selection**

Effective **Recruitment & Selection** will always be crucial to an org as recruits are the “raw” materials the org has to work with for all subsequent HRM activities. It is noted while defining effective job performance, many of the key competencies are core characteristics and » can not change/improve with training or development.

Awareness is also raised that different HRM strategies will affect the manner in which R & S is undertaken. For example:

Flexible Firm Model: R & S for peripheral works will be short, 1 on 1 interviews whereas for core workers will be lengthy in depth interviews, tests

Commitment/effort/performance model: assessment of candidates’ attitude & values by highly trained interviewers, realistic job interviews, applicant self-selection

Learning Organisation: implies continuous growth and change so relevant attitudes & competencies must be present

**Selection Paradigm** represents a model of how selection should be carried out under ideal circumstances.

Job Analysis

Choice of Selection Tools

Recruitment Decisions

|  |  |
| --- | --- |
| **Selection Matrix** | Selection Tools |
|  |  |  | Simulations |
| *Selection Criteria* (dimensions) aka behaviours/competencies | Interview | Ability Tests | Group discussions | Intray Exercise | Presentation |
| *Interpersonal Behaviour* | ⚫ |  | ⚫ |  | ⚫ |
| *Problem Solving & Decision Making* |  | ⚫ | ⚫ | ⚫ |  |
| *Planning & Organizing* |  |  |  | ⚫ |  |
| *Commitment* | ⚫ |  |  |  |  |
| *Flexibility* | ⚫ |  |  |  |  |

**The Selection Paradigm**

Job

Analysis

Choice of

Selection Tools

Recruitment Decisions

Validation Procedures

**CEQ**

Core characteristics, Qualifications

Experience

**RSVM**

Selection Matrix:

Reliability: a) inter-rater b) test-retest

Validity: a) predictive b) concurrent

Meta analysis a) fairness b) Costs (opportunity & $) c) applicability

Predictive

Concurrent

Muchinsky’s 4 factors on Usefulness of Selection Devices

1. Validity
2. Fairness – not to discrimminate
3. Cost (opportunity & $)
4. Applicability - high=wide range of jobs, low = narrow range of jobs

Not all factors have equal standing; if results not valid then irrelevant that 2-4 are super!

Validation Process measures that a selection tool is reliable and valid.

Correlation coefficients (r) measures the relationship strength between 2 variables

Negative correlation is when 1 variable increases and the other variable decreases (car age, gas mileage)

Positive correlation is when both variables increase (or both decrease) (peoples height & weight)

**Reliability**: consistency of measurement (r = .85 to .9 is good! .7 is questionable)

 Inter-rater: 2 or more recruiters make same judgements

 Test-retest: measure consistency over time

**Validity:** is the measuring instrument measuring what it is supposed to? (r = .4 to .5 is good, .3 is OK)

 Predictive: refer to scores at time of hire and compare to scores attained in on the job performance

 Concurrent: use performance scores of current staff (similar jobs) and compare to interviewee scores

**Meta Analyis (Schmit & Hunter)** is statistical procedure to produce more accurate summary of validity co-efficients. It was found that those recruiters with little (or no) resources to do their own validity checks on selection tools were turning to published studies which were often inconsistent in their (situation specific) findings. Meta analys aimed to overcome the issue of situation specific validity.

|  |  |
| --- | --- |
| **5 Selection Tools - ARBIPSA** | Muchinsky’s 4 Criteria of Usefulness of Selection Devices |
|  | **Validity** | **Fairness** | **Cost** | **Applicability** |
| **Application Forms** /**Biodata** – where scores are given to bio info* development stage (ref. existing employee scores as cut off)
* weight each item
 | PoorYes | Subjectiveobjective | 🡩🡫 opp | Wide |
| **Reference Reports** – used as pre-screening, at interview and/or as final check | poor | Questionable | low | wide |
| **Interview** – 5 dimensions **DTIFS**1. Duration
2. Type of interviewer (trained?)
3. Interpersonal atmosphere
4. Focus
5. Degree of Structure
	* Structured

1) competence (behavioural)2) job related ?’s3) fixed list of ?’s and scores4) behaviour based scales* + Unstructured

Situational Interview1. hypothetical job situations
2. critical incident method
3. scoring for effective ways

Patterned Behavior Description Interview (PDBD) 1) Past events predict future | PoorGoodPoor | unclear | SomeHighLower  | wide |
| **5 Selection Tools – ARBIPSA** | Muchinsky’s 4 Criteria of Usefulness of Selection Devices |
|  | **Validity** | **Fairness** | **Cost** | **Applicability** |
| **Psychometric Tests** 4 features1. constructed with well-established techniques/statistical criteria
2. measures core characteristics (not skills or motivational char)
3. assess specific (not comprehensive) aspects of person
4. assumes characteristics can be quantified (personality, smarts)

2 types of testsAbility1. cognitive
2. special aptitude
3. physical / sensory

Personality Tests1. Extraversion
2. Conscientousness
3. Agreeableness
4. Neuroticism
5. Openness to experience
 | adequateLow | Complex issue | High if developedLow if bought ready made | wide |
| **S**imulations & **A**ssessment Centres- simulations are practical exercises designed to have elements of the vacant post- ACs consist of combo of interview, tests & simulations5 characteristic of ACs:1) takes place over extended period of time2) actual behaviour is observed by assessors3) variety of methods – ID consistent behaviours4) several assessors5) assessor can focus on job specific behaviours | high | high | high | Limited |

**Performance Appraisal and Management**

Learned earlier that analyzing & defining the performance requirements of a specific role can be identified at different levels and in terms of end results or process indicators. **The ability to now accurately measure the actual performance is another key tool in the quest for performance maximization.**

3 determinants of performance are (FIR)

|  |  |
| --- | --- |
| **F**eedback | To provide clear picture of what the org requires & how well one does it* it must be frequent and comprehensive
* not only encompass individual work role requirements but performance that is relevant to org-wide (ie. Org values)
 |
| **I**ndividual Ability & Motivation | Comprised of core abilities, skills (and where there is a deficit appropriate training needed),examples of increasing motivation = performance based pay & empowerment |
| **R**esource Provision | Equipment, space, human resources, support… |

Maximizing performance is far from a straightforward process.

1. Performance requirements need to be clear to individuals.
2. Performance needs to be assessed accurately. Reasons for less than satisfactory performance isolated and where possible address through training/development.
3. Training / development needs to be identified for necessary programmes to be put in place.
4. Adequate resources need to be made available for individuals to carry out their roles effectively.
5. In order to motivate employees to perform at high level, efforts could be linked to rewards based on efforts / results.

**Performance Appraisal Systems (PAS)** the name given to the process of assessing individual performance in a formal and systematic way.

|  |
| --- |
| **Characteristics defining PAS****(PRRRF)** |
| **Purpose / Outcome** is for pay raise or training needs? |
| **Review Past Performance**: against previous period |
| **Ratings or Written Report:** of different aspects of the performance |
| **Rules & Guidelines:** Frequency, position of appraiser, what is being appraised |
| **Feedback:** in form of appraisal interview + what needs to be improved in future |

These characteristics are inter-dependent. Ie. The purpose of the PAS (training or rewards?) will determine the type of feedback, who will appraise and how will the information be recorded. Each of these characteristics / features can vary from Org to Org.

|  |
| --- |
| **Major features of PAS****()** |
| **Purpose / Outcome*** Past performance review in a systematic way; hoped to improve current & future performance
* Identifying T & D needs to improve current & future performance
* Target setting to improve performance, be aware of principal/agent problem (too high/low goals)
* Potential evaluation: succession planning & increases motivation
* Pay determination: increase performance

☹ avoid the winner/loser or judge/helper dilemma☹ current job skills differ from promotion position (then use modified ACs – Development Centres instead) noted that PAS more widely used (70%) to assess future potential than DC (due to cost or lack of interest?) |
| **Measure what?**  End results (sales, production) or Processes (tasks, talent) |
| **MBO** (Management by Objectives): widely used1. Joint goal setting: 🡩 performance by directing attention
2. Joint goal setting: 🡩 participation & understanding
3. Feedback: 🡫uncertainty 🡩learning

Needs top management support, Meta analysis showed it did increase productivity, victim of fads and now rarely in use☹ emphasis on end results neglects process aspects of performance☹ principal / agent trap of setting too high/low goals that were then compromised☹ reward/punishment mentality 🡫 trust | Trait approach (old & no longer used)1. refer to Performance Analysis for + / - (subjective, inferred)
2. also managers uncomfortable in “playing God”
3. demotivating & demoralizing

Behaviour approach1. refer to Performance analysis for + / - (objective, observable)

Increasingly being used in organizations |
| **Ratings or Written Report** |
| **Checklists:** list of behaviours/competencies relevant to job ☹ some behaviours more crucial than others so list has limited value ☹ unrealistic / extreme to think behaviours present or absent from peopleWeighted check lists assign value to each item for relative favourability | **BARS** Behaviourally Anchored Rating Scales provides benchmarks along rating scales☹ costly in time & money to set up☺ improves judgement appraisal**BOS** Behavioural Observation Scales ☺ less time consuming than BAS, 🡫subjectivity & biases, 🡩 accuracy by reporting frequency  Almost Never Almost AlwaysUses visual aids 1 2 3 4 5Controls audience effectively 1 2 3 4 5 |
| **Rating Scales** numerical scores showing degree of attainment ☹ leniency (reluctance to be negative), central tendency (avoid either extreme), halo effect |
| **Appraised by who?**: traditionally immediate supervisor (or 2nd reporting officer aka the grandfather appraisal) and still the most common. Depending on purpose of PAS… rewards or T & D assessment… other relevant appraisers may be internal / external clients, self-appraisal… 360  Appraisal: maximum amount of feedback from as many sources as possible. Superiors, subordinates, internal/external clients and peers. Not a vehicle for goal setting… appraisal interview will take on this role.☺ feedback from everyone, agreement of key aspects of performance, more likely to accept appraisal as accurate, no bias or misperceptions from 1 person☹ training required on constructive feedback for appraisers, time consuming & cumbersome, subordinates wary on giving feedback w/o anonymity. |
| **Feedback:** in form of appraisal interview + what needs to be improved in future☹ effort in obtaining agreement on objectives & targets☹ defensive to feedback (shortfall suggestions)  Development Interview (helper role) Salary appraisal Interview (judge role) |
| 1. Performance feedback
2. 2way agreement of evaluation accuracy
3. reasons performance achieved
4. barriers to improved performance
5. Objective & targets agreement for next period
6. T & D needs (appraiser / helper role)
7. Feedback T & D happened
 | 1. Appraiser should be highly skilled (🡩 possibility of confrontation)
2. Performance feedback
3. 2way agreement of evaluation accuracy
4. reasons performance achieved
5. barriers to improved performance
6. Objective & targets agreement for next period
7. T & D needs (appraiser / judge role)
8. Feedback T & D happened
 |

PAS - Limitations

1. difficulties in the judge/helper roles when developmental/reward aspects in the same PAS
2. winners / losers leads to defensive / resentment feelings leads to negative experience then 🡫 cooperation
3. promotion opportunities limited when promotion positions requirements differ from current post
4. training didn’t happen, individuals see no benefits to appraisal, enthusiasm for PAS falls
5. no compromise in target setting (boss wants hard goals, employee wants easy)
6. piecemeal nature (isolated, one-time events not well integrated with other HR activities)

PAS – maximizing the effectiveness

1. clear communication ⇨ trust & cooperation ⇨ benefits to org & individual
2. reward / development appraisals separated ⇨ resolves judge / helper dilemma
3. deliver T & D ASAP
4. focus on skills / motivational characteristics (not core abilities)
5. focus on observable behaviours & tasks (not traits)
6. BARS /BOS preferred
7. multiple rates (360)
8. targets realistic & achievable (not all being end results indicators)
9. provide training to appraiser on interviewing & human judgement processes
10. introduce development centres / appraisals simultaneously to assess behaviours not inherent in current job
11. PAS should be part of integrated performance management system (PMS)

Performance Management System (PMS) generally accepted that PMS is a system designed to enhance performance in the broadest sense both in the short and long term.

PMS Characteristics:

1. Does not replace PAS – PAS is a crucial component of PMS
2. ensures performance is linked to strategic HRM objectives (communicates vision, values, purposes)
3. individual’s contribution to improved team performance (key to PMS)
4. long term perspective
	1. individual development vs. training: DCs, interviews, new skill development, internal educational opps and external education encouraged
5. succession planning
6. coaching / mentors to facilitate target / objective setting and ensure regular continuous feedback
7. financial incentives – performance based pay (PRP)
8. integration of all performance elements into a single comprehensive system

Noted that these elements can (and usually are) found in many orgs today. However, they are typically implemented in a piecemeal, fragmented way. It is the integrated and co-ordinated approach that is the essence of PMS.

**Summary:**

|  |
| --- |
| **PAS functions:** review past performance, identify T & D needs, set performance targets, decide salary & promotions |
| **PAS differences:** who does them, what is measured, what are the objectives, what & how it is recorded |
| **PAS most effective when**: integrated into PMS, PMS is long term, continous, focus on team performance, focus on org goals, integrates HRM processes |

**Training and Development**

**Training & Development (T & D):** are 2 inter-related activities within HRM. Training concerned with the design & delivery of programmes to enhance specific aspects of performance and to address particular performance deficits. Development has a broader perspective – it is concerned with the individual as a “whole”... not some parts.

While T&D are operational HR activities, it is crucial component of strategic HRM as it ensures the successful implementation of HR strategies. For example:

1. Train & develop people to make their fullest contribution to the Org
2. Core employees (notably in the flexible firm’s reliance on this group) need extensive T & D
3. New HR concepts (self managed teams, empowerment, flexibility) need T to be successful
4. Gain acceptance of adaptation & change (HR theme) through T
5. Org culture & employee levels of commitment changes channelled through T
6. T & D enhances individual capabilities ⇨ motivation to fulfill their potential
7. Key aspect to PMS
8. T&D is about Learning = Learning Org

As in PMS, all too often the approach to T & D by orgs is fragmented and has no cohesive strategy when implemented. 3 main areas of T & D (all inter-related) are meant to reinforce one another:

1. Determining needs and priorities
2. Design & Delivery of programmes
3. Evaluation of Training Effectiveness

**1. Determining Needs & Priorities:** should be methodical & systematic; reality is T&D designed without serious consideration to the real needs of the org.

**Levels of Analysis: at 3 distinct levels**

1. **Org Level** – Org strategic objectives / Org competencies (ie. TQM approach – Quality!!!)
2. **Work Role Level** – specific to work role (not org wide) (ie. Technical training for engineers)
3. **Individual Level** – performance required, skills needed now & for future (targets individuals with common training needs irrespective of work role (ie. Negotiation communication skills)

**Methods of Data collection on Training Needs**

1. **Org Level** – Analysis of Org competencies (gap analysis)
2. **Work Role Level** – systematic Job Analysis (gap analysis)
3. **Individual Level** – PAS (gap analysis)
4. **Training Needs Analysis** – Info is systematically collected purely to assess training needs in 2 steps: 1st are qualitative interviews with select people; 2nd quantitative questionnaires to others

**Determining Training Priorities** is subjective in most part.

1. Use the gap analysis (consider the gap between the desired & actual level of performance).
2. Gap too big? Divert funds elsewhere

Noted that training can not change: core characteristics, some learned behaviours, some ingrained attitudes, and some reinforced interpersonal behaviours

**2. Designing Training Programmes:** takes into consideration the content (what will the participants learn) and the process (how will it be taught / delivered).

**Determining Training Content** can be straightforward or difficult.

1. **HTA** Hierarchal Task Analysis: describes main operations in role, divides / subdivides tasks until the cost to the system of task not being carried out effectively is negligible; not for all tasks (such as managerial)
2. **Stewart’s description of managerial activities:** liaison, maintenance of work processes, innovation, setting job boundaries
3. **Mintzberg’s categories:** Decision Making, Interpersonal (where all of Stewart’s definitions fall) and Information Processing.

**Training Process:** How can learning best be accomplished to be max. effective? Consider length of time to learn & how long it will be retained. Take into account the Learning Principles (even though research under controlled lab conditions):

1. Learning is enhanced with rewards (praise, mutual support, reinforcement etc)
2. Feedback is also a reward and specific to the training in question
3. **BMT** Behaviour Modelling Training where learn from observing; noted that preferable for trainee to have reason (motivation) to model one’s behaviour on another
4. Objective setting (individual aims to master a new skill)
5. Passive learning (lectures, reading)

**Types of Learning:** CRAMP

1. Comprehension: understand how & why
2. Reflex learning: analyze info (perception) and control of body movements (motor skills)
3. Attitudinal Development: Changes of attitude to increase commitment (ie. TQM, client focus)
4. Memory Training: rote learning (don’t know the “why” behind the “how”)
5. Procedural Learning: memorization of rules but lack the “why” behind the “how”

**Types of Learner: TRAP**

1. Theorist: constructs theories & concepts based on analysis / evaluation of info
2. Reflectors: prefers to observe, listen & analyze (not actually carry out the task)
3. Activists: learn by doing
4. Pragmatists: desire to apply what has been learned to direct practical application

**Development for Employability:** (new concept for Org; link to Development) Provide employee with transferable skills to secure employment elsewhere.

**3. Evaluation of Training Effectiveness:** most problematic area in field of training; 2 elements (evaluation criteria and experimental design)

**Kirkpatrick’s Evaluation Criteria (BLTR)**

|  |  |  |
| --- | --- | --- |
|  | Advantages | Limitations |
| Trainee Reactions impressions of course, trainer, course objective met, trainee objective met | Easy to set up, low cost, data easy to interpret, rapid feedback, easy to show positive results | Leniency bias, central tendency bias, halo effect bias, external validity unknown, boss/subordinate  |
| Learning absorbed, reproducible | Easy to set up, low cost, data easy to interpret, feedback rapid | External validity unknown |
| Behavioural Change  | External validity determined | Time consuming, change may not be beneficial to the Org |
| Results - 🡩 productivity, 🡩 profitability, 🡫 turnover 🡫absenteeism | External validity determined, benefits to Org demonstrated | Difficult to rule out external factors |

**3 Assumptions that do not hold in Kirkpatrick Evaluation Criteria Model:**

1. Value of information increases as one moves from Reactions to Results.
2. 4 criteria are linked in causal sequence
3. 4 criteria are co-related (+ or -) to each other

**Experimental Designs**: once decision on which of Kirkpatrick’s evaluation criteria will be used, decide how to collect that data. Use analogy of scientific experiment as reference. “Quasi-experimental” phrase coined as due to nature of real life environment, not purely “experimental” under controlled conditions.

|  |  |
| --- | --- |
|  | Sequence of Events |
| Experimental Design | Test | Training | Test | Limitations |
| After Within 1 time testing - after, TraineesControl Group |  | ⚫ |  | Low reliability |
| Before / After Within test before & afterTraineesControl Group | ⚫ | ⚫ | ⚫ | External factors, outside of controlReactive measures |
| After Between (separate control group)TraineesControl Group |  | ⚫ | ⚫⚫ | Are groups really similar?; Less sensitive to changes |
| Before / After Within / Between TraineesControl Group | ⚫⚫ | ⚫ | ⚫⚫ | Complicated to set up, rarely used |

**Relationship between Training … and Development.** On its own, Training is insufficient means to ensure that individuals have chance to fulfill their potential (own benefit and org benefit). Reasons:

1. Training is 1 of many ways to learn new attitudes, skills & abilities
2. Difficult to develop competencies in brief training courses (ie. Managers)
3. Training is narrowly focused (remember HTA) and does not develop the whole person
4. Has a short time frame

**Methods of Employee Development (SLAP DC)**

|  |  |
| --- | --- |
| Self Development Individual is responsible | 1. Assess Strength & weakness at DCs
2. Self development groups
 |
| Learning Contract formal commitment, individual responsible | 1. Formal commitment from manager - goals
2. not only final goals, method, resources & criteria
 |
| Action Learning (Revans) Problem Solving | 1. Exchange mgrs between orgs
2. Mgr finds solution to existing problem
3. New ideas from new mgr
 |
| Planned Work Experience | 1. Planned & systematic
2. Analysis of future jobs
3. Formal PAS
4. Includes specific job roles
 | 1. Time spent in each role
2. Competencies to be developed
3. Learning Outcomes for each
 |
| Development Centres | 1. Tests & Exercises
 | 1. Map out needs & potential
 |
| Coaching (immediate boss) / Mentoring (not boss, watches coach) | 1. Counselling & support
2. Provides range of work exp
3. Feedback on performance
4. Ideas & advice
 | 1. “political” connections
2. fear of admitting difficulties / problems
3. afraid to seek help
 |

**Careers and Career Management**

**Career Management** can be viewed from the perspective of the individual and of the organization. Development and career management are overlapping activities.

Individual Perspectives of Career Management

**HOLLAND’s** Matching Theory of Career Choice **(CARE IS)** postulates that career satisfaction/success will be a function of individual’s personality & occupation.

Conventional (administrator) rules & procedures, organized

Artistic imaginative, expresses feelings & emotions

Realistic (outdoor work) physical strength & exertion

Enterprising (managers) working with people but controlling, doers rather than thinkers

Investigative (thinkers) enjoy working with abstract concepts & tasks of logical analysis

Social (nurse) exhibit warm relationship and enjoy helping others

**SCHIEN’S** Theory of Career Anchors **(DLC STAMP)** ; career anchor being the central aspect of one self-perceived abilities, motives, attitudes and values. Occupational choices are thus made in accordance to dominant career anchor.

Dedication – social, political or other values are in agreement with org values

Lifestyle integration – balance of lifestyle

Creativity – produce something new, completely their own (product, firm etc)

Security – stable, predictable, continued employment (more important than job content)

Technical / functional competence – specialist in technical content of work

Autonomy – control own life, doesn’t like rules and regulations

Managerial competence – wants title of manager and manage people

Pure challenge – need to win or succeed against incredible odds

Individual Perspectives of Career Management (continued)

Super’s Career Stages Greehaus & Callanan’s Career Stages

1. Exploration (15-24 yrs) Occupational Choice (up to 25 yrs)
2. Establishment (25-44 yrs) Org Entry (up to 25 yrs)
3. Maintenance (45-64 yrs) Early Career (25-40 yrs)
4. Disengagement (65+ yrs) Mid- Career (40 – 55 yrs)
5. Late Career (50 + years)

Work Role Transitions Theory (Nicholson & West) states an individual goes through a 4 stage process when faced with a major work role transition.

 Preparation

 Stabilize Encounter

 Adjustment

Organizational Perspectives of Career Management

Ultimately career management rests with the individual. However, the org benefits by facilitating in the career management process. Org benefits include:

1. Increased commitment by employees (which assumes will enhance performance)
2. Attracts high caliber recruits to the org
3. Enables succession planning

Career Management Methods: to develop employees individual potential and to identify those with potential for promotion to senior roles.

**Development Centres** (also used in appraisal & selection) evaluates strengths & weakness; risk demotivation (winners/losers); high cost & time; offer open access; opportunity for reassessment; review with snr mgr; helper approach instead of judge

**Fast Track Schemes** identify person & high potential early; enhance T & D; maybe no high potential?; self-fulfilling prophecy?, winners/losers; no hard evidence that they work

**Coaching & Mentoring** promotes person’s interest; increases visibility to !!! people; learn of career opps; promotion recommendations

**Career Counselling** notes strengths/weaknesses; capabilities/potential, feedback, PAS, can focus on org needs

**Career Development Workshops** off site, confidential, test/exercises in small groups, feedback, expensive

**Career Workbooks** increase self awareness of job/promo opps; work at own speed; lack of feedback

**Educational Opportunities** org support ($$ assistance; time off or in company learning center)

**The Psychological Contract** between the employer & the employee about the expectations of what is wanted and what should be offered. Traditionally, individuals expected job security and opportunities for advancement and in return offered loyalty, maybe some commitment and a treasure of org specific expertise. New forms of work organizational structures makes the psychological contract difficult to fulfill.

Paradox situation: As Orgs are less able to fulfill their side of the “bargain” (delayering, flexible firms etc) they are increasing their demands for commitment from employees. Enter **Herriot’s 4 balancing acts** Orgs will have to contend with:

1. Adaptability vs. support
2. Loyalty vs. respect for individuality
3. Knowledge & skills vs. recognition & tolerance
4. Feedback vs trust & autonomy

Further to balancing acts, Orgs will experience employee reactions to the failure of upholding the Psychological contract. **Herriot outlines 3 actions** employees choose:

1. Get safe
2. Get out
3. Get even

Thus an alternative to an implied psychological contract is an explicit and stated contract negotiated between the individual and the org. Negotiations will be complex, time consuming and will require significant org initiatives to make it work. **Herriot outlines 4 negotiaion stages**

1) exchange information 2) negotiation 3) monitor 4) renegotiation or exit

**Gender & Careers** Gender discrimination goes against the fundamental HRM requirement to maximize the use of human resources. Nevertheless, women are at a disadvantage in career advancement.

**Horizontal segregation**: men & women traditionally had different occuptations

**Vertical segregation:** women tend to be at lower levels in a hierarchy; phenomena of “**glass ceiling**” as barrier to women achieving senior management positions. 3 levels of disadvantages to be addressed are:

1. Organization: procedures / policies impede progress of women; denied T & D
2. Interpersonal: social groups / clubs
3. Individual: children / husband , limitations of geographical mobility if not main breadwinner

**Gender differences in Performance?** 3 most commonly suggested gender differences are related as follows:

**Commitment:** Torn between commitment to family (children/husbands); evidence shows that commitment increases with seniority and women are just as committed as men in managerial roles.

**Personality**: men seen as having aggressive, dominant natures whereas women are seen has having nurturing, caring and co-operative natures. Assume that “male” attributes are desirable in managers noting that it does not necessarily constitute a “good” manager.

**Management Style**: With referent to assumed personality traits, men’s management style is suggested then as aggressive and dominant and a woman’s to be co-operative and caring. Little (almost none) evidence exists that this so-called male managerial style is better than another. On the contrary, a women’s style then would be more conducive to engaging commitment and participation.. no? Most research evidence shows that there is no difference in managerial style.