

FOCUS AWARDS 



Human Resources Management

# Assignment 1

1. Discuss the importance of Human Resource management.
2. Explain the principle features of a HR policy.
3. Outline the areas that should be included in HR procedures
4. Analyse the impact of training on business performance.
5. Discuss the key requirements of performance management
6. Identify strategies for diagnosing and addressing performance problems

# Executive Leadership within Human Resources

Human resources professionals continually strive for a position in the boardroom as a member of executive leadership. Acceptance of HR leaders into this exclusive group usually depends on whether the return on investment in human resources activities justifies valuing human resources decision-makers as members of the executive team.

Business acumen and forward-thinking business ideas and innovations are characteristics that executive leadership desires in its human resources professionals. HR department leaders looking for entry to executive level positions should procure help from line management in performing routine human resources functions so they can redirect HR goals from administrative and transactional to strategic. Shifting the human resources focus from transactional to strategic is an assured effective path to boardroom access.

Human Resources online states: *"In general, HR executives can help companies by offering a wide range of insights, from broad strategic people and culture initiatives to individual employee and customer experiences," Sage-Gavin says. "Many HR executives oversee more than traditional HR as well, and bring expertise in communications, public affairs and corporate social responsibility, which are so important for a company's reputation and business success. I also believe we need to have more diversity on boards so companies can look at decisions differently and generate great business results."*

As the character of doing business changes, human resource roles are increasing and refocusing.

HR professionals are uniquely placed to look ahead to industry and global changes and to predict the resulting effect on how business is carried out. Far from simply responding to major events in the business environment, economy, and labour market, HR is called on increasingly to navigate organisations through changes that occur because of trends in the labour market, technology, globalisation, and financial outlooks. In order to fulfil these expectations effectively, HR leaders must respond by identifying and developing the abilities required of their dynamic roles.

HR leaders have stepped up to unparalleled challenges in recent years as the world economy has shifted and plunged into recession in many countries. The economic decline has created new expectations for HR professionals as businesses focus on surviving turbulent financial conditions by drastically trimming budgets and often reducing payroll while maintaining core operations.

As the economy gets ready for recovery, HR leaders will be expected to acquire new abilities to lead business regeneration while putting into practice lessons learned from the global recession.

In a global market, it is important to understand the expectations of HR leaders in the wider world, particularly those areas that are key components of the world economy:

- Business knowledge: Awareness of the operations and processes which represent how business is conducted
- Coaching and developing others: Helping other individuals to reach their potential
- Credibility: Being viewed by others as having the knowledge and experience to support one's authority

- Critical/analytical thinking: Searching for information and using that information to enable informed decisions and resolve problems
- Cross-cultural intelligence: Knowledge of diversity and sensitivity to difference among cultures
- Drive for performance/Results orientation: The ability to link procedures and practices to positive results and to demonstrate the value that HR brings to the organisation
- Effective communication: Being able to convey messages verbally or in writing in terms that make sense, and to listen actively to others' interpersonal communications
- Ethical behaviour: insight of the moral suitability of individual and/or group conduct or behaviour
- Flexibility/adaptability: The skill of adapting the approach as required by shifts both within the organisation and the external business environment
- Global intelligence/global mindset: An overarching way of viewing the nature of doing business which includes an understanding and sensitivity to cultural differences among workers in other countries, and legal issues inherent in operating a business globally
- HR knowledge: An understanding of calculated and strategic HR functions and processes
- Integrity: Honesty and doing the right thing at all times regardless of the consequences
- Leading change: Determining the direction for the organisation's stakeholders to steer a shift in business expectations, processes, priorities, and roles
- Organisational knowledge: Understanding the business concerns that are specific to the organisation and having empathy for and familiarity of the impact of human assets issues on the organisation as a system
- Persuasiveness/influencing others: The skill of using interpersonal skills to convince others to share a perspective or way of thinking

- Shaping organisational culture: Creating the principles by which an organisation operates
- Strategic thinking: Visualising the bigger picture, having a long-term view and understanding the interconnectedness of decisions and activities within the various lines of the business
- Technological Know-how: Knowledge of the unique resolutions and challenges that new technology will bring to an organisation and understanding of how talent management will be affected by a technologically superior business environment

# Development of Human Resource Management



Performance management deals with the systems and practices put in place to enable employees to achieve their full potential at work. This process begins when an employee joins an organisation to fill a job vacancy, and ends when the employee leaves the organisation. An effective performance management system helps in the growth of both the employee as well as his/her contribution to the company. It fosters individual creativity and strengths, while at the same time being flexible enough to ensure that the company's goals are achieved.

Performance management incorporates:

- Improving performance at the level of the individual employee, the team as well as the organisation as a whole
- Development of the individual and teams in order to bolster performance
- Behavioural management to foster healthy working relationships

A properly implemented performance management system achieves all the goals set out above. The performance management system can be thought of as comprising of five components working in tandem with one another:

- Charting out work plans and goals
- Continuous performance monitoring
- Developing performance
- Periodic review and feedback
- Nurturing performance with commensurate rewards

To summarise, performance management is an on-going process rather than a one-off task. It must be treated as an integral aspect of running a successful organisation.

### Who Should Be Involved?

**TASK: List who you think should be involved in performance management.**

Performance management is all about developing a work culture, at both the individual and group levels, to encourage development of skills, foster behavioural development, and contribute to the company's business processes. It is the responsibility of individuals as well as managers. The former applies performance management to streamline the way they go about achieving the tasks set them, the latter do it for groups and teams. Expectations and goals need to be shared with one another.

**Managers must clarify what is expected of individuals and teams, while individuals and teams must clearly communicate what support they expect from management, and what tools they require to get the task done. A key**



# Unit 2: Management, Unions, and Employees

Before the introduction of unions, working conditions were often dire. People could work long hours for very low pay, and with few, if any, benefits. Factories and workplaces were dangerous, and work related accidents were commonplace. The majority of workers had no rights to protect them from these conditions. To combat this, workers began collaborating in order to pressure their employers into improving their work environments. This collaboration was the beginning of the union, as it is known today.

During the Industrial Revolution, workers in the UK started forming collaborations, (unions) but these did not become legal until 1867. It was not until the 1870's that Unions began to appear in the U.S.

## Objectives

A union is made up of a group of workers who have joined together to make joint decisions concerning their work and their working conditions. The union is self-governing and democratic, the members vote for their leaders through a ballot process. These elected representatives or Union Leaders negotiate with the employer on behalf of their members, through collective bargaining over issues such as working conditions, wages, safety, hours, and other benefits.

Union ideology is based on the idea that a group is stronger than an individual. There are a variety of benefits that workers can enjoy today

because of early union bargaining, such as a minimum wage, eight-hour workday, workplace safety standards, health care, and overtime. Union members often receive higher pay and enhanced benefits than equivalent non-unionised workers as a result of unions.

If an employer refuses to negotiate with a union, or if during negotiations the employer and the union cannot reach a compromise, the union may decide to direct the workers to 'go on strike'. Strikes are often the last resort as workers often lose pay because of them. In some countries strikes involving unions are common, and can be violent, resulting in injuries and even deaths.

Union members pay subscriptions (dues) to their union, usually monthly or yearly, and these funds are used by the unions to pay workers a salary during a strike. The union also make use of these funds to provide additional benefits, such as discounts on other services, additional training, and legal consultations.

In some cases, unions can be highly politicised; and they may be in alliance with specific political parties.

# Unit 3: The Labour Market and Human Resource Planning

## What is the Labour Market?

The labour market is defined as the unofficial mechanism where the demand and supply of labour interact. A labour market could be a small community, a city, a region, a country or a larger area. Labour supply includes every individual who is working or looking for work.

Demand for labour is determined by the demand for employers' commodities, which is also known as consumer demand and export demand. Government policies among other factors, also determine the demand for labour and all of these factors are powerfully inter-related. An example of this is demonstrated in an increase in demand for construction workers, due to a major construction project, which will result in increased demand for workers in other sectors. These other sectors may include those that supply building materials, transportation and hospitality and retail.

# Labour Market Mechanics and Data

## Primary sources of LMI

The labour market can experience both shortages and surpluses. Usually these occur because of mismatched skills, inactivity of the labour force and incomplete information concerning both workers and employers.

Labour Market Information (LMI) is data and material concerning the supply and demand for labour within a certain labour market. It covers demographic, economic, social, and labour force data. It describes the features of the supply of labour, the people who are workers or potential workers in the market. It also provides information on demand and the needs of employers, and job opportunities in the employment market. LMI also predicts existing employer's future needs and those of new employers who will enter the employment market.

A wide range of information must be collected and analysed frequently to describe important characteristics of the labour market. LMI often gives historical, up to date, and future (predictive) information.

Different users have different information needs.

The labour market involvement rate and the supply of labour are influenced by demographics such as the conditions of the economy in general, the number of working-age people, and in the labour market, the likelihood of finding work, levels of education and a multitude of other variables influence the participation rate and supply of labour.

## Labour Market Terms and Concepts

### Economically Active Population

The labour force is the number of people in the relevant area who are aged over 16 and are economically:

- Active employees
- Self-employed
- Unemployed and actively looking for work on a government-supported employment and training programme
- Working unpaid for a family member

The economically active population is a limited definition of the labour force, excluding those who, though economically active, are past statutory retirement age.

The economic activity rate is the number of people who are currently in employment or unemployed and actively looking for work, articulated as a percentage of the relevant population.

Rates are generally useful as they allow alterations in the labour market to be taken in a wider context, allow for adjustments in the overall population or the number of people who are economically active. The most generally quoted rates for employment, economic activity and economic inactivity, are those for the working-age population i.e. men aged 16 to 64 and women aged 16 to 59. For unemployment, rates are generally expressed as a percentage of the economically active population aged 16 and over. Therefore, people over retirement age who continue to be economically active will consequently be included in the unemployment measure, while those who are economically inactive will not.

# Unit 4: Contracts of Employment, Recruitment, and Selection

## Introduction

The Contract of Employment may be written or oral. Written contracts are the better option, because the terms are definitively spelled out for both parties.

The employment contract is a lawfully binding document. It is a mandatory record as it defines the obligations of both the organisation and its workers. It also guarantees that management and workers abide by Policies, Procedures and Government regulations, creating trust on both sides.

Every employee should familiarise themselves with the terms of their contract, as they could be found in violation of contract if they breach any terms. Managers should be familiar with the terms to guarantee that workers abide by their commitments.

# Contracts of Employment

## Statement of Particulars of Employment

Under the Employment Rights Act of 1996, some terms are considered so important they need to be distributed to every worker whether or not a formal employment contract exists. These conditions are called the 'Written Statement of Particulars of Employment'. If an employment contract is drawn up, then the composed Statement of Particulars of Employment should be incorporated in that contract.

If no contract is issued, then a separate composed report should be given to the worker expressing the 'Written Statement of Particulars of Employment'. The main heading of the document is called the Principal Statement. This should be given to every employee who has been employed for more than one month, and should be distributed within the first two months of employment. The document explains the following employment terms:

# *Unit 5: Grievance, Discipline, and Dismissal*

## **Grievance and Discipline**

### **Disciplinary Strategies**

Disciplinary strategies provide a technique for managing matters of wrongdoing, such as unsuitable work performance or poor unexcused absences.

There is an ACAS Code of Practice (created by the Secretary of State for Employment), which lists the features of any disciplinary action. Guidelines published by ACAS state that the key emphases of any disciplinary strategies ought to be the following:

- Matters are to be managed swiftly
- Be unbiased
- Be in writing
- State what levels of administration the authority have to take different types of disciplinary actions
- Tell workers what disciplinary action could be taken
- Carefully consider the information which must be kept confidential
- Ensure that no worker is dismissed for a first violation, unless the matter is a gross offence
- Give workers an opportunity to express their opinion before management renders a decision
- Give workers the opportunity to be represented



- Needs employees to be informed of the complaints against them, and of the evidence which will be presented prior to the hearing
- Need managers to carefully consider when any disciplinary action is needed
- Ensure that workers are given a detailed account of any decision and permit them to appeal against a penalty

If the rules differ for certain groups, it must be guaranteed that:

- Any investigatory period of suspension is with the appropriate predetermined pay. In the event that suspension is to be without pay, such reason should be clearly stated in the contract
- Any suspension is of short duration, and is never used as a penalty against a worker before a disciplinary hearing and decision. Keep the worker informed of progress in the particular case
- The worker may be acting appropriately. The employee should be given a fair hearing
- When the situation is being discussed, no disciplinary punishment is imposed until the case has been thoroughly researched

Disciplinary action will typically occur due to:

- Poor performance
- Offence
- Gross misconduct

## Poor Performance

It is always hoped that efforts made to hire the right individuals, and to train and encourage them appropriately, will produce excellent results. Unfortunately, there are certain occasions where workers fail to perform well. Most organisations have systems which may help a worker whose performance has been poor. The employee receives a warning which details the inadequacies, and is given the chance to improve during a specific timetable. This is formally done by giving the worker in question an 'improvement note', which indicates:

- What needs to be done
- The timetable for improvement
- A completion date
- The support and training that the employer will give to help the agent

The worker is informed that:

- The note for improvement is the first step in the process
- It is recognised as a first written warning
- Failure to improve may lead to a second, final warning and ultimately dismissal

A duplicate of the improvement note is kept in the worker's record, and utilised to check the worker's progress over a specified period (e.g. six months). Where a worker's performance is inadequate, or his/her failings have a significantly negative impact on the organisation, it is appropriate to issue a second written warning.

The warning explains that continued poor performance may lead to dismissal, and the probationary terms shall remain operative for a specified period. In the event that the final warning fails to produce the desired outcome, the organisation may proceed to terminate the worker.