

# HRM



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## Introduction to Human Resource Management

### What is Human Resource Management and Why is it Important?

**Organization:** People with formally assigned roles who work together to achieve the organization's goals.

**Manager:** The person responsible for accomplishing the organization's goals, and who does so by managing the efforts of the organization's people.

**Management process:** The five basic functions:

- **Planning:**
- **Organizing:**
- **Staffing:**
- **Leading:**
- **Controlling:**

**Human resource management (HRM):** The process of acquiring, training, appraising, and compensating employees, and of attending to their labor relations, health and safety, and fairness concerns.

- Conducting job analysis
- Planning labor needs and recruiting job candidates
- Selecting job candidates
- Orienting and training new employees
- Managing wages and salaries
- Providing incentives and benefits
- Appraising performance
- Communicating
- Training and developing managers

### Why is human resource management important to all managers?

- **Avoid personnel mistakes**
  - Hire the wrong person for the job
  - Experience high turnover
  - Have your people not doing their best
  - Waste time with useless interviews
  - Have your company taken to court because of discriminatory actions
  - Have your company cited under federal occupational safety laws for unsafe practices
  - Have some employees think their salaries are unfair relative to others in the organization
  - Allow a lack of training to undermine your department's effectiveness
  - Commit any unfair labor practices
- **Improve profits and performance**
- **You may spend some time as an HR manager**

## Line and Staff Aspects of Human Resource Management

**Authority:** The right to make decisions, direct others' work, and give orders.

**Line authority:** The authority exerted by an HR manager by directing the activities of the people in his or her own department and in service areas.

**Staff authority:** Staff authority gives the manager the right to advise other managers or employees.

**Line manager:** A manager who is authorized to direct the work of subordinates and is responsible for accomplishing the organization's tasks.

**Staff manager:** A manager who assists and advises line managers.

### Line Managers' Human Resource Duties

1. Placing the right person in the right job
2. Starting new employees in the organization
3. Training employees for jobs that are new to them
4. Improving the job performance of each person
5. Gaining cooperation and developing smooth working relationships
6. Interpreting the company's policies and procedures
7. Controlling labor costs
8. Developing the abilities of each person
9. Creating and maintaining department morale
10. Protecting employees' health and physical condition

### Human Resource Manager's Duties

1. **Line function:** the HRM directs the activities of the people in their department.
2. **Coordinative function**
  - a. **Functional authority:** The authority exerted by an HR manager as coordinator of personnel activities
3. **Staff (assist and advice) function:** assisting and advising line managers
  - a. Advices the CEO
  - b. Assists in hiring, training, evaluating, rewarding, counseling, promoting, and firing employees
  - c. Carries out an innovator role
  - d. Plays an employee advocacy role
  - e. Exert implied authority

The size of the human resource department reflects the size of the employer.

- **Recruiters**
- **Equal employment opportunity (EEO) coordinators**
- **Job analysts**
- **Compensation managers**
- **Training specialists**
- **Labor relations specialists**

The is generally about one human resource employee per 100 company employees.

## New Approaches to Organizing HR

Some organize their HR services around four groups:

- *Transactional* HR group uses centralized call centers and outsourcing arrangements to provide support for day-to-day transactional activities.
- *Corporate* HR group focuses on assisting top management in top level big picture issues such as developing and explaining the personnel aspects of the company's long-term strategic plan.
- *Embedded* HR unit assigns HR generalists directly to departments like sales and production.
- *Centers of expertise* are like specialized HR consulting firms within the company.

## The Trends Shaping Human Resource Management

What human resource managers do and how they do it is changing:

- Technology
- **Globalization**: The tendency of firms to extend their sales, ownership, and/or manufacturing to new markets abroad. Reasons for globalization include:
  - Sales expansion
  - New foreign products
  - Cut labor costs
  - Forming partnerships
  - More competition
  - For consumers it means lower prices, "higher quality"
  - For workers it means the prospect of working harder, less secure jobs, lower income, and job offshoring.
- Deregulation
- Changing in demographics
- Economic challenges

## Trends in the Nature of Work

Technology has had a huge impact on how people work, and the skills and training workers need.

- High-tech jobs
- Service jobs
  - Higher productivity enables manufacturers to produce more with fewer workers.
  - JIT manufacturing techniques link daily manufacturing schedules more precisely to demand, squeezing waste out of the system and reducing inventory needs and scheduling becomes more precise.
- Knowledge work and human capital
  - **Human capital**: The knowledge, education, training, skills, and expertise of a firm's workers.

## Workforce and Demographic Trends

- Demographic trends are making finding and hiring employees more challenging. Labor force growth is not expected to keep pace with job growth in the US.
- Millennials:
  - They want fair and direct supervisors who are highly engaged in their professional development.
  - They seek out creative challenges and view colleagues as vast resources from whom to gain knowledge.
  - They want to make an important impact.
  - They want small goals with tight deadlines so they can build up ownership of tasks.
  - They aim to work faster and better than other workers.
- Retirees (baby-boomers) are the biggest demographic affecting employers.
- Nontraditional workers include those who hold multiple jobs, or part-time workers, or who are working in alternative work arrangements.
- Workers from abroad.

## The New Human Resource Managers

- They focus more on strategic, big picture issues
- They use new ways to provide transactional services
- They take an integrated (talent management) approach to managing human resources
  - *Talent management*: The goal-orientated and integrated process of planning, recruiting, developing, managing, and compensating employees.
- They manage ethics
- They manage employee engagement
- They measure HR performance and results
- They use evidence-based human resource management
- They add value
- They have new competencies
  - Talent managers/organization designers
  - Culture and change stewards
  - Strategy architects
  - Operational executors
  - Business allies
  - Credible activists



## Human Resource Management Strategy and Analysis

### Goal-setting and the planning process

Involves setting objectives, making basic planning forecasts, reviewing alternative courses of action, evaluating which options are best, then choosing and implementing.

- A *plan* shows the course of action for getting from where you are to where you want to go. *Planning* is always goal-directed

### Hierarchy of goals

Goals are traditionally viewed from the top of the firm down to the front-line employees as a chain – *hierarchy of goals*.

- At the top – long-term or strategic goals
- The planning process traditionally starts with formulating top-level, long-term strategic plans and goals.

### Strategic Planning

**Strategic plan:** The company's plan for how it will match its internal strengths and weaknesses with external opportunities and threats in order to maintain a competitive advantage.

**Strategy:** A course of action the company can pursue to achieve its strategic aims.

**Strategic management:** The process of identifying and executing the organization's strategic plan, by matching the company's capabilities with the demands of its environment. It includes:

1. Defining the business and developing a mission
2. Evaluating the firm's internal and external strengths, weakness, opportunities, and threats
3. Formulating a new business direction
  - a. **Vision statement:** A general statement of the firm's intended direction that shows, in broad terms, "what we want to become"
  - b. **Mission statement:** Summarizes the answer to the question, "what business are we in?"
4. Translating the mission into strategic goals
5. Formulating strategies or courses of action
6. Implementing the strategic plan
7. Evaluating the strategic plan

### Types of Strategies

Managers formulate 3 strategies:

**Corporate strategy:** Type of strategy that identifies the portfolio of businesses that, in total, comprise the company and the ways in which these businesses relate to each other

- *Concentration* corporate strategy: Company offers one product or product line, usually in one market.
- *Diversification* corporate strategy: Implies the firm will expand by adding new product lines.
  - *Related diversification*: diversifying so that a firm's lines of business still possess a logical fit
  - *Conglomerate diversification*: diversifying into products or markets not related to the firm's current businesses or to one another.
- *Vertical integration* strategy: the firm expands by, perhaps, producing its own raw materials, or selling its products direct.
- *Consolidation* strategy: company reduces its size
- *Geographic expansion*: the company grows by entering new territorial markets

**Competitive strategy**: A strategy that identifies how to build and strengthen the business's long-term competitive position in the marketplace.

- **Competitive advantage**: Any factors that allow an organization to differentiate its product or service from those of its competitors to increase market share.
- *Cost leadership*: becoming the low-cost leader in an industry.
- *Differentiation*: the firm seeks to be unique in its industry along dimension widely valued by buyers
- *Focusers*: carve out a market niche
- The best competitive advantage is human capital, thus knowledgeable, skilled, engaged employees working hard and with self-discipline.

**Functional strategy**: Strategy that identifies the broad activities that each department will pursue in order to help the business accomplish its competitive goals.

- Each department's functional strategy should fit and support the company's competitive aims.

Devising a strategic plan is top management's responsibility. The company's departmental managers also play roles in strategic planning.

- **They help devise the strategic plan**
  - The human resource manager is in a good position to supply competitive intelligence
- **The formulate supporting, functional/departmental strategies**
- **They execute the plans**

## Improving Mergers and Acquisitions

Mergers and acquisitions are among the most important strategic moves companies make.

### Due diligence stage

Includes reviewing things like employee compensation and benefits, labor relations, pending employee litigation, human resource policies and procedures, and key employees.

### Integration stage

Critical hr issues during the first few months of a merger or acquisition include choosing the top management, communicating changes effectively to employees, and retaining key talent.

- Manage the deal costs
- Manage the messages
- Secure the top team and key talent
- Define and implement an effective hr service delivery strategy
- Develop a workable change management plan
- Design and implement the right staffing model
- Aligning total rewards

Once a company decides how it will compete, it turns to formulating functional departmental strategies to support its competitive aims. Its functional strategies are *human resource management strategies*.

### Defining Strategic Human Resource Management

**Strategic human resource management:** Formulating and executing human resource policies and practices that produce the employee competencies and behaviors the company needs to achieve its strategic aims.

The aim must be to produce the employee skills and behaviors that the company needs to achieve its strategic goals. Management formulates a strategic plan and measurable strategic goals or aims. These plans and aims imply certain workforce requirements. Given these workforce requirements, human resource management formulates hr strategies to produce the desired workforce skills, competencies, and behaviors.

Managers call the specific human resource management policies and practices they use to support their strategic aim *human resource strategies*.

### Strategic Human Resource Management Tools

**Strategy map:** A strategic planning tool that shows the big picture of how each department's performance contributes to achieving the company's overall strategic goals.

**HR scorecard:** A process for assigning financial and nonfinancial goals or metrics to the human resource management-related chain of activities required for achieving the company's strategic aims and for monitoring results.

**Digital dashboard:** Presents the manager with desktop graphs and charts, and so a computerized picture of where the company stands on all those metrics from the HR scorecard process.

### HR Metrics and Benchmarking

Management translates its strategic plan into *workforce requirements*, in terms of measurable worker competencies and behaviors. Given these workforce requirements, the human resource manager then formulates supportive *HR strategies, policies, and practices*. The HR manager picks *measures* by which to gauge whether his or her new policies and practices are producing the required employee competencies and behaviors.

### Types of metrics

One way to track and analyze data is by using an applicant tracking system (ATS). Analyzing recruitment effectiveness using software involves 2 basic steps:

- The employer and vendor decides how to measure the performance of new hires
- The applicant tracking system then enables the employer to track the recruitment sources that correlate with superior hires

**Benchmarking** means comparing the practices of high-performing companies to your own. It only provides one way to look at how the company's hr management system is performing, thus it may not show the extent to which the firm's hr practices are helping or hindering the company in achieving its strategic goals.

**Strategy-based metric:** Metrics that specifically focus on measuring the activities that contribute to achieving a company's strategic aims.

Workforce analytics (talent analytics) software application help in analyzing hr data and drawing conclusions from it.

Data mining sifts through huge amounts of employee data to identify correlations that employers then use to improve their employee selection and other practices.

**Data mining** is the set of activities used to find new, hidden, or unexpected patterns in data. Data mining systems use tools like statistical analysis to sift through data looking for relationships.

### HR Audits

**HR audit:** An analysis by which an organization measures where it currently stands and determines what it has to accomplish to improve its HR function. Generally involves reviewing the functioning of most aspects of the company's human resource function (recruiting, training, etc.), usually using a checklist, as well as ensuring that the employer is adhering to government regulations and company policies.

- Roles and head count
- Legal issues
- Recruitment and selection
- Compensation
- Employee relations
- Mandated benefits

- Group benefits
- Payroll
- Documentation and record keeping
- Training and development
- Employee communications
- Internal communications
- Termination and transition policies and practices

### **Evidence-based hr and the scientific way of doing things**

Evidence-based human resource management is the use of data, facts, analytics, scientific rigor, critical evaluation, and critically evaluated research/case studies to support human resource management proposals, decisions, practices, and conclusions.

### **How to be scientific**

Two things are important:

- In gathering evidence, scientists need to be objective
- Requires experimentation.
  - An experiment is a test the manager sets up in such a way as to ensure that they understand the reasons for the results obtained.

Key point of being scientific is to make better decisions.

**High-performance work system:** A set of human resource management policies and practices that promote organizational effectiveness.

- It presents examples of human resource metrics
  - **Human resource metric:** The quantitative gauge of a human resource management activity such as employee turnover, hours of training per employee, or qualified applicants per position.
- Illustrated the things employers must do to have high-performance systems
- High performance work practices usually aspire to help workers to manage themselves
- Measurable differences between the human resource management systems in high-performance and low-performance companies.

## Job Analysis and the Talent Management Process

### The Talent Management Process

Traditional way to view staffing, training, appraisal, development, and compensation is as a series of steps:

- Decide what positions to fill, through job analysis, personnel planning, and forecasting
- Build a pool of job candidates by recruiting internal or external candidates
- Have candidates complete applications forms and undergo initial screening interviews
- Use selection tools like tests, interviews, background checks, and physical exams to identify viable candidates
- Decide to whom to make an offer
- Orient, train, and develop employees
- Appraise employees to assess how they're doing
- Reward and compensate employees to maintain their motivation

Employers view all these staff-train-reward activities as part of a single integrated talent management process.

**Talent management:** The goal-oriented and integrated process of planning, recruiting, developing, managing, and compensating employees.

### Talent management

Talent management is the goal-oriented and integrated process of planning, recruiting, developing, managing, and compensating employees. A manager takes a talent management perspective when he:

- Understands that the talent management tasks are parts of a single interrelated talent management process
- Makes sure talent management decisions such as staffing, training, and pay are goal-directed
- Consistently uses the same profile of competencies, traits, knowledge, and experience for formulating recruitment plans for a job as for making selection, training, appraisals, and payment decisions for it.
- Actively segments and proactively manages employees
- Integrates/coordinates all the talent management functions such as recruiting, developing, and compensating employees.

### Basics of Job Analysis

**Job analysis:** The procedure for determining the duties and skill requirements of a job and the kind of person who should be hired for it. The following information is collected through job analysis:

- Work activities
- Human behavior

- Machines, tools, equipment, and work aids
- Performance standards
- Job context
- Human requirements

**Job descriptions:** A list of a job's duties, responsibilities, reporting relationships, working conditions, and supervisory responsibilities.

**Job specifications:** A list of a job's human requirements, the requisite education, skills, personality, etc.

### Uses of job analysis information

Job analysis is important because managers use it to support just about all their human resource management activities.

- Recruitment and selection
- EEO compliance
- Performance appraisal
- Compensation
- Training

### Conducting a job analysis

There are six steps in doing a job analysis:

1. Decide how you'll use the information
2. Review relevant background information such as organization charts, process charts, and job description
  - a. **Workflow analysis:** A detailed study of the flow of work from job to job in a work process.
  - b. **Business process reengineering:** Redesigning business processes, usually by combining steps, so that small multifunction process teams using information technology do the jobs formerly done by a sequence of departments. The basic approach is to:
    - i. Identify a business process to be redesigned
    - ii. Measure the performance of the existing processes
    - iii. Identify opportunities to improve these processes
    - iv. Redesign and implement a new way of doing the work
    - v. Assign ownership of sets of formerly separate tasks to an individual or a team
  - c. **Job enlargement:** Assigning workers additional same-level activities.
  - d. **Job rotation:** Systematically moving workers from one job to another
  - e. **Job enrichment:** redesigning jobs in a way that increases the opportunities for the worker to experience feelings of responsibility, achievement, growth, and recognition
3. Select representative positions
4. Actually analyze the job by collecting data on job activities, working conditions, and human traits and abilities needed to perform the job
5. Verify the job analysis information with the worker performing the job and with his immediate supervisor
6. Develop a job description and job specification

### Job analysis guidelines

- Make the job analysis a joint effort by a hr manger, worker, and the worker's supervisor
- Make sure the questions and the process are both clear to the employees
- Use several different job analysis tools

### Methods for Collecting Job Analysis Information

#### The interview

- **Structured interviews:** includes questions regarding matters like the general purpose of the job, supervisory responsibilities, job duties, and education, experience, and skills required.
  - *Pros:* simple and quick
  - *Cons:* distortion of information due to outright falsification or misunderstanding
  - **Interviewing guidelines:**
    - Quickly establish rapport with the interviewee
    - Use a structured guide that lists questions and provides space for answers
    - When duties are not performed in a regular manner ask the worker to list his duties in order of importance and frequency of occurrence
    - After completing the interview, review the information with the worker's immediate supervisor and with the interviewee

#### Questionnaires

Some questionnaires are very structured checklists. A questionnaire is a quick and efficient way to obtain information from a large number of employees, it's less costly than interviewing. However, developing the questionnaire and testing it can be time consuming and employees may distort their answers.

#### Observation

Direct observation is especially useful when jobs consist mainly of observable physical activities, though usually not appropriate when the job entails a lot of mental activity nor when the employee only occasionally engages in important activities. Observation and interviewing are often used together.

**Participant Diary/Logs:** Daily listing made by workers of every activity in which they engage along with the time each activity takes.

#### Quantitative job analysis techniques

- **Position analysis questionnaire (PAQ):** A questionnaire used to collect quantifiable data concerning the duties and responsibilities of various jobs.
  - Consists of 194 items, each represent a basic element that may play a role in the job.
  - Each of these items belong to one of five PAQ basic activities:
    - Having decision-making/communication/social responsibilities.



- Performing skilled activities
  - Being physically active
  - Operating vehicles/equipment
  - Processing information
- The final PAQ score shows the job's rating on each of these 5 activities.
- PAQ's strength is in assigning job classes for pay purpose
- **Department of Labor (DOL) Procedure:**
  - Uses a set of standard basic activities called worker functions to describe what a worker must do with respect to data, people, and things.
    - With respect to data, the possible functions include synthesizing, coordinating, and copying.
    - With respect to people, they include mentoring, negotiating, and supervising
    - With respect to things, the basic functions include manipulating, tending, and handling.
  - Each worker function has an importance rating
  - To rate the overall job, you would use the highest combination, since this is the highest level that you would expect a successful job incumbent to attain.

### Internet-based job analysis

Conducting the job analysis via the internet is a solution for the time-consuming aspect.

### Writing Job Descriptions

The most important product of job analysis is the job description. Most descriptions contain sections that cover:

**Job identification:** contains the job title, FLSA status, and date the job description was approved

**Job summary:** summarizes the essence of the job, and includes on its major functions or activities.

**Relationships:** shows the jobholder's relationships with others inside and outside the organization.

**Responsibilities and duties:** should present a list of the job's significant responsibilities and duties.

**Authority of incumbent**

**Standards of performance:** lists the standards the company expects the employee to achieve for each of the job description's main duties and responsibilities

**Duty:** may also list the working conditions involved on the job

**Working conditions**

**Job specification**

### Using the internet for writing job descriptions

**O\*NET:**

1. Decide on a plan

2. Develop an organization chart
3. Use a job analysis questionnaire
4. Obtain job duties from O\*NET
5. List the job's human requirements
6. Finalize the job description

## Writing Job Specifications

The job specification takes the job description and answers the question: "What human traits and experience are required to do this job effectively?" It shows what kind of person to recruit and for what qualities you should test that person.

### Specifications for trained versus untrained personnel

- For trained employees: focus mostly on traits like lengths of previous service, quality of relevant training, and previous job performance.
- For untrained employees: specify qualities such as physical traits, personality, interests, or sensory skills that imply some potential for performing or for being trained to do the job.

### Specifications based on judgment

Most job specifications come from educated guesses. *Use common sense* when compiling your list. Don't ignore the behaviors that may apply to almost any job but might not normally surface through a job analysis.

### Job specifications based on statistical analysis

The more defensible approach, though also more difficult. The aim is to determine statistically the relationship between some predictor and some indicator, or criterion, of job effectiveness. This procedure has 5 steps:

1. Analyze the job and decide how to measure job performance
2. Select personal traits like finger dexterity that you believe should predict successful performance
3. Test candidates for these traits
4. Measure these candidates' subsequent job performance
5. Statistically analyze the relationship between the human trait and job performance

### Using task statements

Each of a job's task statements shows what the worker does on one particular job tasks, how the worker does it, and for what purpose.

- For each task identify the knowledge, skills, abilities, and other characteristics needed to do each task.
- Take the resulting 12 or 15 task statements for a job's tasks and group them into 4 or 5 main duties
- Compile all the information in a Job Requirements Matrix. This matrix lists each of the four or five main job duties in column 1, the task statements associated with each job duty in column 2, the relative importance of each job duty and time spent on each job duty in columns 3 and 4, and the knowledge, skills, ability, and other characteristics or competencies in column 5.

- The task statement matrix provides a more comprehensive picture of what the worker does and how and why he does it than does a conventional job description

## Profiles in Talent Management

Job profiles list the competencies, traits, knowledge, and experience that employees must be able to exhibit. The aim of writing job profiles is to create detailed descriptions of what is required for exceptional performance in a given role or job in terms of required competencies, personal attributes, knowledge, and experience.

### Competencies and competency-based job analysis

**Competency-based job analysis:** Describing the job in terms of measurable, observable, behavioral competencies that an employee doing that job must exhibit to do the job well.

- More worker focused
- Group competencies into various clusters, such as general competencies, leadership competencies, and technical competencies.
- Usually comes down to identifying the basic skills an employee needs to do the job.

Defining the job's competencies and writing them up is similar in most respects to traditional job analysis. Instead of compiling lists of job duties, you will ask "In order to perform this job competently, the employee should be able to...?"

## Interviewing Candidates

### Basic Types of Interviews

An interview is a procedure designed to obtain information from a person through oral responses to oral inquiries. Several interviews are used such as performance appraisal and exit interview. A selection interview is a selection procedure designed to predict future job performance based on applicants' oral responses to oral inquiries. Interviewing should support the employer's strategic aims.

We can classify selection interviews according to:

- How structured they are
- Their content
- How the firm administers the interviews

### Structured versus unstructured interviews

- **Unstructured (nondirective) interview:** An unstructured conversational-style interview in which the interviewer pursues points of interest as they come up in response to the questions.
- **Structured (directive) interview:** an interview following a set sequence of questions.
- Structured interviews are generally superior.
  - All applicants are generally asked the same questions, thus making them more reliable
  - Can help less talented interviewers conduct better interviews
  - Can increase consistency across candidates, enhance job relatedness, reduce overall subjectivity and the potential for bias
    - Have objective/job-related questions
    - Standardize interview administration
    - Preferably use multiple interviewers

### Interview content

- Situational questions
  - **Situational interview:** A series of job-related questions that focus on how the candidate would behave in a given situation
- Behavioral questions
  - **Behavioral interview:** A series of job-related questions that focus on how the candidate reacted to actual situations in the past
- Other types of questions
  - **Job-related interview:** A series of job-related questions that focus on relevant past job-related behaviors
  - **Stress interview:** An interview in which the applicant is made uncomfortable by a series of often rude questions. This technique helps identify hypersensitive applicants and those with low or high stress tolerance.

### How to administer the interview

Most selection interviews are on-on-one and sequential. Here two people meet and one interviews the other by seeking oral responses.

- **Unstructured sequential interview:** An interview in which each interviewer forms an independent opinion after asking different questions.
- **Structured sequential interview:** An interview in which the applicant is interviewed sequentially by several persons; each rates the applicant on a standard form.
- **Panel interview:** An interview in which a group of interviewers question the applicant.
  - Enables interviewers to ask follow-up questions
  - More stressful, so responses may be inhibited
  - **Mass interview:** A panel interviews several candidates simultaneously
- **Phone interviews**
  - Can be more accurate than face-to-face interviews for judging an applicant's conscientiousness, intelligence, and interpersonal skills
- **Video/Web-assisted interviews**
  - Doesn't require special preparations for the employer
  - Don't overlook:
    - Looking presentable
    - Cleaning up the room
    - Testing first
    - Doing a dry run
    - Relaxing
- **Computerized interviews**
  - Replies are obtained in response to computerized questions
  - Typically, present questions in multiple-choice format, one at the time
- **Second life:** online virtual community used to conduct job interviews
- **Speed dating**
- **Bain & company case interview**

### Three ways to make the interview useful

- **Use structured situational interviews**
  - More valid than unstructured interviews for predicting job performance
  - More reliable
  - Yield a higher mean validity
- **Carefully select traits to assess**
- **Beware of committing interviewing errors**

### Errors that Undermine an Interview's usefulness

- **First impressions** are especially damaging when the prior information about the candidate is negative.
- **Not clarifying what the job requires**
- **Candidate-order error and pressure to hire**
- **Nonverbal behavior and impression management**
- **Effect of personal characteristics**
- **Interviewer behavior**

## Designing and Conducting an Effective Interview

Two basic ways to avoid interview errors: keep them in mind to avoid them and use structured interviews.

### Designing a structured situational interview

**Structured situational interview:** A series of job-relevant questions with predetermined answers that interviewers ask of all applicants for the job.

1. **Analyze the job**
2. **Rate the job's main duties**
3. **Create interview questions**
4. **Create benchmarks answers**
5. **Appoint the interview panel and conduct interviews**

### Conducting an effective interview

1. **Make sure you know the job**
2. **Structure the interview**
  - Base questions on actual job duties
  - Use job knowledge, situational, or behavioral questions, and know enough about the job to be able to evaluate the interviewee's answers
  - Use the same questions with all candidates
  - Use descriptive rating scales to rate answers
  - Use a standardized interview form
3. **Get organized**
4. **Establish rapport**
5. **Ask questions**
6. **Take brief, unobtrusive notes during the interview**
7. **Close the interview**
8. **Review the interview**

### Talent management: Profiles and employee interviews

Talent management is the goal-oriented and integrated process of planning for, recruiting, selecting, developing, and compensating employees. To ensure an integrated, goal-oriented effort, talent management involves using the same job profile for recruiting as for selecting, training, appraising, and paying the employee.

## Training and Developing Employees

The hr department usually designs the company's orientation and training programs, but the rubber hits the road with the supervisor.

### The purposes of employee orientation/onboarding

**Employee orientation:** A procedure for providing new employees with basic background information about the firm. You want to accomplish 4 things by orienting new employees:

1. Make the new employee feel welcome
2. Make sure the new employee has the basic information to function effectively
3. Help the new employee understand the organization in a broad sense
4. Start the person on becoming socialized into the firm's culture, values, and ways.

### The orientation process

- Lengths depends on what you cover, traditionally takes several hours
- Human resource specialist usually performs the first part of the orientation by explaining basic matter like working hours, benefits, and vacations
- Then introduced to supervisor who continues orientation by explaining the organization of the department and introducing new colleagues, familiarizing the new employee with the workplace, etc.
- Orientation typically includes information on employee benefits, personnel policies, the daily routine, company organization and operations, safety measures and regulations, and facilities tour
- New employees should receive and sign employee handbook

### The employee handbook

Under certain conditions, courts may find that the employee handbook's contents represent legally binding employment commitments. Employers often include disclaimers due to this.

## Overview of the Training Process

Directly after orientation, training should begin.

- **Training:** The process of teaching new or current employees the basic skills they need to perform their jobs.
- **Negligent training:** A situation where an employer fails to train adequately, and the employee subsequently harms a third party.

The employer's strategic plans should ultimately govern its training goals. The task is to identify the employee behaviors the firm will require to execute its strategy, and from that deduce what competencies employees will need.

### The ADDIE five-step training process

Analysis-Design-Develop-Implement-Evaluate

- Analyze the training need

- Design the overall training program
- Develop the course
- Implement training evaluate the course's effectiveness

### Conducting the training needs analysis

The training needs analysis should address the employer's strategic/longer term training needs and/or its current training needs.

- **Strategic training needs analysis**
  - *Strategic goals* usually mean the firm will have to fill new jobs
  - *Strategic training* needs analysis focuses on identifying the training that employees will need to fill these new future jobs
    - Tied to succession planning
- **Current training needs analysis**
  - Most training effort aim to improve current performance
  - Main task in analyzing new employees' needs is to determine what the job entails and to break it down into subtasks
- **Task analysis:** a detailed study of a job to identify the specific skills required
  - Particularly with lower-level workers
  - Job description and job specifications are essential
- **Talent management**
  - Goal-oriented and integrated process of planning for, recruiting, selecting, developing, and compensating employees.
  - Involves using the same competencies profile or model for recruiting the employee as for selecting, training, appraising, and paying him
  - **Competency model:** A graphic model that consolidates, usually in one diagram, a precise overview of the competencies someone would need to do a job well
  - selecting employees based on this model helps to ensure that you focus your questions on the things that someone must be proficient at to do this job successfully. Same model would help to formulate training objectives.
- **Performance analysis:** Verifying that there is a performance deficiency and determining whether that deficiency should be corrected through training or through some other means.
  - First step is usually to compare the person's actual performance to what it should be.
  - Several ways to identify how a current employee is doing:
    - Performance appraisals
    - Job-related performance data
    - Observations by supervisors or other specialists
    - Interviews with the employee or his or her supervisor
    - Tests of things like job knowledge, skills, and attendance
    - Attitude surveys
    - Individual employee daily diaries
    - Assessment center results
    - Special performance gap analytical software



## Designing the training program

The manager next designs the overall training program.

Design means planning the overall training program including

- training objectives
- delivery methods
- program evaluation
- Sub-steps include:
  - setting performance objectives
  - creating a detailed training outline
  - choosing a program delivery method
  - verifying the overall program design with management.

The design should include summaries of how you plan to set a training environment that motivates your trainees both to learn and to transfer what they learn to the job.

- Setting learning objectives
  - Requests for training often start with line managers presenting concerns
  - Training, development, or instructional objectives should specify in measurable terms what the trainee should be able to accomplish after successfully completing the training program
  - The learning objectives you choose should address rectifying the performance deficiencies that you identified with needs analysis
  - The learning objectives must be practical, given the constraints
  - Training budget needs to be approved, which includes development costs, direct and indirect costs, and the cost of evaluating the program
- Creating a motivational learning environment
  - In terms of ability, the learner-trainee needs the required reading, writing, and mathematics skills and the educational level, intelligence, and knowledge base. Trainee-related ability issues must be addressed.
  - The learner must also be motivated to learn the material
- Making the learning meaningful
  - At the start of the training, provide a bird's-eye view of the material that you are going to present
  - Use a variety of familiar examples
  - Organize the information so you can present it logically, and in meaningful units
  - Use terms and concepts that are already familiar to trainees
  - Use as many visual aids as possible
  - Create a perceived training need in trainees' minds
- Making skills transfer obvious and easy
  - Maximize the similarity between the training situation and the work situation
  - Provide adequate practice
  - Label or identify each feature of the machine and/or step in the process
  - Direct the trainees' attention to important aspects of the job
  - Provide heads-up information
  - Trainees learn best at their own pace
- Reinforce the learning

- Trainees learn best when the trainers immediately reinforce correct responses
- The schedule is important
- Provide follow-up assignments at the close of training
- Ensuring transfer of learning to the job
  - Prior to training, get trainee and supervisor input in designing the program, institute a training attendance policy, and encourage employees to participate
  - During training, provide trainees with training experiences and conditions that resemble the actual work environment
  - After training, reinforce what trainees learned
- Other training design issues
  - Review relevant alternative training methodologies
  - Decide how to organize the various training content components
  - Choose how to evaluate the program
  - Develop an overall summary plan for the program
  - Obtain management's approval to move ahead

### Developing the program

Program development means actually assembling/creating the program's training content and materials. Some employers create their own content, but there's also a vast selection of online and offline content from which to choose.

Once you design, approve, and develop the program, management can implement and then evaluate it.

### Implementing Training Programs

**On-the-Job Training:** Training a person to learn a job while working on it.

Types of OJT:

- Coaching or understudy method
  - An experienced worker or the trainee's supervisor trains the employee
- Job rotation
  - Employee moves from job to job at planned intervals
- Special assignments
  - Gives lower-level executives firsthand experience in working on actual problems

The OJT Process:

1. Prepare the learner
2. Present the operation
3. Do a tryout
4. Follow-up

**Apprenticeship training:** A structured process by which people become skilled workers through a combination of classroom instruction and on the job training.

**Informal learning:** for example performing the jobs on a daily basis with their colleagues.

**Job instruction training:** Listing each job's basic tasks, along with key points, in order to provide step-by-step training for employees.

1. List the job's required steps, each in its proper sequence
2. List a corresponding key point beside each step

### Lectures

- Don't start on the wrong foot
- Speak only about what you know well
- Give your listeners signals
- Use anecdotes and stories to show rather than tell
- Be alert to your audience
- Maintain eye contact with the audience
- Make sure everyone in the room can hear
- Control your hands
- Talk from notes rather than from a script
- Break a long talk into a series of short talks
- Practice

**Programmed learning:** A systematic method for teaching job skills, involving presenting questions or facts, allowing the person to respond, and giving the learner immediate feedback on the accuracy of his or her answers.

- Intelligent tutoring systems take programmed learning one step further by learning what questions and approaches worked and didn't for the learner, and then adjusting the instructional sequence to the trainee's unique needs.

**Audiovisual-based training:** consider using them in the following situations:

- When there is a need to illustrate how to follow a certain sequence over time
- When there is a need to show trainees events not easily demonstrable in live lectures

**Vestibule training:** trainees learn on the actual or simulated equipment they will use on the job, but are trained off the job. Necessary when it's too costly or dangerous to for OJT.

**Electronic performance support system (EPS):** Sets of computerized tools and displays that automate training, documentation, and phone support; integrate the automation into applications and provide support that's faster, cheaper, and more effective than traditional methods.

- **Job aid:** A set of instructions, diagrams, or similar methods available at the job site to guide the worker.

**Videoconferencing:** popular for training geographically dispersed employees.

**Computer-based training (CBT):** refers to training methods that use interactive computer based systems to increase knowledge or skills.

**Simulated learning:** puts the trainee in an artificial 3d environment that simulates events and situations that might be experienced on the job. Advantages include reduction in training time, instructional consistency, mastery of learning, increased retention, and increased trainee motivation.

## Interactive learning

### Internet-based training

Two basic ways to offer online courses to employees:

- The employer can encourage and/or facilitate having its employees take relevant courses from either its own online offerings or from online training vendors.
- Arrange with an online training vendor to make its courses available via the employer's **learning portal**, which is a section of an employer's web site that offers employees online access to many or all of the training courses they need to succeed at their jobs.

### Improved productivity through HRIS

Learning management systems (LMS) are special software tools that support internet training by helping employers identify training needs, and in scheduling, delivering, assessing, and managing the online training itself.

- **Mobile learning:** delivering learning content on demand via mobile devices
- **Virtual classroom:** Teaching method that uses special collaboration software to enable multiple remote learners, using their PCs or laptops, to participate in live audio and visual discussions, communicate via written text, and learn via content such as ppt slides.
- **Lifelong and literacy training techniques**
  - **lifelong learning:** provides employees with continuing learning experiences over their tenure with the firm, with the aims of ensuring they have the opportunity to learn the skills they need to do their jobs and to expand their occupational horizons.
- **Team training**
  - **Cross training:** Training employees to do different tasks or jobs that their own; doing so facilitates flexibility and job rotation
  - When teamwork fails, it is often due to interpersonal problems such as intra-team conflict, lack of agreement, guarded communications, and personal criticism.

## Implementing Management Development Programs

**Management development:** Any attempt to improve current or future management performance by imparting knowledge, changing attitudes, or increasing skills.

### Strategy and development

The management development process consists of:

- Assessing the company's strategic needs
- Appraising manager's current performance
- Developing the managers

Succession planning and management development both stem from the employer's strategy, vision, and personnel plans.

### Managerial on-the-job training

Methods include job rotation, the coaching/understudy approach, and action learning. Job rotation here means moving managers between departments.

- **Action learning:** a training technique by which management trainees are allowed to work full-time analyzing and solving problems in other departments.

### Off-the-job management training and development techniques

- **Case study method:** a development method in which the manager is presented with a written description of an organizational problem to diagnose and solve
- **Management game:** a development technique in which teams of managers compete by making computerized decisions regarding realistic but simulated situations.
- **Outside seminars**
- **University-related programs**
- **Role playing:** A training technique in which trainees act out parts in a realistic management situation
- **Behavior modeling:** A training technique in which trainees are first shown good management techniques in a film, are asked to play roles in a simulated situation, and are then given feedback and praise by their supervisor
  - Modeling
  - Role playing
  - Social reinforcement
  - Transfer of training
- **Corporate university**
  - **In-house development center:** A company-based method for exposing prospective managers to realistic exercises to develop improved management skills.
  - Characteristics include:
    - Alignment with corporate strategic goals
    - A focus on development of skills that support business needs
    - Evaluation of learning and performance
    - Using technology to support the learning
    - Partnering with academia
- **Executive coach:** An outside consultant who questions the executive's associates in order to identify the executive's strengths and weaknesses, and then counsels the executive so he or she can capitalize on those strengths and overcome the weaknesses.

### Differential development assignments

Actively managing employees. Talent management-oriented employers focus more of their development resources on their mission critical employees.

## Managing Organizational Change Programs

Managers can change five aspects of their companies

- **Strategy**
- **Culture**
- **Structure**
- **Technology**
- **Attitudes and skills**

### Lewin's change process

A model to summarize the basic process for implementing change with minimal resistance:

1. Unfreezing means reducing the forces that are striving to maintain the status quo
2. Moving means developing new behaviors, values, and attitudes
3. Refreezing means building in the reinforcement to make sure the organization doesn't slide back into its former ways of doing things

### Leading organizational change

8-step process for leading organizational change:

- Unfreezing
  1. Establish a sense of urgency
  2. Mobilize commitment through joint diagnosis of problems
- Moving Stage
  3. Creating a guiding coalition
  4. Develop and communicate a shared vision
  5. Help employees make the change
  6. Consolidate gains and produce more change
- Refreezing stage
  7. Reinforce the new ways of doing things with changes to the company's systems and procedures
  8. Leader must monitor and assess progress

### Using organizational development

OD has several distinguishing characteristics:

- It usually involves action research
- It applies behavioral science knowledge to improve the organization's effectiveness
- It changes the organization in a particular direction

4 basic steps of OD applications:

- Human process
- Technostructural
- Human resource management
- Strategic applications

**TABLE 8-2 Examples of OD Interventions**

Human Process	Human Resource Management
T-groups	Goal setting
Process consultation	Performance appraisal
Third-party intervention	Reward systems
Team building	Career planning and development
Organizational confrontation meeting	Managing workforce diversity
Survey research	Employee wellness
Technostructural	Strategic
Formal structural change	Integrated strategic management
Differentiation and integration	Culture change
Cooperative union-management projects	Strategic change
Quality circles	Self-designing organizations
Total quality management	
Work design	

### Evaluating the Training Effort

- The manager must evaluate the training program by measuring
  - Participant's reactions
  - What the trainees learned
  - To what extent their on-the-job behavior changed as a result of the program

### Designing the study

- Time series design
  - A series of performance measures before and after the training program
- Controlled experimentation is the evaluation process of choice
  - **Controlled experimentation:** Formal methods for testing the effectiveness of a training program, preferable with before-and-after tests and a control group.
  - A controlled experiment uses both a training group and a control group that received no training
  - Data are obtained both before and after the group is exposed to training and before and after a corresponding work period in the control group

### Training effects to measure

The manager can measure 4 basic categories of training outcome

- Reaction
- Learning

- Behavior
- results



## Performance Management and Appraisal

### Basic Concept in Performance Management and Appraisal

#### The performance appraisal process

**Performance appraisal:** evaluating an employee's current and/or past performance relative to his or her performance standards.

- Effective appraisals require supervisors to set performance standards
- Requires the employee to receive the training, feedback, and incentives required to eliminate performance deficiencies.
- Effective appraisals begin with the manager defining the employee's job and performance criteria
  - Defining the job means making sure that you and your subordinate agree on his or her duties and job standards and on the appraisal method to be used
- Performance appraisal always involves the 3 step **performance appraisal process:**
  - Setting work standards
  - Assessing the employee's actual performance relative to those standards
  - Providing feedback to the employee with the aim of helping him or her to eliminate performance deficiencies or to continue to perform above par

#### Why appraise performance?

Five reasons:

1. Most employers still base pay, promotion, and retention decisions on the employee's appraisal
2. Appraisals play a central role in the employer's performance management process
  - a. Performance management means continuously making sure that each employee's and team's performance makes sense in terms of the company's overall goals
3. The appraisal lets you and the subordinate develop a plan for correcting any deficiencies, and to reinforce the things the subordinate does right
4. Appraisals should facilitate career planning
5. Supervisors use appraisals to identify employees' training and development needs

**Performance management:** the continuous process of identifying, measuring, and developing the performance of individuals and teams and aligning their performance with the organization's goals.

#### Performance standards

Most employees need and expect to know ahead of time on what basis their employer will appraise them. Each employee's goals should derive from and contribute to the company's overall aims. There is an art to setting effective goals:

1. The supervisor must decide what to measure.
2. It is typical to set measurable goals for each expectation you have for the employee.
  - a. Effective goals are SMART: Specific, Measurable, Attainable, Relevant, and Timely.

#### How to set effective goals:

1. Assign specific goals
2. Assign measurable goals
3. Assign challenging but doable goals
4. Encourage participation

#### The role of job descriptions:

- What to appraise and how to appraise should be obvious from the job description.
- The job description should list the job's duties or tasks, including how critical each is to the job, and how often it's performed.
- May also include strategically important behaviors, whose presence enables the manager to identify competencies to appraise

#### Who should do the appraising?

Appraisals by the immediate supervisor are most common.

- **Peer appraisals**
- **Rating committees**
- **Self-ratings**
- **Appraisal by subordinates**
- **360-degree feedback**

#### Techniques for Appraising Performance

The manager generally conducts the actual appraisal using a formal tool or method like:

- **Graphic rating scale method:** A scale that lists a number of traits and a range of performance for each. The employee is then rated by identifying the score that best describes his or her level of performance for each trait.
  - What to rate?
    - Assess generic job dimensions such as communications, teamwork, etc.
    - Rate the employee's performance on the job's actual duties
    - Rate how well the employee did with respect to achieving specific performance expectation or objectives
    - Competency-based appraisal focuses on the extent to which the employee exhibits the competencies needed to perform the job.
- **Alternation ranking method:** Ranking employees from best to worst on a particular trait, choosing highest, then lowest, until all are ranking.
- **Paired comparison method:** Ranking employees by making a chart of all possible pairs of the employees for each trait and indicating which is the better employee of the pair.

- **Forced distribution method:** Similar to grading on a curve; predetermined percentages of rates are placed in various performance categories.
- **Critical incident method:** Keeping a record of uncommonly good or undesirable examples of an employee's work-related behavior and reviewing it with the employee at predetermined times.

### Narrative forms

All or part of the written appraisal may be in narrative form

**Behaviorally anchored rating scales (BARS):** An appraisal method that aims at combining the benefits of narrative critical incidents and quantified ratings by anchoring a quantified scale with specific narrative examples of good and poor performance. Typically requires 5 steps:

1. Write critical incidents
2. Develop performance dimensions
3. Reallocate incidents
4. Scale the incidents
5. Develop a final instrument

Advantages:

- A more accurate gauge
- Clearer standards
- Feedback
- Independent dimensions
- Consistency

### Mixed standard scales

Somewhat similar to behaviorally anchored scales, generally list just a few (3) behavioral examples for each performance dimension.

- The aim is to reduce rating errors by making it less obvious to the person doing the appraisal:
  - What performance dimensions their rating
  - Whether the behavioral examples statements represent high, medium, or low performance.

**Management by objectives (MBO)** generally refers to a comprehensive and formal organization-wide goal setting and appraisal program. Here goals cascade down by level and department, from company-wide strategic goals to tactical day-to-day goals.

**Electronic performance monitoring (EPM):** Having supervisors electronically monitor the amount of computerized data an employee is processing per day, and thereby his or her performance.

## Dealing with Appraisal Problems and Interviews

### Potential appraisal problems

- **Unclear standards:** An appraisal that is too open to interpretation

- **Halo effect:** In performance appraisal, the problem that occurs when a supervisor's rating of a subordinate on one trait biases the rating of that person on other traits.
- **Central tendency:** a tendency to rate all employees the same way, such as rating them all average
- **Strictness or leniency:** The problem that occurs when a supervisor has a tendency to rate all subordinates either high or low.
- **Recency effects:** letting what the employee has done recently blind you to current performance
- **Bias:** the tendency to allow individual differences such as age, race, and sex to affect the appraisal ratings employees receive.

### Guidelines for effective appraisals

- **Know the performance appraisal problems**
- **Use the right appraisal tool**
- **Keep a diary**
- **Get agreement on a plan**
- **Ensure fairness**

### Managing the appraisal interview

- **Types of appraisal interviews:**
  - Satisfactory – Promotable
  - Satisfactory – Not promotable
  - Unsatisfactory but correctable
  - Unsatisfactory and uncorrectable
- **How to conduct the appraisal interview**
  - Talk in terms of objective work data
  - Don't get personal
  - Encourage the person to talk
  - Get agreement
- **How to handle a defensive subordinate:**
  - Recognize that defensive behavior is normal
  - Never attack a person's defenses
  - Postpone action
  - Recognize your own limitations
- **How to criticize a subordinate**
  - Let the person maintain their dignity, in private and constructively
  - Should be objective and free of personal bias
- **How to handle a formal written warning**
  - Two purposes:
    - May serve to shake your employee out of their bad habits
    - Can help defend your rating
  - Should identify the employee's standard
  - Make it clear the employee was aware of the standard
  - Specify any deficiencies relative to the standard
  - Show the employee had an opportunity to correct their performance

## Performance Management

Performance management is the continuous process of identifying, measuring, and developing the performance of individuals and teams and aligning their performance with the organization's goals.

### Performance management vs performance appraisal

Three main things distinguish the two:

1. Performance management never means just meeting with a subordinate, it means continuous, daily, or weekly interactions and feedback to ensure continuous improvement.
2. Performance management is always goal-directed.
3. Performance management means continuously reevaluating and modifying how the employee and team get their work done.

Performance management systems increasingly use information technology to help managers automatically track employee performance and take immediate corrective action as required.

Performance management's six basic elements are:

- Directions
- Goal alignments
- Ongoing performance monitoring
- Ongoing feedback
- Coaching and development support
- Recognition and rewards

### Using information technology to support performance management

- Assign financial and nonfinancial goals to each team's activities along the strategy map chain of activities leading from the team's activities up to the company's overall strategic goals.
- Inform all employees of their goals.
- Use IT-supported tools like scorecard software and digital dashboards to continuously display, monitor, and assess each team's and employee's performance.
- Take corrective action before things swing out of control.

## Talent Management Practices and Employee Appraisal

Talent management is the goal-oriented and integrated process of planning, recruiting, developing, appraising, and compensating employees. It requires:

1. Identifying the workforce profiles that the firm needs to achieve its strategic goals.
2. Consciously thinking through all the tasks required for managing the company's talent
3. Consistently using the same profile for formulating recruitment plans for the employee as you do for making the selection, training, appraisal, and payment decisions

4. Actively managing different employees' recruitment, selection, development, and rewards
5. Integrating the underlying talent management activities

#### **Appraising and actively managing employees**

- Performance appraisal traditionally plays a predictable role when managers make pay raise and related decisions.
- Talent management requires actively managing decisions