

Chapter 8

- Training & Developing Employees:

Socialization (onboarding): is process of adaptation to a new work role.

- **The Assumptions of Employee Socialization:**

1. Socialization strongly influences employee performance & organizational stability.
2. New members suffer anxiety.
3. Socialization needs to be consistent with culture.
4. Individuals adjust to new situations in similar ways.

- **The Socialization Process:**

- a. **Prearrival:** individuals arrive with a set of values, attitudes, and expectations developed from previous experience.
- b. **Encounter:** individuals discover how well their expectations match realities within the organization.
- c. **Metamorphosis:** individuals have adapted the organization & feel accepted.

The **Outcomes** of these process (**productivity, commitment, and turnover**)

- **HR Dual Roles in Orientation Process of New Employee:**

1. **Coordinating Role:** HRM instruct new employees when & where to report.
2. **Participant Role:** HRM offers its assistance for future employee needs.

- **Employee Training:**

- Designed to achieve relatively permanent change in an individual that will improve his or her performance.
- Training goals should be **tangible, verifiable, timely, and measurable**.
- Training is **on-the-job** or **off-the-job**.

Employee Training Methods	
on-the-job	off-the-job
Job Rotation	Classroom Lectures
On-the-job Training	Multimedia Learning
Apprenticeships	Simulations
Internships	Vestibule Training

- **Employee Development Methods:**

- **Job rotation:** moving employees (horizontally or vertically) to expand their skills, knowledge, and abilities.
- **Assistant-to positions:** employees with potential can work under and be coached by successful managers.
- **Committee assignment:** provide opportunities for decision-making, learning by watching others.
- **Lectures courses/seminars:** benefit from today's technology.
- **Simulations:** include case studies, decision games, and role plays.
- **Adventure training:** teach trainees the importance of teamwork.

- **Organization Development (OD) Change Process has 2 Metaphors:**

1. **Calm waters:** unfreezing the status quo & change to a new state.
2. **White-water rapids:** recognizes today's business environment.

- **Organization Development (OD) Techniques include:**

1. Survey feedback.
2. Process consultation.
3. Team building.
4. Intergroup development.

- **Organization Development (OD) Learning Characterized by:**

- a. Capacity to continuously adapt.
- b. Employees continually acquiring and sharing new knowledge.
- c. Collaboration across functional specialties.
- d. Supporting team, leadership, and culture.

- **How can HR evaluate training method results when measures aren't easy to calculate?**

Through **Kirkpatrick's** model:

- Level 1: what was reaction to training?
- Level 2: what was learned?
- Level 3: did training change behavior?
- Level 4: did training benefit employer?

- **Evaluate using performance-based evaluation measures:**

- **Post training method:** employees' on-the-job performance is assessed after training.
- **Pre-post-training methods:** employees' job performance is assessed before/after training.
- **Pre-post-training w/control group:** compare results.

Chapter 9

- Career development:

- **What is a Career?**

- It is a pattern of work-related experiences that span the course of a person's life.
- Reflects any work, paid or unpaid.
- A broad definition helpful in work environment.

- **Organization career planning:** develops career ladders, tracks careers, and provides opportunities for development.
- **Individual career development:** helps employees identify their goals & the steps to achieve them.
- **Career development:** long-term career effectiveness & employee success.
- **Employee training and development:** focuses on performance in time.

- **How Career Development Adds Value to the Company?**

1. Ensures needed talent will be available.
2. Improves the organization's ability to attract and retain talented employees.
3. Ensures the minorities & women get opportunities for growth & development.
4. Reduces employee disappointment.
5. Enhances cultural diversity.
6. Promotes organizational goodwill.

individuals' **external** career success is measured by **criteria**

Vs **internal** career success is measured by **the meaningfulness of one's work & achievement of personal life goals**

Coaches give guidance through direction, advice & suggestions.

Vs **Mentors** senior-level employees provide a support to junior employees.

- **Traditional Career Stages:**

- **Exploration:** includes school.
- **Establishment:** includes searching for work, getting first job.
- **Mid-career:** challenged to remain productive at work.
- **Late career:** good resource for teaching others.
- **Decline:** most difficult for those who were successful at earlier stages.

- **Career Choices & Preferences:**

1. **Holland Vocational Preference:**

Three major components:

- People have varying occupational preferences.
- If you think your work is important, you will be more productivity.
- You will have more in common with people who have similar interests.

Six vocational themes:

- Realistic
- Investigative
- Artistic
- Social
- Enterprising
- Conventional

2. **Schein anchors:**

Five personal value clusters determine what is important to individuals:

- Technical-functional competence
- Managerial competence
- Security-stability
- Creativity
- Autonomy-independence

3. **Myers Briggs Typologies:**

Four personality dimensions identify 16 personality types:

- Extraversion-introversion
- Sensing-intuitive
- Thinking-feeling
- Judging-perceiving

- **Successful Career Tips:**

- | | |
|---------------------------|-------------------------------|
| a. Know your self | b. Manage your reputation |
| c. Network contacts | d. Keep current |
| e. Keep your options open | f. Document your achievements |
| g. Build & maintain | h. Balance your competences |

Chapter 10

- Performance management:
- **Questions regarding the performance management process:**
 1. Why evaluate?
 2. Who benefits from evaluation?
 3. what format should be used?
 4. What problems might arise?
- **Three main purposes of performance management system:**
 1. **Two-way feedback:** performance measures mutually set between employee & employer.
 2. **Development:** identify areas.
 3. **Documentation:** to meet legal requirements.
- **Appraisal Process:**
 1. **Establish performance standards with employees:**
Derived from company's strategic goals.
 2. **Communicate expectations & set goals.**
 3. **Measure actual performance:**
Using information from (personal observation, written, oral, statistical reports)
 4. **Compare actual performance with standards.**
 5. **Discuss the appraisal with the employee.**
 6. **If necessary, start corrective action.**
- **Five common mistakes managers can make in giving a performance review:**
 - Waiting for the performance appraisal to give feedback.
 - Overemphasizing recent performances.
 - Being too positive or negative.
 - Being critical without being constructive.
 - Talking not listening.
- **Three Appraisal Approaches:**
 1. **Absolute standards:**
 - Critical incident appraisal.
 - Checklist appraisal.
 - Graphic rating scale appraisal.
 - Forced-choice appraisal
 - Behaviorally anchored rating scales (BARS).

2. Relative Appraisal:

- Group order ranking.
- Individual ranking.
- Paired comparison.

3. Achieved Outcomes:

Common elements in an **Management By Objectives (MBO)** program are:

- Goal specific
- Specific time period
- Participative decision making
- Performance feedback

- **Factors that can distort appraisals:**

- Unsuitable substitute for performance
- Halo error
- Central tendency
- Law appraiser motivation
- Leniency error
- Similarity error
- Inflationary pressures

- **Attribution theory:**

Evaluations are affected based on whether someone's performance is due to:

1. **Internal** factors they **can** control
2. **External** factors they **cannot** control

- **To create better performance management system:**

1. Use behavior based measures.
2. Combine absolute and relative standards.
3. Provide ongoing feedback.
4. Use multiple raters: the more used, the more reliable and valid the results.
5. Rate selectively.
6. Train appraisers.

- **For an effective performance appraisal meeting:**

1. Prepare/schedule meeting in advance
2. Create supportive aura about meeting
3. Describe appraisal's purpose
4. Involve employee in appraisal discussion
5. Focus on behaviors, not employee
6. Cite specific examples
7. Give positive and negative feedback
8. Ensure employee understood appraisal
9. Generate a development plan

- **Challenges in evaluating overseas employees:**

- Different cultural perspectives and expectations between parent & local country may make evaluation difficult.
- Evaluation forms may not translate accurately
- Quantitative measures may be misleading

Chapter 11

- Compensation

- **Rewards review:**

- a. **Intrinsic**

- Participation in decision making	- More responsibility	- Diversity of activities
- Greater job freedom	- Opportunities for growth	

- b. **Extrinsic**

financial			Non-financial
Performance based	Implied membership-based	Explicit membership-based	
Bonuses	Cost of living increase	Protection program	Assigned parking space
Piecework	Labor market adjustment	Pay for time not worked	Preferred assignments
Commission	Profit sharing	Services/ perks	Business cards
Incentive plans	Time-in-rank increase		Own secretary
Merit pay plans			Impressive title

- **Types of rewards plans:**

Performance-based vs. Member-ship-based

Performance-based: rewards are tied specific job performance criteria.

- Commissions
- Incentive system
- Piecework pay plans
- Group bonuses

Member-ship-based: rewards such as:

- Cost-of-living increase
- Benefits
- Salary increases

- **An effective, fair compensation program must be:**

- Attract
- Retains competent employee
- Motivates

- **The fair labor standards act requires:**

- Minimum wage
- Record-keeping
- Overtime pay
- Child labor restriction

- **Exempt employees vs. nonexempt employees:**

- Exempt employees	- Nonexempt employees
Include professional and managerial employees not covered under FLSA overtime provisions.	Eligible for premium pay (time & one-half) when they work more than 40 hours in a week

(FLSA): Fair Labor Standard Act.

- **Equal Pay Act (EPA):**

of 1963 requires that men and women hired for the same job be paid the same.

- **Civil Rights Act (CRA):**

- Broader than Equal Pay Act.
- Prohibits discrimination on the basis of gender.
- Used to support comparable worth concept.
- Salaries established based on skill, responsibility, and working conditions.

- **Pay structure factors:**

Internal	external
- Labor market conditions	- Geographic differences
- Collective bargaining	- Labor supply
- Individual skill differences	- Competition
	- Cost of living as determined by CPI
	- Collective bargaining (unions)

- **Job evaluation methods:**

1. **Ordering method.**
2. **Classification method.**
3. **Point method:** offers the greatest stability.

- **Establishing the pay structure methods:**

1. **Compensation surveys:** used to gather factual data on pay rates for other organizations.
2. **Wage curves:** indicates whether pay structure is logical.
3. **Wage structure:** designates pay ranges for jobs of similar value.

- **Incentive compensation plans:**

A. Individual incentive:

- Annual increase based on performance.
- Pay based on number of units produced typically in specific time period.
- Time-saving bonuses and commissions.

B. Group incentives:

Advantages	disadvantages
- Group focuses on specific performance targets.	- Can be costly to install and administer
- Rewards controlled by individuals, programs can be very motivational.	- Emphasizes individual performance.
- Program can be integrated with other corporates and lead to improve communications and relations.	- Requires open communication with employees on costs and profitability.

c. **Organization-wide incentives:**

Direct employee efforts toward organizational goals.

- **Special cases of compensation:**

- **Scanlon Plan:** supervisor and employee committees suggest labor-saving improvements.
- **Improshare:** formula used to determine bonuses based on labor cost savings.

- **Paying for performance:**

Competency-based compensation:

- Rewards for skills, knowledge & behaviors (leadership, problem solving, decision making, strategic plan)	- Broad-banding Previous set pay levels that determine what people are paid based on their type and competency
- Team-based compensation Incentive for empower of work teams to exceed established goals and share rewards equally. Depends on: <ol style="list-style-type: none"> 1. Clarity of team purpose and goals. 2. Ability of team to obtain needed resources. 3. Effective team communication skills. 	

- **Supplemental financial compensation:**

1. **Deferred bonuses:** paid to executive over time periods.
2. **Stock options:** allow executive to purchase stock in the future at a fixed price.
3. **Hiring bonuses:** compensate for the deferred compensation when leaving company.

- **Supplemental nonfinancial compensation:**

1. Free financial, legal & tax counseling	2. Club membership
3. Paid life insurance	4. Supplemental retirement account
5. Postretirement consulting contracts	6. Expense accounts
7. Supplemental disability insurance	8. Company cars
9. Mortgage assistance	10. Interest free loans

- **Golden Parachutes:** protect executives when merger or hostile takeover occurs by providing severance pay a guaranteed position.

- **International Compensation:**

International compensation packages generally utilize the **balance sheet approach** using four factors:

- a. Base pay.
- b. Differentials.
- c. Incentives.
- d. Assistance program.

Chapter 12

- Employee Benefits
- **Definition of employee benefits:**
 - Membership-based rewards offered to attract and keep employees.
 - **NOT** effect directly on worker's performance.
 - Benefit & service offerings add about 30% to an organization's payroll cost.
 - Become the focus on negotiations when large wage & salary increase are not feasible.

- **Contemporary benefits offerings:**

Legally require benefits	Voluntary benefits
- Social security	- Health insurance
- FMLA	- Retirement plans
- Unemployment compensation	- Disability
- Worker's compensation	- Time off
	- Life insurance

- **Social security:** provides income for retirees, disabled workers and surviving dependents.
- **Family & Medical Leave Act (FMLA):** requires employers with 50 or more employees to allow up to 12 weeks of unpaid leave for family or medical reason. Retirement plans.
- **Unemployment compensation:** provides for employees some income continuation during periods of involuntary unemployment.
- **Worker's compensation:** benefits pay expenses and compensation for losses resulting from work-related accidents or illness.
- **Health insurance:** purpose is to protect employee from catastrophic loss should a serious illness occur.
- traditional health insurance provides coverage in 3 areas:
 1. hospitalizations
 2. medical/surgical
 3. major medical
- Health Maintenance Organizations (**HMOs**): passed in 1973.
- Preferred Provider Organizations (**PPOs**).
- Point-Of-Service Plans (**POS**).
- Consumer-driven Health Plans.
- Employer-operated Coverage: operated under a Voluntary Employees Beneficiary Association (**VEBA**) to reduce costs.
- Health Insurance Continuation: The Consolidated Omnibus Budget Reconciliation Act (**COBRA**) Provides for continuation of benefits for up 3 years after an employee leaves a job.
- Health Insurance Portability & Accountability Act (**HIPAA**): passed in 1996.
- **Retirement plans:** Employee Retirement Income Security Act (**ERISA**): passed in 1974, right to pension benefits even if one leaves the company.
- Contribution Plans:
 1. Money purchase pension plans
 2. Profit sharing plans
 3. Individual Retirement Accounts (**IRAs**)
 4. 401 Ks

- **Time off:** disability insurance programs:
Provides salary continuation for:
 - *. Short-term disabilities (sick leave)
 - *. Long-term disabilities (usually effective after 6 months)

- **Life insurance:**
 - Group term life insurance
 - Travel insurance

- **Services side of benefits:**
 - 1. Employee assistance programs
 - 2. Credit unions
 - 3. housing
 - 4. lectures reimbursement
 - 5. uniforms
 - 6. company-paid transportation
 - 7. social & recreational events
 - 8. parking

Chapter 13

- Health & Safety
- **The Occupational Safety & Health Act (OSHA):**
 - **1970 federal legislation.**
 - **OSHAs six inspection priorities:**

1. Imminent danger	2. Fatalities and catastrophes
3. Employee complaints	4. Referrals
5. Follow-ups	6. Planned or programmed investigations
 - **Follow-ups:** inspections of industries with the highest injury or illness rates:

*. Meat processing	*. Roofing & sheet metal	*. Transportation
*. Chemical processing	*. Lumber & wood products	*. Warehousing
 - **The National Institute for Occupational Safety & Health (NIOSH):**
is a government agency that researches, sets OSHA standards and makes recommendations to prevent work-related illness and injury.
- **Contemporary safety & health issues:**
 1. **Workplace violence:** recommended HRM actions:

a. Develop a plan, including review policies & employee treatment	b. Train supervisors to deal with employee troubled
c. Implement stronger security mechanism	d. Prepare employees to deal with violent situations
 2. **Indoor air quality:** suggestions for keeping the environment healthy:

a. Make sure workers get enough fresh air	b. Keep air ducts clean and dry
c. Test new buildings for toxins before occupancy	d. Provide a smoke-free environment
e. Avoid suspect building materials & furnishings	f. Pay attention to workers complains
 3. **Smoke-free environment:** costs of smokers:

a. Increase health premiums	b. Higher absents	c. Lost productivity
d. Maintenance costs	e. Harm to co-workers	f. Longer recovery time
 4. **Repetitive stress injuries:** resulting from continuous, repetitive movements.
 5. **Stress:** common causes of stress:
 - a. Personal: family issues
 - b. Organizational: task demands.

Symptoms of stress	What HR can do?
Physiological	Mach individuals to their job
Psychological	Clarify expectations
Behavioral	Redesign jobs
	Offer involvement & participations

- **Reducing stress:**

- **Dilemmas for HRM include:**

1. Balancing the need to energize people with the need to minimize stress.
2. Deciding how much an employer can cross an employees' personal lives.

- **Burnout:**

Burnout is a function of 3 concerns	HR 4 techniques to reduce burnout
Chronic emotional stress	Identification
Lowered job productivity	Prevention
Dehumanizing of jobs	Mediation
	remediation

- **Wellness programs:**

- Programs to keep employees healthy.
- Design to cut employer health costs and lower absent.
- Provide services for employees' families.

- **International health issues/needs:**

1. An up-to-date health certificate providing records of employee vaccinations.
2. A general first aid kit includes over-the-counter and prescription medications.
3. Emergency plans.
4. "hotline" U.S Department of state provides travel alerts.
5. Security concern prompt recommendations.

Chapter 14

- Labor Relations & Collective Bargaining
- **A union:**

Is an organization of workers, seeking to promote and protect its mutual interests through collective bargaining.
- Labor typically stipulate: (wages, hours, and terms & conditions)
- **Why employees join unions?**
 1. Higher wages and benefits.
 2. Greater job security.
 3. Influence over work rules.
- **The Wagner Act:**
 - Known as the **National Labor Relations Act (NLRA)**: bill of rights for unions.
 - **National Labor Relations Act (NLRB)**.
- **Teft-Hartly Act:**
 - Known as **Labor Management Relations Act (LMRA)**.
- **The Railway Labor Act (RLA):**
 - Give workers in the transportation industry the right to bargain collectively.
- **Landrum-Griffin Act:**
 - Known as the **Labor and Management Reporting and Disclosure Act**.
- **Civil Service Reform Act of 1978:**
 - Basic law governing labor relations for federal employees.
- **Union organization process:**

1. Unorganized		
2. Authorization card campaign: did union get 30% or more?	If Yes ↓	If NO back to 1
3. Petition NLRB for election: are authorization cards in order?	If Yes ↓	If NO back to 1
4. Vote taken: did union receive a majority vote?	If Yes ↓	If NO back to 1
5. Certification of bargaining unit		

- **What is Collective Bargaining?**

The negotiation, administration, and interpretation of a written agreement between two parties, at least one of which represents a group.

- **The collective bargaining process:**

1. Prepare for negotiations		
2. Contract negotiation		
3. Agreement	If Yes ↓	If NO back to 2
4. Union ratification	If Yes ↓	If NO back to 1
5. Contract administration	If Yes prepare for next nego.	

- **Preparing to negotiate:**

- Fact-gathering.
- Goal-setting.
- Strategy development.

- **Contract administration:**

Is the implementation, interpretation, and monitoring of the negotiated contract between labor and management.

- Failure to reach agreement: strikes vs. lockouts

- Economic strikes.
- Wildcat strikes.
- Lockouts

- **Impasse resolution techniques:**

used when labor and management cannot agree.

1. Consolation and mediation.
2. Fact-finding.
3. Interest arbitration.

- **Reasons for decline in unions member-ship:**

1. New concern of growing middle class.
2. Greater diversity of workforce.
3. Growth of service sector.
4. Reduce of unions financial resources.
5. Anti-union pressures.
6. Layoffs large numbers of union workers.
7. Hiring replacement workers.