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Learning Objectives

After completing this chapter, you should be able to:

- ◆ View staffing as an organization-wide activity taking place in a complex legal environment.
 - ◆ Design jobs and plan for future human resource requirements.
 - ◆ Conduct employee placement in a manner that leads to quality hires.
 - ◆ Maintain an effective work force through compensation policies and other staffing activities.
 - ◆ Explain how staffing is related to building careers and working with unions.
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4.1 Introduction

In Chapter 1, we defined management as the process that consists of a collection of techniques used to lead the human resources in an organization to become productive. Notice that a key element of that definition is the human resource component. The people who work in an organization are its most valuable resource, because they convert raw materials into finished products and services, which help generate profits for the business. People also design products and make decisions about when and how products and services are distributed to maximize organizational effectiveness. People are often the most valuable asset of the organization. At the same time, people can be the most expensive part of running a business and often pose the greatest challenges to effective management (Mathis & Jackson, 1997).

MANAGEMENT IN PRACTICE

Zappos.com—Strategic Staffing

Shoe stores lose one out of every three sales because the customer's size is not in stock. This factor explains some of the success and growth of online shoe sales. The online shoe market share has reached over \$3 billion. Zappos.com, which is an adaptation of the Spanish word for "shoe," has captured a 20% share of the overall shoe market. The organization has moved into sales of various products beyond footwear, increasing sales and market awareness. New product lines include clothing, electronics, and accessories.

Nick Swinmurn founded Zappos.com in 1999 after spending a day walking in a mall looking for a pair of shoes and being unable to find the pair he wanted. His first business concept was to create an inventory so large that the odds of the customer finding exactly the right pair would be very high. Zappos.com now maintains more than 4 million pairs of shoes in its inventory. The Zappos.com business model dictates that key customer contacts are made via the phone center. If a customer cannot locate the exact pair of shoes he or she wants, the center's service representative will direct the person to two or three other companies that might have the item. Each phone operator is required to exhibit a consistently friendly, upbeat, and helpful demeanor. Zappos.com represents a prime example of a company that effectively completes the staffing function. The overall mission for the organization combines employee satisfaction with customer satisfaction. The quality of the company's service begins with the company's culture.

The company's recruiting and selection processes reflect a commitment to the overall mission. Employees are carefully selected, and only those who show positive, customer-oriented attitudes are chosen. New employees are required to enroll in a four-week training session that prepares them to work in the call center. During the training, company



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▲ An effective organization combines employee satisfaction with customer satisfaction.

(continued)

CEO Tony Hsieh personally offers to “buy out” the trainees with a cash payment (up to \$2,000) that allows each person to quit the company with money in his or her pocket. Those who remain consistently remind other employees of the importance of excellent customer service. Many are placed in non-phone-related jobs such as order fulfillment, inventory control, or finance. The training process ends with a graduation ceremony during which graduates recite the Zappos.com 10 core values, which include phrases such as “Deliver WOW,” “Create fun,” “A little weirdness,” “Pursue growth,” “Be passionate,” and “Be humble.”

The employee environment reflects the company’s culture. Employees can personalize their cubicles. An abundance of free food is available every day. Employees are encouraged to be spontaneous, energetic, and have fun. In contrast to the free-flowing and short-lived dot-coms of the 1990s, Zappos.com employees are well trained, and they are constantly reminded that the customer is their top priority.

Meeting customer needs is also part of the company’s compensation system. Employees who stay with Zappos.com receive excellent compensation, full health insurance, and dental benefits. Why doesn’t the company relocate the call center to somewhere cheaper? “We don’t think you’re going to give great customer service by outsourcing it,” Tony Hsieh calmly states. Hsieh, who already made a fortune with another Internet company, receives compensation from Zappos.com of about \$36,000 per year. He works in a small cubicle at the center of the plant.

Most of Zappos.com sales come from online purchases. Each order is shipped at no cost to the customer, who also can return it at no cost if necessary. Customers receive their purchase within just a few days of placing their order. Shoes that do not fit can be returned for full credit up to one year after the original purchase date.

Why don’t other companies follow this business model, including the staffing system? Tony Hsieh speculates that it’s because “You don’t really see the payoff right away.” Building a company in this way takes time. On the other hand, 75% of Zappos’ business comes from repeat customers. Most would agree that Zappos.com fulfills its mission: To Live and Deliver WOW (Clow & Baack, 2010, p. 255; Durst, 2007; ABC News Nightline, 2008).

Discussion Questions

1. How has Zappos.com managed to capture 20% of the overall shoe market?
2. In what way does the Zappos.com mission contribute to its success?
3. How does CEO Tony Hsieh’s staffing function model differ from those used by other companies?

The Nature of Staffing

Staffing is the achievement of organizational goals through the effective and efficient deployment of people. Staffing deals with people as a resource in the organization. It is more than a department called human resources.

The typical human resources department deals with the design of formal systems to assist and support managers in the staffing function. But staffing is a distributed function of management itself. All managers are responsible for staffing within the organization and not just in one department. No matter what process the organization uses, managers make hiring and termination decisions, conduct training or supervise it, evaluate worker performance, assess worker suitability for advancement, discipline workers when necessary, and prepare the annual labor budget. In almost all cases, the organization has a manager who is responsible for maximizing the worker’s efficiency and achieving the highest grade of work output the worker is capable of (Taylor, 1911). This is the essence of the staffing function.

Strategic Human Resource Management

The organization's strategic plan establishes the foundation of staffing. People are the most critical asset in building and maintaining organizational capability. In principle, "Building organizational capability requires very specific talent or competencies" (Christensen, 1997). Staffing the organization must be viewed by managers "in the same context as financial, technological, and other resources that are managed in organizations" (Mathis & Jackson, 1997, p. 199). To do otherwise does not appropriately align organizational resources to meet future operational demands.

Strategic human resource management (SHRM) may be defined as a process in which all staffing activities are fully integrated into a program designed to help the overall organization achieve its strategic objectives. This perspective suggests that the human resources department should contribute to every aspect of a company's operations and lead to a higher level of competitive advantage within the industry or environment. The "strategic best-fit" perspective regarding SHRM suggests that the human resources department should seek to match each specific function or activity with the firm's overall business strategy. A "configurational" approach to SHRM argues that "bundles" of HR practices should be managed collectively to improve business performance. Such bundles must be designed to fit various industries and specific business conditions. The "resource-based" perspective argues that the focus of SHRM should be to acquire, train, use, and retain the most competent employees, thereby helping the organization to achieve (Fisher, Schoenfeldt, & Shaw, 2006).

What sets SHRM apart from earlier, more traditional, views of staffing is the long-term, strategic perspective. It suggests that human resources departments play vital roles in every aspect of a firm's operations rather than simply performing a set of rote functions, such as recruiting, selection, training, and collecting and maintaining employee records. A strategic human resource manager is charged with monitoring the external environment and developing strategies and tactics that mesh internal operations with the demands and contingencies of that external environment. At the same time, the human resources department still is expected to carry out its basic functions and activities. Thus SHRM contains practical, hands-on elements as well as more general theoretical and integrated views of the company.

Staffing Functions

As just noted, human resource management continues to carry out basic organizational functions; at the very least, they engage in the following major activities or functions:

- job design
- human resource planning
- recruiting
- selection
- orientation
- employee development
- compensation management
- performance assessment
- employee discipline systems
- workplace safety
- career development
- labor–management relations

Before evaluating these activities, however, we review the legal environment surrounding the staffing function and the conduct of the overall business organization.

Legal Aspects of Staffing

The staffing function takes place in a complex and changing environment. Social trends, shifting demographics, and legal regulation influence the employment process. As the population becomes more diverse and new legal issues arise, a key part of effective staffing involves adapting to these trends and rulings. The organization's policies and work rules, combined with a myriad of national, state, and local laws and regulations, govern the workplace. Although this is not a law textbook, here we address the most significant and recent areas of concern to managers.

Employment at Will

One of the most significant and misunderstood legal doctrines affecting the employment relationship is that of **“at will” employment**. In essence, it means that workers are free to sell their labor services to any employer, and employers may employ whomever they prefer and terminate that employment arrangement at any time and for any reason. But the application of employment at will has limitations. Laws restrain employers from termination for reasons of discrimination, retaliation for whistle-blowing, service in the military (e.g., called to duty in the reserves or National Guard), and jury service. In other instances, employers and employees are able to sever the employment relationship as long as both employer and employee comply with applicable laws.

Fair Labor Standards Act

The Fair Labor Standards Act (FLSA) was signed into law by Franklin D. Roosevelt in 1938. The law provides for a minimum wage (\$7.25 effective July 24, 2009), overtime pay for hours worked in excess of 40 hours in the workweek for nonexempt (hourly) employees, workweek standardization, child labor restrictions, and standardized record keeping. The primary purpose of FLSA is to protect workers, but these standards help managers plan and budget work schedules and provide clear guidelines for supervising employees. In 2012, President Obama proposed an increase to the minimum wage following his reelection; however, no action had been taken by the close of the 2013 legislative session.

The Civil Rights Act of 1964 and EEOC

The Civil Rights Act was signed into law during the Lyndon B. Johnson administration with the express purpose of eliminating discrimination. It defined such discrimination to include race, creed, color, sex, and national origin. In addition to making discrimination illegal in a variety of life experiences, the act specifically defines what constitutes illegal discrimination in employment relationships.

The act also created the Equal Employment Opportunity Commission (EEOC). No other regulatory area has more impact on staffing, or more influence over organizations and managers, than the EEOC. All aspects of employment management are affected, including hiring, recruiting, training, compensating, disciplining, and terminating.



Courtesy Everett Collection

▲ President Lyndon Johnson, watched by Martin Luther King Jr., signed the Civil Rights Act in 1964.

Sexual Harassment and Sexual Discrimination

Sexual harassment is defined as

Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when this conduct explicitly or implicitly affects an individual's employment, unreasonably interferes with an individual's work performance, or creates an intimidating, hostile, or offensive work environment. (U.S. EEOC, 2013b)

It is a form of discrimination as defined in the Civil Rights Act of 1964 and EEOC regulations. There are numerous types of sexual harassment, but the two most widely recognized are summarized in Table 4.1 (Weitzer, 2002).

Table 4.1 Forms of sexual harassment

Quid pro quo	Sexual advances or sexual favors are exchanged for favorable treatment, including <ul style="list-style-type: none"> • Better job assignments • Undeserved performance evaluation ratings • Promotions • Pay raises
Hostile environment	Work environment is characterized by the following: <ul style="list-style-type: none"> • Sexual innuendos in language, including jokes and sexual references • Inappropriate comments about appearance and dress • Unwanted touching • Signage ("girlie" calendars, cartoons) • Conduct toward the other gender or those with a different sexual orientation suggesting a discrepancy in how people are treated

The Latin term *quid pro quo* literally means "this for that." In the work environment, quid pro quo occurs when a subordinate's job benefits are directly tied to his or her submission to unwelcome sexual advances. Hostile working environments are created in various ways that lead to impaired job satisfaction. While impairment could be a subtle or significant condition, the employee has a right to be free from such acts in the work environment.

The Age Discrimination in Employment Act

This 1967 federal statute is intended to protect workers over the age of 40 against discrimination based on age. The EEOC defines *age discrimination* as "discrimination when it comes to any aspect of employment, including hiring, firing, pay, job assignments, promotions, layoff, training, fringe benefits, and any other term or condition of employment" (U.S. EEOC, 2013a). The law also specifies that harassment based on a person's age (if over 40) is illegal, although off-hand comments and isolated incidents by themselves do not constitute harassment that creates a "severe or offensive environment." Still, the intended effect of the law is to create an age-protected class of workers and so to prevent older workers from being subjected to employment actions based on age status. As the work force continues to become older, you can expect that the Age Discrimination in Employment Act will more frequently apply to workplace decisions regarding senior employees.

The Americans with Disabilities Act of 1990 (ADA)

The Americans with Disabilities Act (ADA) is designed to protect individuals with disabilities from being discriminated against by employers. The law does not provide protection from short-term conditions or temporarily disabling injuries, but from long-term conditions that significantly impair an individual. The ADA requires employers to make reasonable accommodation for such disabilities in employment staffing arrangements unless providing such an accommodation would place an undue hardship on the employer.

Family and Medical Leave Act

In 1993, Congress enacted the Family and Medical Leave Act (FMLA) to cover circumstances in which various events disrupt an employee's ability to perform effectively. The law requires larger employers to provide employees job-protected unpaid leave due to a serious health condition that makes the employee unable to perform his or her job, or to care for a sick family member, or to care for a new child (either natural-born or adopted). The law also covers caring for an injured member of the armed services.

4.2 Job Design and Human Resource Planning

Staffing has a close connection with the organizing function. The first step of organization, job design, results from the collaboration between functional managers and the human resources department. Individual jobs require analysis of the tasks to be completed as well as identification of skills and talents needed to complete those tasks. After company managers have assigned the jobs, they can then begin the process of planning for current and future personnel needs.

Job Design

As noted in Chapter 3, job design occurs when managers determine the tasks needed to be done, who will do them, and the selection criteria to be used to choose employees and place them on the job. This means that job design is the process of “organizing tasks, duties, and responsibilities into a productive unit of work” (Mathis & Jackson, 1997).

Job design involves identifying appropriate, job-related knowledge, skills, and abilities to ensure that assigned work can be completed successfully. Designers consider the work, the environment, and the impact of the work on employees. The standard approach to job design involves three steps: job analysis, job description, and job specification.

Job Analysis

The process of assigning tasks to jobs, or **job analysis**, is conducted by the human resources department working in conjunction with departmental managers. Three forms of commonly employed job analysis are comparison with other companies, experimentation, and reflective planning.

Comparison with other companies can result from something as simple as a phone call to a friend in another firm to ask how that company defines duties for a particular job. For example, the position of administrative assistant varies widely, depending on the industry. Someone assigned to manage a new walk-in emergency health care facility might call leaders of similar organizations for advice. Comparisons can also take place more formally. This process normally involves using a resource such as the *Dictionary of Occupational Titles* (U.S. Department of Labor, 1977).

Experimentation methods begin with simply trying various methods to learn which is most effective and efficient for performing a job. This process allows managers to evaluate workload to aid the organization of workflow. For instance, if employees cannot keep up with their job responsibilities, some tasks can be removed; if an employee is bored, additional tasks may be assigned. One form of experimentation, the time-and-motion study designed by Frank Gilbreth, studies jobs as they are performed by using a stopwatch and sometimes even filming specific tasks. The goal is to eliminate wasted motion and create an efficient set of job tasks by having them carried out in various ways to find the most efficient approach. As an example, a UPS truck driver might try numerous routes while seeking the optimal pattern for loading, delivering, and unloading items. This effort would be a form of experimentation and a quasi time-and-motion approach.

Reflective planning requires that managers think about how jobs should be designed. In some organizations, the public relations function is performed by specialists trained in media relations and writing. Those jobs are clearly defined as being more managerial. In other companies, a job in the public relations department is more of a marketing activity that centers on finding sponsorships with charities and other groups to generate positive publicity. The job title stays the same, but the job itself is quite different. Therefore, to determine the goals of particular jobs before deciding which employees are most qualified, managers must spend time in reflection.

Most recently, many organizations have begun to create positions associated with monitoring and responding to what appears in social media and on the Internet. When Taco Bell's monitoring group discovered visual images of an employee licking the shells of tacos, the organization was able to respond immediately, thereby limiting harm to the company's image. Without the design of a social media monitor job, which may be created through a reflective planning process, the damage to Taco Bell's image might have been much worse (Kim, 2013).

Job analysis is a vital first step in the design of an organization. Consider, for example, the differences between designing jobs in various occupations: sales, production/manufacturing, research and development, accounting, finance, quality control, purchasing, servicing, marketing, and public relations. Each job type must be tailored to the organization, including accounting for differences between profit-seeking companies, nonprofits, and governmental agencies. Then, jobs must match various industries. Selling intangible items such as life insurance differs dramatically from selling cars or heavy equipment. Marketing programs vary widely; some emphasize advertising while others feature a strong element of pricing and price discounting. Servicing departments for brick-and-mortar retail stores are substantially different from those offering products online or over the phone, and so forth. Individual department managers should work carefully with those in human resources departments to clearly spell out which tasks are involved, how they will be completed, and the types of skills needed to do the job effectively. Only after a thorough job analysis can a quality job description be created for use in recruiting and selecting the proper individuals.

Job Description

When the manager and human resource specialist have agreed on the tasks that belong to each job, the next organizational step in job design takes place—creating a job description. A **job description** includes a formal task list that is used in two main ways. First, job descriptions are part of the recruiting process that allows applicants to review what exactly a job entails. Second, job descriptions often appear in a company manual, handbook, or on an organizational website. Managers and employees can then refer to the listing to see which employee is responsible for any given task. Writing clear job descriptions is an essential part of organizing a business.

Job Specification

Once job descriptions are created, organizers generate a list of requirements that applicants must have to be considered for a particular job. This list, a **job specification**, identifies the eligibility requirements or qualifications needed to perform a job. Table 4.2 presents a standard set of specifications.

Table 4.2 Components of job specifications

Qualification	Examples
Level of education	High school diploma, associate's degree, college degree, MBA, PhD
Amount and types of experience	Number of years, job experience
Special skills—physical	Ability to lift heavy weights, work outdoors
Special skills—technical	Ability to use software programs
Personality characteristics	Outgoing, self-starter, confident, effective public speaker
Legal requirements	Meet with current laws for employment

Job specifications are often posted on company websites and in publications associated with the recruiting process. The usual order of operations at this level of organizational development is as follows: First, specifications are published online—and in some cases, in print media, most notably newspapers and trade journals. Second, job specifications are published in particular employment markets where pools of employers and job seekers meet, such as LinkedIn, Career Finder, and Monster.com. This step helps streamline the application process. Third, specifications may be sent to a trade show for those in a particular industry.

Impact on Employees

To understand the impact of job design on employees who will actually carry out the work, Hackman and Oldham (1976) explain the potential motivating factors of a job for a worker. The five dimensions used in the analysis are described in Table 4.3.

Table 4.3 Core job dimensions

Skill variety	The number and degree of skills, abilities, and talents used in performing the job
Task identity	The degree to which the job includes a complete and identifiable piece of work
Task significance	The personal impact on other people through human interaction
Autonomy	The amount of freedom, independence, and working without supervision involved in the job
Feedback	Performance-related knowledge and information

These five elements combine to reinforce three factors. *Experienced meaningfulness* expresses whether the employee sees the job as important, valuable, and worthwhile. *Experienced responsibility* measures the degree to which the employee feels personally accountable for outcomes.

Knowledge of results suggests whether the person readily knows whether the job has been done well (Nadler, Hackman, & Oldham, 1979).

Note Hackman and Oldham's basic premise: "The more, the better." These authors believed that increasing amounts in each of the five core job dimensions would dramatically increase the "motivating potential" of the job itself, regardless of pay, benefits, or other employment circumstances. Others have challenged this assertion, suggesting instead that these factors have positive impact on only some, but not all, employees (Baack, 2012).

Once jobs have been designed and staffed, managers track job success, review job content and growth, and conduct ongoing job analysis to redefine or refine jobs and ensure that they continue to meet expectations. One of the final acts of this process is to develop a job or position description incorporating all job-related information. Thus managers have a tool kit at their disposal to recruit, select, train, compensate, and evaluate worker performance.

Recent Trends in Job Design

Over the past half century, job design has undergone many changes. Beyond the development and implementation of laws seeking to protect workers from various managerial actions, additional trends have emerged. The most notable impact results from the continual evolution of workplace technologies. Such improvements change the methods by which jobs are performed and other aspects of everyday work.

The Internet and newly developed communication systems affect many jobs. For example, in the past, a salesperson would expect to be constantly traveling to establish face-to-face relationships with customers. Now, however, the use of programs such as Skype makes it possible to visit with people across the company without leaving the sales office. Travel and the salesperson's time can be scheduled more efficiently. Job descriptions have changed as a result.

Further, **telecommuting jobs** have risen dramatically. These jobs are designed to enable an employee to live in an entirely different location and only rarely travel to the actual workplace. Telephones, Internet and satellite transmissions, instant messaging, and email make it possible for a person to work at home or in a remote location. Some major companies that feature telecommuting jobs as a significant part of the work force include Cisco, Accenture, Intel, PricewaterhouseCoopers, and American Fidelity Insurance (CNN Money, 2012).



Mary Altaffer/Associated Press

▲ Even simple tasks, such as ordering takeout, have been influenced by technology. Today many restaurants allow customers to place food orders online.

Other job design changes result from computerization and increasing use of robotics in manufacturing systems. Job descriptions include the use of computer skills when conducting tasks in these circumstances. Large production operations, such as automobile manufacturing, have been strongly influenced by computerization and robotics. Even basic activities like getting fast food have been influenced by technology. In the past, customers could order a pizza only by telephone or in the restaurant. Now, many large chains in the pizza business and other fast-food restaurants receive orders through company websites. Some companies inform

customers of the status of food orders in real time, so they know when to expect home delivery. It is rare to find a job that has not been changed in some way by new technologies over the past few decades. Physicians now send in prescription orders using the Internet rather than writing out paper versions. Pharmacies can receive the order, contact the person's insurance company, and fill the prescription before the individual arrives to pick it up. As a result, skill sets required to perform various jobs have changed. The new work force can expect further evolution of training systems and the subsequent jobs to be performed as these new technologies continue to evolve.

Human Resource Planning

Just as job design has a close connection with organizing, human resource planning has an obvious tie to planning processes. **Human resource planning** consists of analyzing and preparing for future personnel needs. The process of human resource planning includes assessment of at least four levels: entry-level employees, front-line supervisors, middle managers, and executive managers. Various factors affect all four levels. When a company is growing, management must make certain an adequate number of entry-level employees can be attracted to the company. Declining firms require managers who can either rejuvenate the organization or find ways to stabilize the company with fewer staff.

As part of the human resource planning process, managers conduct a labor force analysis to determine the number of potential employees with the proper knowledge, skills, and abilities within the appropriate population. Next, they complete requisite salary surveys to assess market pay rates as part of developing a strategic recruitment plan. Recruitment plans may employ various approaches such as employing a headhunter, using social media sites such as LinkedIn and Monster.com, attending networking events, and posting ads online and in print publications. These are just a few ways to recruit new talent. The method used depends on how best to access the employable population. Also, those managing the recruiting processes must always consider legal compliance issues, diversity, appropriate knowledge, skills, abilities, and labor pricing.

Employee Inventories

Managers use two methods during the planning process and the analysis of employees. The first, an **employee inventory**, involves examining all current employees at the four levels as well as projecting future needs in those areas. Managers note which workers are about to retire, those at risk of termination, and those who are viable candidates for promotion. The company can use two methods to fill the positions that are about to open: a **promote-from-within** policy and external recruiting.

Promote-from-within policies give priority to advancing current employees to higher ranks. Firms dedicated to this approach need quality manager-training programs along with recruiting systems that identify individuals who wish to join a company and stay by moving up through the ranks over time. Promote-from-within policies help build morale, because employees believe they can advance without having to change companies. This belief often inspires additional effort and creativity on the job. The disadvantages of promote-from-within policies begin with promotion decisions. Those who are passed over often have hard feelings about not getting the promotion. Also, when the firm does not attract outsiders, it risks becoming "stale" because new employees often bring in new, innovative ideas.

External recruiting exhibits the opposite advantages and disadvantages. Morale may suffer when employees believe they have to "move on to move up." Further, when there are no internal

opportunities for promotion, the firm's best employees may be the first to leave because they have the greatest number of options. Conversely, external recruiting infuses new ideas and energy into a company. External managers are often hired to shake things up. They can view company programs and problems more objectively.

The compromise between the two approaches is an open listing that considers both internal and external candidates. This policy takes advantage of the potential for new ideas and new blood, but leaves the possibility of being promoted open for the company's top employees.

Skills Inventories

A second method of analyzing employees, a **skills inventory**, breaks down the employee's resume or performance record into sets of strengths and talents exhibited. The skills inventory method has several uses. First, it can be a major asset when making a promotion decision by matching the right person to a supervisory position. Second, skill sets can be combined to create effective teams and task forces. When one person has excellent organizing abilities and another has expertise in a key task, such as designing a new package or label for a product, these talents can be added with other skills for a more successful product launch or relaunch. Third, inventory information can become a useful part of the performance assessment process, indicating the individual's strengths as well as areas needing improvement.

Succession Planning

A major element of the strategic human resource planning process is the line of succession. Well-managed firms have capable CEOs and executive managers in place, and they also set out procedures to identify the type of manager—or the actual individual—who will move into the organization's top spot. These plans are often made after consulting with the organization's board of directors. Sometimes a person within the company appears to be well suited to taking the reins. At other times, a series of potential external candidates are identified before a CEO announces plans to retire or move on. Companies that fail to make contingency plans for top-management positions become vulnerable to dramatic turmoil when turnover occurs at these levels.

Clearly, human resource planning demands attention at every level in the hierarchy. The more complete the information is, the better the strategic human resource plans will be. Employee inventories and skills inventories can assist in the process of identifying company strengths as well as company weaknesses. Succession planning is a key component of preparation in the area of human resource planning.

4.3 Employee Placement

Simply put, the human resource function is designed to identify the required kinds of jobs and then find the right person for each job. Once jobs are designed, managers can begin recruiting employees for the various positions available.

The employee placement process consists of four activities: recruiting, selection, orientation, and employee development. These four steps constitute a primary organizational function. When the right person takes the job, the entire organization reaps the benefits. Someone who does not fit and cannot do the job will experience and perhaps cause problems almost immediately.

Recruiting

Recruiting is a staffing activity that is not performed by the human resources department alone. Anyone in the organization can encourage a qualified person to submit an application or an indication of interest in working for the company. In the most general terms, effective recruiting systems are ongoing, systematic, and geared to the company's needs.

Recruiting should be an ongoing process. Quality organizational leaders, working in concert with the human resources department, work to make sure the company always has a list of potential employees for use in beginning a candidate search. This process entails recruiting on a year-round basis. Effective recruiting is also systematic. Every single place where a potential quality applicant might be found should be explored. Systematic recruiting consists of both internal and external sourcing. Internal sourcing means that company employees can encourage their friends and colleagues to submit applications. Leaders and supervisors attending conferences, civic events, and other public forums will be looking for qualified prospects. External sourcing involves the following options (Chruden & Sherman, 1980):

- advertisements (want ads)
- public employment agencies
- private employment agencies and search firms
- private employment agencies temporary employment agencies
- educational institutions
- referrals from other companies (suppliers and retail outlets)
- unsolicited applications (walk-ins)
- professional organizations
- labor unions

Recruiting should be geared to the company's needs. Human resource managers consider the nature of the work before selecting methods of external recruiting. Factors that might influence the nature of recruiting include

- the industry type (service, manufacturing, hospitality, public utilities, etc.)
- annual cycle of activity (need for part-time, seasonal employees)
- company circumstances (growing versus declining firm)

Various industries experience differing needs with regard to employees. Notice that in the Zappos.com story, the firm spells out customer service as a primary employment characteristic. Manufacturing jobs would feature a different emphasis. Many blue-collar occupations rely more on physical skills, whereas many white-collar jobs focus on various forms of mental



Steven Sennel/Associated Press

▲ The recruiting process generates candidates that will be the “best fit” for employment.

activity. Further, many organizations, such as retailers and hospitality companies, experience peak seasons and slow seasons. Consequently, the companies are more likely to rely on seasonal or part-time employees during various months of the year. Also, growing companies recruit more vigorously than those in decline.

Currently, emerging technology and a mobile work force have changed recruiting. Many organizations now post job specifications online and receive applications in the same way. Paper cover letters and resumes, while still common, are giving way somewhat to electronic submissions. The general idea in recruiting remains to generate candidates who are the “best fit” for employment, to be evaluated by the department manager. The narrower the search is on the relevant characteristics, the more likely the organization is to compile a set of qualified candidates and eventually select the best hire.

Selection

Selection processes involve choosing from among the job applicants those who hold the relevant qualifications, as defined in the job or position. Selection should be designed to comply with organizational policy and labor laws. A job specification enumerates standard selection criteria. As noted in Table 4.2, the criteria normally include

- level of education
- amounts and types of experience
- special skills—physical
- special skills—technical
- personality characteristics
- legal requirements

The standard selection process consists of these steps:

1. Announce the position.
2. Accept applications.
3. Conduct initial screening of applications.
4. Hold preliminary interviews.
5. Contact references and previous employers.
6. Select finalists.
7. Hold final interview, including the position’s supervisor.
8. Select and notify all finalists.

Position announcements should allow sufficient time for prospective employees to become aware that the job is open. A closing date normally is set for accepting applications. The initial screening quickly narrows the field to a viable list of candidates. The preliminary interview is brief, sometimes over the phone. It is used to gain additional insight into whether a person should remain in the running for the job. References may not always yield the best information, because candidates are going to provide only the names of trusted associates and friends who may not give the entire picture about the person’s readiness for a job. Previous employers often offer guarded responses. Their answers should be considered carefully. An applicant’s current employer can be contacted only when the candidate grants permission to do so.

The finalist list normally consists of three to five individuals who are the best prospects. The final interview with the human resource specialist, the supervisor, and other key parties provides the best idea about which candidate will fit. Intangibles such as chemistry and personality are assessed at that time. After an individual has been chosen and has accepted the position, common courtesy requires notifying all applicants of the decision. While making a selection remains a bit of an art, recruitment of qualified candidates and well-defined selection criteria tend to improve the likelihood of a superior hire.

The final step in the hiring process often requires that the person offered the position undergo a background check, a credit check, or both. Though some companies do allow new hires to start their new jobs before obtaining these results, new employees are made aware that continued employment is contingent upon the results. This step is particularly important in fields where people work with vulnerable populations, or those careers in which employees have access to sensitive information or company funds.

Orientation

After making the hiring decision, work must be completed to successfully move the person into the organization. Orientation consists of a series of seemingly mundane activities; however, they can have a major impact on the employment experience. Typically, orientation programs include the following:

- paperwork and forms
- introductions, work rules, company history, expectations, and tour
- physical examination (when required)
- answering questions

The paperwork includes tax forms such as Form W-4, insurance forms, and other information, including “contact in emergency” documents. The introduction-and-tour session should be designed to show the person where to park, to assign a locker or storage area if one is provided, and to assist the person in understanding the locations of all departments; the session includes meetings with key people in the worker’s assigned department. A physical exam may be required for some positions, to make sure the person is physically capable of performing the job. All questions should be answered in a friendly way. The new employee may be nervous and worried about asking something “dumb.” The individual should be reassured that the company wants the person to feel as comfortable as possible.

Almost all new hires need to learn the ropes. Every company has its own procedures, which are important for all employees to understand. A few hours of orientation during the first day or two on the job helps ease new hires into the company’s way of doing things (Mathis & Jackson, 1997, p. 440). The orientation process serves several purposes, including creating a favorable impression, enhancing interpersonal acceptance, and reducing turnover.

Create a Favorable Impression

A quality orientation program creates a favorable impression of the organization and its work. The impression may be partially built before the new employee reports to work. Providing sufficient information about when and where to report the first day, handling all relevant paperwork efficiently, and having personable and efficient people assist the new hire all contribute to creating a favorable sense of the organization. First impressions matter. New employees who feel their

induction into a company is a professional and friendly experience will quickly develop positive attitudes about the organization. Conversely, those who feel neglected or taken for granted may develop negative attitudes that can last a long time.

Enhance Personal Acceptance

Orientation helps ease the employee's entrance into the work group. Meeting peers is a common concern among new employees. Information presented at the formal orientation may not always parallel the expectations of a group of employees. Many organizations use a "buddy" system, which pairs an existing employee with a new employee as part of the orientation process. This type of socialization can be advantageous to newcomers and to the established employee. Both parties may feel the company is trying to make the transition as smooth as possible.

Reduce Turnover

Recruiting and selection are time-consuming and expensive. Companies that fail to orient new workers adequately often experience first-day or first-week quits. Then the company must repeat the entire hiring process. An effective orientation program can foster lower absenteeism and create higher job satisfaction, and most important, it can help reduce employee turnover by creating a stronger loyalty and greater commitment to organizational goals and values. These efforts are imperative, because employee turnover can cost 1.5 to 2.5 times the worker's annual salary (Bliss, 2009).

While orientation may not seem glamorous, it has a bottom line. Orientation goes beyond what takes place in the human resource office. Ongoing employees and supervisors play key roles in helping new employees feel welcome and accepted.

Employee Development

Employee development takes place in two ways. As shown in Table 4.4, on-the-job and off-the-job methods are used. Managers select the combination that fits the position, the company's goals, and the individual's level of experience and training.

Table 4.4 Employee training methods

On the job	
Demonstration	A seasoned employee shows the worker how to perform the task; then the new hire does the job as the seasoned employee watches and provides feedback.
Apprenticeship	This method is normally used for skilled blue-collar jobs (e.g., plumber, electrician, heavy equipment operator) and in some semiprofessional and professional occupations (e.g., nursing trainee).
Sink or swim	The employee learns by doing.
Off the Job	
Simulation	The employee practices doing the job away from the shop or sales floor.
Film and classroom	The new worker watches films or videos and receives additional training in a classroom setting.
Vestibule	The employee engages in self-study and learning using a training manual or website.

E-Learning

Many companies use electronic media to deliver training instead of relying solely on traditional classroom approaches. The training delivered by electronics-based technologies is referred to as

e-learning. E-learning processes include web-based learning, computer-based learning, virtual classrooms, and digital collaboration. E-learning technology creates an advantage for the company when it allows employees to develop their competencies at their own pace and at convenient times. For companies, it is less expensive than sending employees to traditional classroom training.

The goal of any training system or program is to make sure the employee is completely ready and can perform the assigned tasks. Any worker who feels unprepared will quickly come to believe the organization does not care. Many of these employees become early quits or terminations. Well-trained employees tend to be grateful for the help and support the company has provided.

4.4 The Employment Environment

Employees on the job quickly absorb the nature of the workplace environment. A series of factors determine employee reactions to the overall organization. The management team has four key areas of concern: compensation management, performance assessment, employee discipline systems, and workplace safety. The human resources department, in consultation with other managers and leaders, develops systems that best serve the staff.

Compensation Management

Compensation programs balance labor costs with the ability to attract and keep employees by providing fairness of rewards. The compensation structure should also support organizational objectives and strategies. Some people are surprised to learn that compensation programs actually are based on one of two philosophies: equity versus exchange.

The **equity philosophy** reflects the belief that company leaders try their best to make the compensation system fair to employees. Many times, pay systems based on this philosophy rely on rate cards, across-the-board pay raises, and other methods that treat workers as uniformly as possible. Unions often stress fairness in pay systems.

The **exchange philosophy**, on the other hand, indicates management's belief that some work skills and some employees are more valuable to the company than others. The company establishes a pay system that reflects performance incentives and premiums for various skills, talents, and contributions to the organization. After company leaders decide upon the organization's basic philosophy, other ingredients in the compensation system follow. Compensation has three major parts: base pay, incentives, and benefits.

Base Pay

Table 4.5 lists four main ways of establishing pay systems. In most organizations, being hired means a guarantee of some basic level of pay, assuming that an employee comes to work and satisfactorily performs the job functions. Employees being paid a rate on par with the market average, or even above the market average, are more likely to believe they are being paid fairly than those who are being paid below the market average.

Table 4.5 Forms of pay

By time	Hourly, shift rate, day rate
By the unit	Piece-rate pay
By the sale	Commission
Professional/annual	Salary

Employees who think the level of pay is inadequate or that they are not being treated fairly become more likely to leave the organization.

Incentives

Incentive pay systems should be designed to encourage superior performance. Incentive pay systems take the forms of pay raises, bonuses, prizes in contests, and profit sharing.

Pay raises take two forms: across-the-board and merit raises. Across-the-board incentives appear to reflect the equity philosophy. Many times, an across-the-board raise will be paid as a percentage of the person's base salary. Note, however, that this means the highest-paid employees receive the biggest pay raises (4% of a \$30,000 salary would be a \$1,200 raise; 4% of a \$50,000 salary would be a \$2,000 raise), which contradicts the concept of equity in some sense. Merit raises provide larger incentives for employees to stand out in the crowd and are more likely to stress the exchange philosophy.

Bonuses can be paid to individuals and to groups. Individual bonuses often take the form of a year-end payment for excellent work. Group bonuses can be tied to sales contests, production contests, or periods of time, such as quarterly team incentives. Company leaders should make sure employees understand that higher levels of performance are required to receive the payments. If not, employees start to believe the checks are simply part of the regular pay system. Prizes in contests are similar to bonuses. The primary difference is that the prize can be something other than money. It can take the form of merchandise, a prepaid vacation trip, and other creative awards for winning a production, sales, or specially created contest. Profit-sharing plans provide long-term incentives to continue to work at high levels. They may be pegged to a stock price or bottom-line profits, take the form of actual shares of stock, or be paid out in some other way.

The goal of linking pay to strategically important outcomes will be to improve organizational productivity. In addition, incentives can lead employees to believe the company notices and rewards their efforts, thereby creating a stronger sense of loyalty to the company.

Benefits

Employee benefits are in-kind payments or services provided to employees for their membership in the organization. The law requires certain benefits, including Social Security contributions, unemployment compensation, and workers compensation insurance. Employers may voluntarily offer other benefits. Typically, larger organizations offer health care, life insurance, disability insurance, and retirement pensions or savings plans. With passage of the Patient Protection and Affordable Care Act of 2010, all employers will be required to offer minimum employee health insurance coverage unless specifically exempted. (For further information and a timeline describing when these changes go into effect, visit <http://www.healthcare.gov/law/timeline/index.html>.) Benefit programs also include pay for time not at work: vacations, holidays, sick days and absences, and short breaks during the regular workday. Unlike base pay, which differs according to the job a person holds, all full-time employees in an organization generally receive the same benefits.

Choosing which benefits to offer employees is a complex and important issue due to three factors: recruiting, retention, and costs. Recruiting is affected because savvy applicants will move beyond base pay issues to find out if health insurance will be offered, the amount of vacation time allowed, and other enticements. Potential hires will compare packages being offered by competing employers.

Retention results largely from two benefits: health insurance and pension plans. Many lower-level employees will stay on a job they don't exactly love to maintain health insurance coverage

for their families. Pension plans have been called the “golden fetters” that retain workers who stay with a company in order to build a better retirement.

Costs represent a primary factor considered by the management team. Estimates suggest that most benefit packages range from 20% to 30% of a person’s base pay. In other words, someone earning \$40,000 in base pay receives an additional \$8,000 to \$12,000 in benefits. The human resources department tries to maintain a reasonable level of cost relative to the organization’s situation.

Like many other aspects of an organization’s approach to managing human resources, compensation efforts can facilitate or interfere with achieving various organizational initiatives. Two main objectives of particular importance to compensation are attracting and retaining the talent required for a sustainable competitive advantage and maximizing productivity. Compensation can help ensure that the rewards offered are sufficient to attract the right people doing the right job at the right time. Effective compensation policies can also be used to help retain an organization’s best employees.

Performance Assessment

Performance assessment consists of assessing an employee’s performance and providing feedback. This staffing task has two purposes. First, a performance appraisal helps employees understand how they are doing in relation to objectives and standards as well as in relation to other workers. Supervisors are asked to make judgments about the employee’s contributions. Second, performance evaluation assists in training and personal development programs. They can be used to coach and counsel employees. Two general types of assessments include objective and subjective forms.

Objective appraisals are based on fact and are often numerical. In these types of appraisals, supervisors and the human resources department track various items, such as how many units of a product an employee sold in a month, the number of customer complaints filed against an employee, or total units of production by an individual worker. Objective appraisals measure results. Human resource professionals point out that just as businesses measure sales, profits, and stock value, it is also important to measure employee performance. This can be done by assessing individual benefits, costs, and contributions to the organization, which in turn reflect the overall strategic direction of that organization.

Subjective appraisals often supplement the information provided by objective appraisals. They normally include managerial perceptions of an employee’s traits and behaviors. Trait appraisals are ratings of subjective attributes such as attitudes, initiative, and leadership. Trait evaluations may be easy to create and use; however, some question their validity because the evaluator’s personal bias can affect the rating.



▲ Offering benefits, such as paid vacation time, is one way to attract desirable job candidates.

Behavioral appraisals incorporate both objective and subjective elements. Behavioral appraisals measure specific, observable aspects of performance, including punctuality or regularly arriving on time for work. However, these evaluations can also be somewhat subjective. As an example, the behaviorally anchored rating scale (BARS) rates employees in gradations of performance according to scales of specific behaviors. A five-point BARS rating scale about attendance might go from “Always early for work and has equipment ready to fully assume duties” to “Frequently late and often does not have equipment ready for going to work,” with gradations in between. The rater defines the terms *always* and *frequently*, which leaves room for interpretation and bias.

The Assessment System

Managers working in conjunction with human resources conduct most performance assessments. Other people who have knowledge about particular employees may provide appraisal information to add different perspectives. Among the additional sources of information are peers and subordinates, customers and clients, and employees themselves.

Peers and subordinates see different aspects of an employee’s performance. Such information can be useful for development, although it is not enough for a complete evaluation. Customers and clients at some organizations, such as hotels and restaurants, ask customers and clients for appraisals on employees. Automobile dealerships may send follow-up questionnaires to car buyers. A self-appraisal can be useful in judging how an employee rates his or her own performance on the job. While there can be an inherent bias for an employee to overrate his or her performance, self-appraisals help employees become involved in the overall evaluation process and may make them more receptive to feedback about areas needing improvement.

Peers, subordinates, customers, and the employee are combined in a **360-degree assessment technique**. Typically, an employee chooses between 6 and 12 other people to complete evaluations, which involve anonymously filling out performance appraisal forms. The results are then tabulated. The employee reviews results with a manager. Together they prepare a long-term plan for performance goals.

Performance Assessment Meetings

The goal of a performance assessment system should be to stimulate improved job performance. Performance appraisal meetings are used to present information and consult with individual employees. Two kinds of appraisal meetings take place: formal and informal.

Formal performance reviews are conducted at specific times throughout the year. Newer employees may be evaluated more frequently than experienced workers. The reviews are based on previously established performance measures. The steps of the formal review process are as follows:

1. Schedule the meeting in advance so that both the supervisor and employee can prepare.
2. Meet in a comfortable setting such as a conference room or break room.
3. Begin with a review of the employee’s strengths.
4. Discuss employee weaknesses and problem areas.
5. Set goals for the next time period.
6. Present the employee with a pay raise, if one is merited (optional).

The sixth step, talking about a pay raise, depends on management preference. Some worry that when an employee is anticipating the discussion to include a raise, he or she does not pay close

attention to other parts of the meeting. Others believe that the formal performance appraisal meeting represents the best opportunity to establish a clear link between performance and rewards in the employee's mind. A compromise is to present a proposed pay raise, to be given at a later date, if the employee makes progress on the goals set in step 5.

Informal appraisals are meetings between a supervisor and employee that provide an opportunity to discuss job performance and any concerns by both parties. Informal appraisals are the equivalent of occasional pop quizzes and short papers or drop-in visits to the professor's office to see how you are doing—they give you more frequent feedback about your performance. Informal appraisals are conducted on an unscheduled basis and consist of less rigorous indications of employee performance. Giving performance feedback continues to be one of the most important parts of the manager's job.

The performance assessment process offers managers a format to help employees achieve success with the company. Effective appraisal systems require quality information that is as unbiased as possible. For the program to succeed, employees must believe it serves their best interests.

Employee Discipline Systems

Discipline is a form of training that enforces organizational rules. Two goals are associated with discipline systems. The first is to prevent disciplinary problems. The second is to provide counseling and direction, especially for those troubled with additional problems beyond a violation of the rules. In general, rules should be

- presented in writing when the worker begins the job
- enforced only after fair warning
- enforced only once per violation
- enforced uniformly
- established for activities at work, unless an off-work behavior affects employee performance
- updated when necessary

Employees who are aware of the rules are less likely to commit violations. Fair warning helps reinforce the message. Further, the system works better when an immediate supervisor, not a series of other people, deals with a violation. Rules must apply to everyone, or the system will lead workers to believe managers are playing favorites.

Typically, when an infraction has occurred, a procedure is followed. Often, a first violation results in a meeting with the employee's immediate supervisor and a warning. A second violation brings about another meeting with the supervisor regarding why a certain kind of behavior should be stopped. The next infraction often results in a meeting with the supervisor and a member of the human resources department. The offender may be sent home for the day, without pay, and told that any further violations will result in termination. If an employee improves his or her performance and has no further violations during a specified period, the personnel file may be updated to reflect the employee's progress.

One area of controversy concerns off-work behavior. Many substance abuse problems may be limited to time away from the office, yet still interfere with work. Counseling can become part of the overall discipline system in these situations. In such instances, the focus should be on fact-finding and guidance to encourage desirable behavior instead of using penalties to discourage

undesirable behavior. The U.S. Office of Personnel Management (OPM) assists in this area by encouraging access to Employee Assistance Programs. The OPM describes such programs in the following way:

An Employee Assistance Program (EAP) is a voluntary, work-based program that offers free and confidential assessments, short-term counseling, referrals, and follow-up services to employees who have personal and/or work-related problems. EAPs address a broad and complex body of issues affecting mental and emotional well-being, such as alcohol and other substance abuse, stress, grief, family problems, and psychological disorders. EAP counselors also work in a consultative role with managers and supervisors to address employee and organizational challenges and needs. Many EAPs are active in helping organizations prevent and cope with workplace violence, trauma, and other emergency response situations. (OPM, 2013)

Rules should be updated when necessary. A generation ago, the fashion of males wearing jewelry such as earrings would not be tolerated in the workplace. Today such adornments are common. Currently, far stricter penalties are imposed for the use of language, especially slurs about a person's ethnicity or sexuality. Also, many firms more carefully monitor and discipline those who violate sexual harassment codes.

In general, the discipline system should train workers to avoid problems and correct those who fail to do so. Management should make sure to deliver sanctions in an unemotional, evenhanded manner that avoids giving the impression that the worker is being "picked on" or singled out.



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▲ OSHA requires employers to make working conditions as safe as possible by providing appropriate safety gear when needed.

Workplace Health and Safety

Employers are obligated to provide employees with a safe and healthy work environment. The Occupational Safety and Health Act, passed by the Occupational Safety and Health Administration (OSHA) in 1970, established guidelines for workplace safety programs. The act basically pertains to two areas: requirements of employers and requirements of employees. The overall goal of OSHA is to ensure safe and healthy working conditions through education. OSHA regulations are numerous, and businesses are required by law to adhere to them. OSHA inspectors visit job sites and issue monetary fines for regulation infringements. Since inception of the act, the number of workplace fatalities has declined by over 60%, and work-related injuries have declined by almost 70% (OSHA, 2006). In general, OSHA has helped to significantly reduce the number of workplace injuries and fatalities in the United States.

Requirements of Employers

In essence, OSHA requires employers to make work as safe as possible. Some jobs are inherently dangerous, such as working at heights, with hazardous materials, or in locations such as on highways and roads. Still, employers can provide as much protection as possible, including masks for

chemicals, safety gear for various types of jobs, and warning signs. Failure to do so can lead to fines imposed by OSHA.

Requirements of Employees

OSHA imposes two requirements on employees. The first is to follow all established safety rules. Employers use the company's discipline system when individuals ignore safety protocols, such as wearing hard hats in restricted areas or loose clothing in places where it could get caught in equipment and harm the worker.

Second, OSHA requires workers to report hazardous conditions. If uncovered wires are discovered, managers and the human resources department should be notified. If sharp metal might cut or injure someone, it is the employee's legal duty to make the company aware of the problem.

Human resources departments track safety records. When workers consistently are injured when performing a specific job or in a certain area, steps should be taken to correct the problem. Workers who violate safety rules will have the behavior noted in their employment records. Frequent safety rule violations are grounds for termination.

Employee Health and Wellness

Many company leaders have become aware that poor employee health incurs costs. Employees who smoke, use narcotics and other substances, and those who are overweight tend to call in sick more often and use the health care system more frequently, which increases health insurance costs.

In response, many progressive firms have established wellness programs designed to help workers enjoy healthier lifestyles. Weight loss and stop-smoking programs are common incentives. Counseling programs for substance abuse issues are also found in many firms. Researchers have discovered that wellness programs benefit both the employee and the employer by tending to decrease the costs associated with absenteeism, loss of production, and work-related injuries. Wellness programs are successful because they focus on preventive health measures like providing gym memberships and dietary guidance, or intervention methods like drug and alcohol counseling. Wellness programs have been incentivized by introducing programs that reduce worker medical copay amounts, offering better medical plans, or using reward plans for those who participate.

In addition, workplace wellness now includes prevention of workplace injuries—most notably, repeated trauma disorders. Repeated trauma happens over time, such as with consistent exposure to high levels of noise, repetitive motions, or even long durations of standing or sitting without movement. Nearly 70% of injuries reported are the result of repeated trauma ailments (U.S. Bureau of Labor Statistics, 2003). Given the degree of automation in both industrial and service jobs, workers are experiencing ever-increasing levels of repeated trauma, which has caused many companies to invest in ergonomic workstations.

Ergonomics

The physical problems that emerged due to the kinds of work people do in modern society led to the study of **ergonomics**, or the design of work areas to minimize physical stress. The implementation of ergonomics has led to a reduction in workplace repetitive motion maladies including carpal tunnel, sciatica, and bursitis. Ergonomics takes the approach of redesigning the task to alleviate the problem, like building routine breaks into repetitive work schedules, adjusting work speeds to appropriate levels, redesigning the work area or tools used to ensure they are

adjusted for individual worker differences, and heightening workers' awareness of how they are using their bodies.

Besides accommodating the physical requirements of employees, companies are finding that they must be equipped to handle emotional challenges. Workplace stress can cost the employer lost productivity in missed work, staff turnover, and workers' compensation costs. Stress factors for employees at work include lack of recognition or fair compensation, unrealistic workloads and deadlines, personality conflicts, interruptions, equipment problems, and little sense of independence or control over their jobs. These factors can be heightened when people are dealing with stresses from commuting, problems at home, or personal challenges.

4.5 Employee Careers and Labor—Management Relations

Two final elements are part of the staffing function. Both involve the efforts of employees across the organization as well as the human resources department. Career development takes place through a partnership between the employee, coworkers, managers, and human resources. Labor–management relations involve the management team establishing and maintaining a relationship with one or more labor unions, especially in larger organizations.

Career Development

Career development programs are designed to help employees grow so they can move into new jobs in the organizational hierarchy. At the same time, career development should be viewed as a two-way street. Employees wishing for promotion must invest their time and energies into the program. Career development, then, consists of three elements: employee preparation, company preparation, and overcoming special career challenges.

Employee Preparation

You can think of a career in the same way that an accountant views assets and liabilities. Your assets are the knowledge, skills, and talents you bring to the organization. Your liabilities are any weaknesses, including lack of training and temperament issues. To increase their assets, employees can work in these areas:

- education
- experience
- personal characteristics and skills
- networks of contacts

Additional schooling includes taking the right kinds of courses to support career ambitions, earning good grades while in class, completing various degree programs, and participating in any required or voluntary retraining programs that are available—all these steps strengthen educational assets. Experience can be gained through involvements at work and outside of work. For example, employees can demonstrate leadership potential by volunteering for programs such as the United Way, which indicates their interest in the community while providing a chance to lead.

Personal characteristics and skills can be assets or liabilities. Someone who is afraid of public speaking can take courses and practice in front of any available audience. An employee who tends to be shy in a public setting may work on becoming more assertive. Everyone can work on ceremonial skills and other behaviors, including table manners and other elements of common courtesy. Networks of contacts consist of persons who help you along in a career, including those

who will be listed as references and persons with the same professional interests. Community organizations such as Rotary and Optimist clubs provide opportunities to develop greater networks of personal friends and professional relationships.

Company Preparation: Manager Training Programs

Many companies help employees prepare for promotion by engaging them in a series of activities. Three common programs are management training, mentoring, and coaching.

Management training programs are designed to improve employee competencies in preparation for future promotions. A management training program includes the following standard steps:

1. Set goals.
2. Select employees.
3. Determine training methods.
4. Establish follow-up systems.

Goal setting involves identifying the primary goals for manager training. Goals are set in three areas: technical, managerial, and socialization. Technical goals include making certain the trainee will be ready to manage the actual tasks such as selling, accounting, information technology, quality control, and others. Managerial training involves the components covered in this book and course. Socialization means that former entry-level workers and front-line supervisors will be led to realize they will be supervising former friends and peers. In essence, they are resocialized to “think like a manager” in what sometimes is an “us versus them” world of workers and bosses.

Employee selection requires the establishment of selection criteria. The criteria include technical expertise, social skills, and managerial aptitudes. Then individual candidates are assessed, and those ready for the program are selected. Training methods include both on-the-job and off-the-job programs. Table 4.6 describes some of the most common training methods. Manager training systems normally include a combination of both program types. Before sending an employee to a development program, the firm conducts a needs analysis to identify that person’s particular strengths and development needs. For beginning supervisors and managers, development needs often include strengthening the ability to set goals with others and learning how to negotiate interpersonal conflicts.



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▲ Some large companies have built their own “universities” to teach specialized programs. McDonald’s Hamburger University is one example.

Table 4.6 Manager training methods

On the job	Off the job
Incremental assignment of new tasks	Outside reading (technical and managerial)
Lateral promotions	Additional education (in-house and on campus)
Leadership of teams and committees	Specially designed programs Attending conferences and seminars

On the job, the technique of incrementally assigning tasks allows the trainee to gradually learn more about the company. A job rotation program can be used to move an individual around the company. A lateral promotion means giving the individual a new title or a pay raise but not moving the person to a higher rank in the organization. This method is sometimes called the “illusion of upward movement,” because someone who was a manager trainee is not necessarily called an assistant or associate manager. By leading teams, the person has the opportunity to practice managing in a real-work situation.

Off the job, outside reading enhances other training activities, as do educational involvements. Many large companies have built company “universities,” complete with classrooms, dorm rooms, and other amenities found at traditional universities. Specially designed programs include Hamburger University (McDonald’s) and the well-respected manager training systems at IBM and Sherwin-Williams. Conferences and seminars enhance all three aspects of training: technical, managerial, and socialization.

Follow-up systems allow middle-level managers and management trainers to query supervisors after training to assess supervisory skills improvement and determine if the trainee now contributes more to the organization’s profit margin (or other metric). The follow-up systems also allow trainers to assess the real value of training processes, training content, and realized value (Kirkpatrick, 1998). Once such follow-up is conducted, trainers and managers may make appropriate training corrections in the training and then repeat the process.

Company Preparation: Mentoring and Coaching

Mentoring occurs when an established employee guides the development of a less experienced worker to increase the employee’s competencies, achievement, and understanding of the organization. Many times, mentors learn something from the less experienced employee as well. The responsibility for setting up meetings, deciding what to talk about, and deciding when to end the relationship is in the hands of the partner and the mentor. Mentoring programs can be formally prescribed or simply evolve as part of the employment experience.

Coaching occurs when an expert observes the employee in his or her job over a period of weeks or months and provides continuous feedback and guidance on how to improve. Most coaches also encourage their trainees to discuss difficult situations as they arise and work through alternative scenarios for dealing with the situations. Although coaching is rapidly growing in popularity, it is a relatively new technique and few guidelines are available to evaluate whether a coaching relationship is likely to succeed. Part of the problem is the ambiguity associated with the term *coaching*. People have many different views of what that entails.

Overcoming Special Career Challenges

Employees encounter various issues as their careers unfold. Caring organizations and managers try to assist as these career challenges arise. Four common challenges include dual-career marriages, stress management, midlife crisis problems, and employee outplacement.

Dual-career marriages face the stresses of deciding which spouse’s job takes priority, making decisions about having and raising children, and dealing with the daily grind associated with balancing home and life. In-house child care facilities, flextime working hours, and other programs can make a firm more family friendly.

Stress can create problems for employees other than those who are trying to balance work and family. It can affect any employee who is faced with a life (financial or marital problems) or work-related (discrimination, poor performance) issue. From the company’s perspective, stress

management begins with identifying people with stress-related problems and establishing methods to help them. Courses that teach how to cope with stress are widely available. Company leaders can also identify potential sources of stress within the organization and try to reduce those factors.

Midlife crises tend to emerge at about the age when a person reaches the higher levels of the organization. To help individuals cope, counseling programs are made available along with other resources. Many employees find that becoming a mentor to a junior colleague provides a new challenge and can begin an interesting new phase in a career. Despite the various support systems that may exist within a company, some employees may still choose to leave for personal reasons. Other employees may leave the company involuntarily, and employee outplacement programs are set up to help them navigate this process. These programs are established to help in three areas: terminations, layoffs, and retirements. Terminated employees can receive help in finding a job that fits them better. Layoff programs can help employees until the company recovers and can rehire them. Retirement programs include phased retirements and other methods designed to ease the transition.

Career development should be thought of as a three-legged stool. If it is missing any one of the legs—individual preparation, company preparation, or programs to overcome special career challenges—the entire system is off balance. Successful careers are built when the company and the employee take the time to prepare for the future.

Labor–Management Relations

A **union** is a formal association of workers that promotes the interests of its members through collective action. The legal environment surrounding labor relations is complicated and has been developed over the years in legislatures, the courts, and employment settings. The major laws that apply to unions include

- Norris–La Guardia Act of 1932
- Wagner Act of 1935
- Taft-Hartley Act of 1948
- Landrum-Griffin/Labor-Management Reporting and Disclosure Act of 1959

The Norris–La Guardia Act, also known as the Anti-Injunction Act, established several provisions designed to protect union rights and those of individual employees. Among the provisions were that unions have the right to assemble, peacefully picket a company, and as a group have the right to strike to obtain better wages and benefits. The law also prohibits “yellow dog” contracts that require an employee to resist joining a union in order to obtain a job.

The Wagner Act, or National Labor Relations Act, provides workers with the right to join a union without fear of discrimination or retribution. The law also established the National Labor Relations Board (NLRB), which oversees nearly all union/management activities, including elections and various disputes.

The Taft-Hartley Act defines some unfair union practices. It outlaws a “closed shop” that requires a person to join a union in order to be hired by a specific company. The law clarifies various management rights, including free speech as well as being subject to a certification election (where workers decide whether to have a union) only once each year. The act also outlaws “featherbedding,” or performing unnecessary work in order to receive wages.

The Landrum-Griffin Act was created to protect union members from certain practices being used by their leaders. The law grants employees the right to bring legal action against or sue union officials. The law also prohibits unions from discriminating against employees or potential employees based on race, color, national origin, or gender.

Table 4.7 Fair and unfair union/management practices

Fair practices	Unfair practices
Management	
Freedom of speech Freedom in hiring Freedom to lock out workers to apply economic pressure Freedom in bargaining Freedom to replace striking workers	Yellow-dog contract Coercive, threatening language Termination of union organizers or discrimination toward union members Failure to bargain in good faith or unwillingness to meet and confer Failure to reinstate union members under provisions of the law
Unions	
Freedom to join union Freedom to picket Freedom to strike Freedom to boycott company goods Right to bring grievances Right to collectively bargain	Intimidation (threats, coercion) of nonunion workers in right-to-work states or closed-shop agreements Massed picketing (denying access to the plant for management and replacement workers) Violence, property destruction, threats during strikes (or any time) Secondary strikes (strikes against supplier or retail outlet rather than the company itself) Refusal to bargain in good faith or unwillingness to meet and confer Refusal to abide by final arbitration

Source: Adapted from *Organizational Behavior*, by D. Baack, 1998 (Houston, TX: Dame Publications).

These laws establish a series of fair and unfair practices as they apply to unions and management. Table 4.7 summarizes these practices. Also, as a result, unions legally enjoy two basic rights:

1. The right to collectively bargain
2. The right to take grievances to management

When employees choose a union to represent them, management and union representatives enter into a formal collective bargaining agreement over such issues as pay scales, benefits, and working conditions. One important difference takes place for companies operating in states that have “right to work” laws versus states that do not. A right-to-work state specifies that employees may refuse to join the union that represents employees in their company, although the union still represents them with regard to most employment matters. In a state with no right-to-work law, an employee will be allowed to work a “probationary” period without joining the union but then must sign up or forfeit the job.

Once all collective bargaining issues have been resolved through the agreement to a signing of a labor contract, management and labor representatives must work together to manage the contract and make sure all provisions are upheld by both management and labor. **Grievances** are formal complaints filed by workers with management. The three most common types of complaints are

1. Violations of the contract
2. Unfair or unequal treatment by a manager
3. Jurisdictional disputes over which person should perform a job

Violations of the contract occur when union representatives believe management has failed to uphold the terms of a collective bargaining agreement. Unfair or unequal treatment takes the forms of harassment, discrimination, or simply a supervisor who “picks on” an employee he or she does not like. Jurisdictional disputes arise when two employees both believe a job should be assigned to them.

Collective bargaining and grievance procedures are two important events that take place between management and labor unions once a union has gained recognition as a legal representative of employee interests. Collective bargaining and the resolution of grievances are the processes whereby representatives of management and workers negotiate over wages, hours, and other terms and conditions of employment. They are give-and-take processes between representatives from two organizations for the benefit of both. Management and labor unions have a power relationship. This relationship involves conflict, and the threat of conflict seems necessary to maintain the relationship. Perhaps the most significant piece of collective bargaining is that it is an ongoing relationship that does not end immediately after agreement is reached.

Summary

Staffing is the achievement of organizational goals through the effective and efficient deployment of people. The organization’s strategic plan forms the foundation of staffing. Twelve major activities associated with staffing and human resource management include job design, human resource planning, recruiting, selection, orientation of new employees, employee development, compensation management, performance assessment, employee discipline systems, workplace safety, career development, and labor–management relations.

Legal aspects affecting the environment surrounding human resources department activities include employment at will, the Fair Labor Standards Act, The Civil Rights Act of 1964 and the activities of the EEOC, sexual harassment laws, the Age Discrimination in Employment Act, The American with Disabilities Act of 1990, and the Family and Medical Leave Act.

The standard approach to the first human resource function, job design, involves three steps: job analysis, job description, and job specification. Recent trends in job design include the influence of technology, leading greater elements of telecommuting, computerization, and the use of robotics in the creation of jobs and job descriptions. Human resource planning consists of analyzing and preparing for future personnel needs. Employee inventories and skills inventories constitute two methods for assessing the organization’s human resource situation.

Recruiting should be ongoing, systematic, and geared to the company’s needs. Internal and external sources of employees may be used. Selection processes are normally based on the applicant’s level of education, amount and types of experience, special physical skills, special technical skills, personality characteristics, and legal requirement. Orientation programs include filling out paperwork and forms, making introductions and explaining work rules, describing company history and expectations, providing a tour, conducting a physical examination when required, and answering questions. Employee development takes place both on and off the job.

Four key areas of concern exist for the management team with regard to the employment environment: compensation management, performance assessment, employee discipline systems, and workplace safety. Compensation management includes equity and exchange philosophies. Performance appraisal systems detect problems and assist in improving workplace outcomes. Discipline systems seek to discourage inappropriate behaviors and correct those that occur. Workplace safety involves tending to both employer and employee responsibilities and currently includes ergonomics and wellness programs.

Career development programs are designed to help employees grow and move into new jobs in the organizational hierarchy. They consist of three elements: employee preparation, company preparation, and overcoming special career challenges, including dual careers, stress management, midlife crisis issues, and employee outplacement. Labor–management relations efforts cover bargaining for wages, hours, and conditions of employment and resolving employee grievances in productive ways.

CASE STUDY

The Metropolitan Orchestra

Sally Morales excitedly began her new position as the human resource manager in charge of the Columbus, Ohio, Metropolitan Orchestra. Her position would include oversight of all professional musicians, the ticketing staff, the event staff that seated patrons and managed the concession area, and the janitorial staff. Some of these occupations remained relatively traditional while others had begun to evolve.

Musicians were contracted for a period of one year that encompassed the entire “season” for performances. Many performers had been with the Metropolitan for over a decade. Most of them also worked “day” jobs as teachers and private musical instructors. On the rare occasion when a new musician was to be hired, the human resources department contacted the local musicians’ union, which then submitted applicants for consideration. Normally, five potential new members would audition. The standard process in the industry was for the orchestra’s director, assistant, accompanist, and one member chosen from the orchestra to evaluate each candidate. The applicant entered and played an audition piece behind a screened curtain. The evaluation committee did not see the individuals until after selecting the new orchestra member.

One of Sally’s first tasks was to create a new position description for the Metropolitan’s chief ticketing agent. Until recently, all season tickets were issued using standard mail. Patrons were sent reminders to apply or reapply for seats and responded with a check or credit card purchase. Other seats were sold by telephone and in person at a ticketing booth that was open from 9:00 a.m. to 5:00 p.m. Monday–Friday. Last-call sales were made the evening of any performance. Now, however, the orchestra’s board had decided it was time to create an online purchasing system. As the new director, Sally was in charge of this process.

The event staff consisted of people who were paid to tend to various duties as well as “interns” who were assigned to assist them each season. The interns were solicited from the local colleges and university music departments. As part of the program, interns were allowed to attend rehearsals and receive some tutorials from orchestra members. As a result, competition for internship positions was strong each year. The professional event staff all held part-time positions; they worked the evening before any event as well as at the event. Most event staff members were older, retired individuals seeking to remain active by enjoying participating in musical performances. Two were

(continued)

individuals who simply wanted to hold part-time jobs. Turnover in these positions was also very low. The human resources department largely relied on employee referrals to fill openings.

The janitorial staff consisted of one full-time individual and three part-time workers. The full-time janitor cleaned the facility each night after rehearsals and also tended to the orchestra's office space each night. The three part-time workers rotated to help the full-time janitor, and all of them worked after performances.

Sally also was asked to upgrade the job description for the orchestra's director of media relations position. The new individual would be expected to build a website for the Metropolitan as well as create public relations releases and advertising purchases. Also, the new person would be expected to know how to use Twitter to reach a wider audience and maintain contact with the public.

Sally was excited to begin her role. She knew that her position in human resources could be a major asset to the orchestra if she completed her duties effectively.

Discussion Questions

1. How would recruiting and selection methods differ for each of the occupations Sally would manage?
2. What type of orientation and employee development programs would Sally need to develop for the various employee occupations?
3. Which philosophy, equity or exchange, would best apply to payment of musicians in the orchestra? Defend your choice. Would the same philosophy apply to the other employees? Why or why not?
4. What role might the local musicians' union play in employee recruiting, selection, and in the discipline system for the orchestra?
5. Do you see any opportunities for Sally to create career development programs for the various occupations? If so, what kinds?

Key Terms

360-degree assessment technique A process that involves an employee choosing from 6 to 12 other people to evaluate him or her; after these people anonymously fill out performance assessment forms, the results are then tabulated.

at-will employment A policy by which workers are free to sell their labor services to any employer, and employers may employ whomever they prefer and terminate that employment arrangement at any time and for any reason.

coaching A process by which an expert observes the employee in his or her job over a period of weeks or months and provides continuous feedback and guidance on how to improve.

discipline A form of training that enforces organizational rules.

employee inventory An examination of all current employees at all levels as well as a projection of future needs in those areas.

equity philosophy An approach used by company leaders to try their best to make the compensation system fair to employees.

ergonomics The design of work areas to minimize physical stress.

exchange philosophy Management's belief that some work skills and some employees are more valuable to the company than others.

grievances Formal complaints filed by workers with management.

human resource planning The process of analyzing and preparing for future personnel needs.

job analysis The process of assigning tasks to jobs.

job description A formal list of tasks and duties performed in a job.

job specification A document that identifies the eligibility requirements or qualifications needed to perform a job.

mentoring A process whereby an established employee guides the development of a less experienced worker to increase the employee's competencies, achievement, and understanding of the organization.

promote from within A policy that gives priority to advancing current employees to higher ranks.

sexual harassment Unwelcome sexual advances, requests for sexual favors, and other physical or verbal conduct of a sexual nature.

skills inventory A breakdown of the employee's resume or performance record into sets of strengths and talents exhibited by the employee.

strategic human resource management (SHRM) A process in which all staffing activities are fully integrated into a program designed to help the overall organization achieve its strategic objectives.

telecommuting jobs Jobs that allow employees to perform job duties from a remote location and only rarely travel to the physical workplace.

union A formal association of workers that promotes the interests of its members through collective action.

Critical Thinking

Review Questions

1. Explain why staffing involves more than the activities conducted by the human resources department.
2. Define strategic human resource management, and explain how it differs from traditional staffing activities.
3. Name the laws that shape the environment around staffing activities.
4. What two forms of sexual harassment are against the law?
5. What are the three steps of job design?
6. Define human resource planning.
7. Explain the nature of an employee inventory and a skills inventory.

8. List the three main elements of a recruiting system.
9. Identify the steps of the selection process.
10. What three purposes should an orientation program serve?
11. What on-the-job and off-the-job training methods are used to prepare new employees?
12. Describe the equity and exchange philosophies associated with compensation.
13. What kinds of pay incentives are used by company managers?
14. Describe objective, subjective, and behavioral performance assessments.
15. What is a 360-degree assessment program?
16. Finish this phrase: rules should be . . .
17. What are the two main areas covered by the OSHA law?
18. What are the three main elements of a career development program?
19. What on-the-job and off-the-job training methods can be used to prepare managers?
20. What special career challenges influence employees?
21. What are the two main rights held by unions?

Analytical Exercises

1. Explain how the following laws have changed the staffing process:

- employment at will
- Fair Labor Standards Act
- Civil Rights Act of 1964
- EEOC regulations concerning sexual harassment
- Age Discrimination in Employment Act
- Americans with Disabilities Act
- Family and Medical Leave Act

Then, explain how the following governmental activities also influence staffing:

- Social Security premiums
 - Social Security disability insurance
 - unemployment insurance
 - federal income tax
2. Explain how each of the five core job dimensions may or may not motivate employees. Use individual personality characteristics, personal talents, personal preferences, and individual skill levels as part of your answer.
 - skill variety
 - task identity
 - task significance
 - autonomy
 - feedback

3. Explain how promote-from-within and external recruiting can help or hurt a company in these circumstances:
 - successful and growing
 - stable with slight growth
 - declining slowly
 - in crisis
4. Using the list of external recruiting sources presented in Section 4.3, explain which source should be used for the following types of jobs:
 - unskilled blue collar
 - semiskilled blue collar
 - skilled blue collar
 - first-level white collar
 - semiprofessional
 - professional
5. Explain the relationships between orientation and the following outcomes:
 - first-week quits
 - commitment to the company
 - trust in company leaders
 - role clarity (understanding how to do the job)
6. Using the list of employee development methods provided in Table 4.4, explain which of them should be used for the following jobs:
 - salesperson: retail
 - salesperson: business-to-business
 - plumber
 - fast-food employee
 - professional football player
7. Explain how the equity and exchange philosophies would be related to the four forms of pay: by time, unit, sale, and professional/annual. How would the two philosophies be related to incentives and benefit packages?
8. The primary problem with performance review programs is supervisory bias when making judgments. How can a company attempt to identify and reduce appraisal bias?
9. Describe how a system of rules would apply to these behaviors:
 - unsafe work actions
 - sexual harassment
 - alcohol abuse on personal time
 - alcohol use over the lunch hour
 - theft of property
 - using company computers to surf pornography on the Web

10. Make a list of the personal skills you believe you have that will enhance your career. Ask three friends to prepare a list of what they think about your skill set. Compare the lists. Repeat the activity by listing your weaknesses.
11. How can coaching and mentoring help with the four special career challenges of dual-career marriages, stress management, midlife crisis, and employee outplacement?
12. Using the Internet, look up the concept of a right-to-work state. Explain how it would affect the two primary union activities: collective bargaining and processing grievances.

