



HUMAN RESOURCES

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Today's class

1. Human resource management
2. Planning, recruitment and selection
3. Leading employees
4. Motivating employees

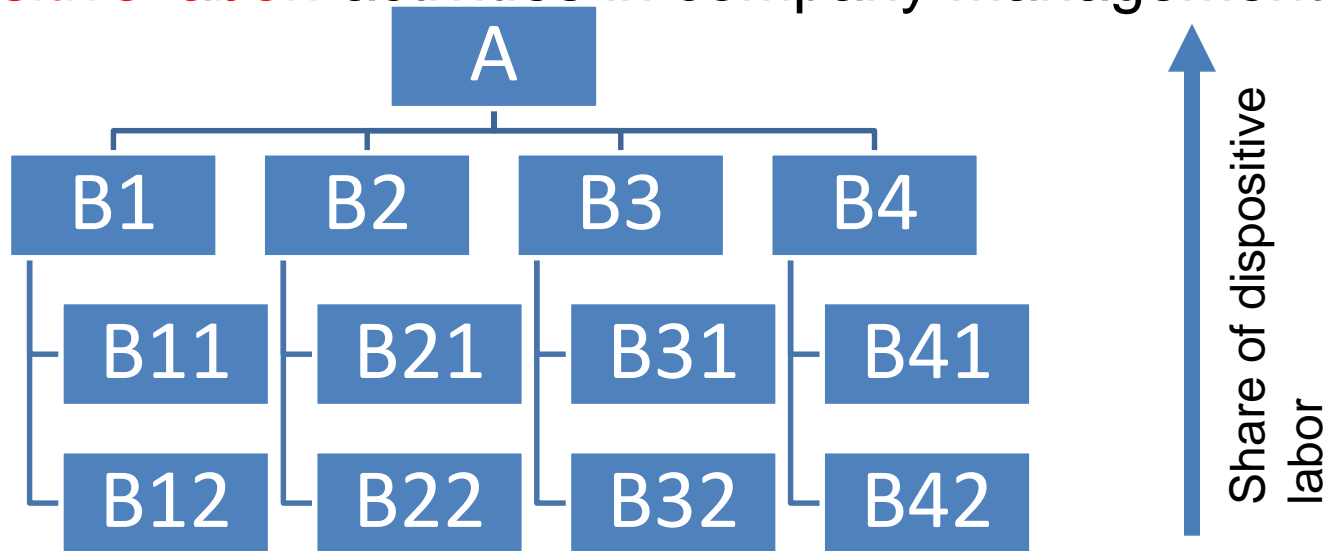


Labor – workforce

- labor = the most important factor of production
- human capital is essential to any organization's long-term performance success

Productive labor: activities vital for production
(welder, draftsman, laboratory technician, programmer...)

Dispositive labor: activities in company management



HR management

-the process of planning, organizing, directing (motivating), and controlling the procurement, development, compensation, integration, maintenance, and separation of organizational human resources to the end that organizational, individual, and societal needs are satisfied

TASKS:

I. ENSURING FULFILMENT OF HR NEEDS

HR planning
Recruitment and selection
Hiring, firing and retiring
Analyzing jobs and job descriptions

II. OPTIMISING THE USE OF HR

Pay policy (compensation)
Motivating and evaluating
Work discipline
Career management
Personnel information systems

III. PERSONNEL DEVELOPMENT AND SOCIAL CARE

Training and development
Social care
Occupational health and safety
Individual counseling
Research in this field

IV. OPTIMISING SOCIAL FACTORS

Building teams
Effective style of leadership
Communication in an organization
Communication with the public
Collective bargaining
Research in this field

HR management

-3 main HR management responsibilities:

1. Attracting a quality workforce
2. Developing a quality workforce
3. Maintaining a quality workforce

-5 main HR management activities:

1. Recruitment and selection
2. Training and development
3. Performance appraisal and feedback
4. Pay and benefits
5. Labor relations

HR management

HR management

- Ensuring compliance with legislation in the HR area
- Ensuring the functioning of the HR information system
- Analysis of positions
- Prediction of HR needs
- Implementing plans to meet HR needs
- Recruitment of employees
- Selection of employees
- Deployment of workers
- Development of work organization
- Performance appraisal systems
- Motivation of employees
- Conducting negotiations between company and unions
- Discussing disciplinary matters and complaints
- Occupational health and safety program
- Corporate social and cultural programs

...

Company efficiency

Planning of HR needs

- planning is an important process necessary to **quantify** and **structure** staffing needs of a company for a certain period
- department managers make input requirements:
 - numbers of employees needed
 - qualification required
 - acceptable wage range
- estimate of internal sources of employees
- + estimate of workforce loss (firing, retiring)
- + estimate of in-house mobility of employees
- = **sufficiency / shortage / surplus** of employees in the required structure
- examining the availability of potential employees on the market

Recruitment


-methods:

- Internal recruiting**
 - internal vacancy notice
 - direct contact with internal employees
- External recruiting**
 - advertisement of a job vacancy
 - referrals of current employees
 - government Labor Offices
 - recruitment at schools
 - HR agencies (outsourcing)
 - job fairs
 - Linked In, etc.

Selection

- choosing from a pool of applicants the person or persons who offer the greatest performance potential:
 - = fulfils job specifications
 - = fits the team
 - = accepts the company values and identifies with them
- while preparing selection process it is important to:
 - determine what predictors of best performance are
 - set the most important criteria for candidates
 - set the way how qualification will be evaluated
 - (Test? Diploma? Letters of recommendation?)
 - consider character traits we are searching for

Selection

- selection consists of numerous steps (not necessarily all):
1. **Assessing information** about applicant's background (CV, referrals, recommendations, other channels)
 2. **Invitation** for interview or for testing
 3. **Interview**: structured or unstructured
 4. Performance **tests**, ability tests, knowledge tests, IQ tests, personality tests, team work assessment...
 5. **Evaluation** of interview or of tests
 6. (Physical examinations)
 7. **Hiring decision** or rejection
 8. Preparing and signing of **work contract**
- 
- Often multiple rounds

Qualities of a good employee

Work ethics

Knowledge

Loyalty

Curiosity

Independence

Ability to work
in a team

Ambitions,
energy

Creativity

Self-motivation

Sincerity ?

Skills

Honesty

Collegiality

Integrity

Leadership styles

Authoritarian: -all the decisions are made by managers on appropriate management levels

- managers decide, employees „obey“
- clear instructions + discipline = high performance
- frequent resistance, unwillingness to cooperate

Democratic: -all decisions are made on a group basis on the appropriate level

- managers are „chairmen“, they coordinate decision-making processes
- team cohesion, joy from work, creativity
- cumbersomeness, personal responsibility is sometimes lacking

Laissez faire: -groups decide, the manager is barely involved

- low goal-orientation, often low performance

Motivating employees

- motive*: something (such as a need or desire) that causes a person to act in certain way – **personal** or **altruistic**
- motivation profile*: characteristics of an employee's personality, including the dominant motivational directions, tendencies and the intensity of his/her internal driving forces
- motivating employees*: a set of internal and external stimuli that influence employees in order to direct their activities in a certain direction and maintain this direction
- stimulation*: external influence on the psyche, which leads to certain changes in activity by means of changing motivation
- why should we motivate employees?
 - staff turnover is expensive**
 - motivated employees increase competitiveness**
 - happy employees make clients happy**

Motivated workplace

How does a typical workplace that **motivates employees** look like?

- commitment to results
- responsibility for actions
- open communication
- career advancement possibilities
- low employee turnover
- creativity and ingenuity in solving problems
- collaboration on multiple levels
- excellent customer services, internally and externally

Source: Powell, C.R.: Motivating and rewarding employees. Indiana University.

Motivation myths

1. Everyone is in agreement in a motivated workplace.
2. Motivated employees work plenty of overtime.
3. Employees who are motivated don't need much input from management.
4. A formal plan for motivating employees is unnecessary.
5. Money motivates best.

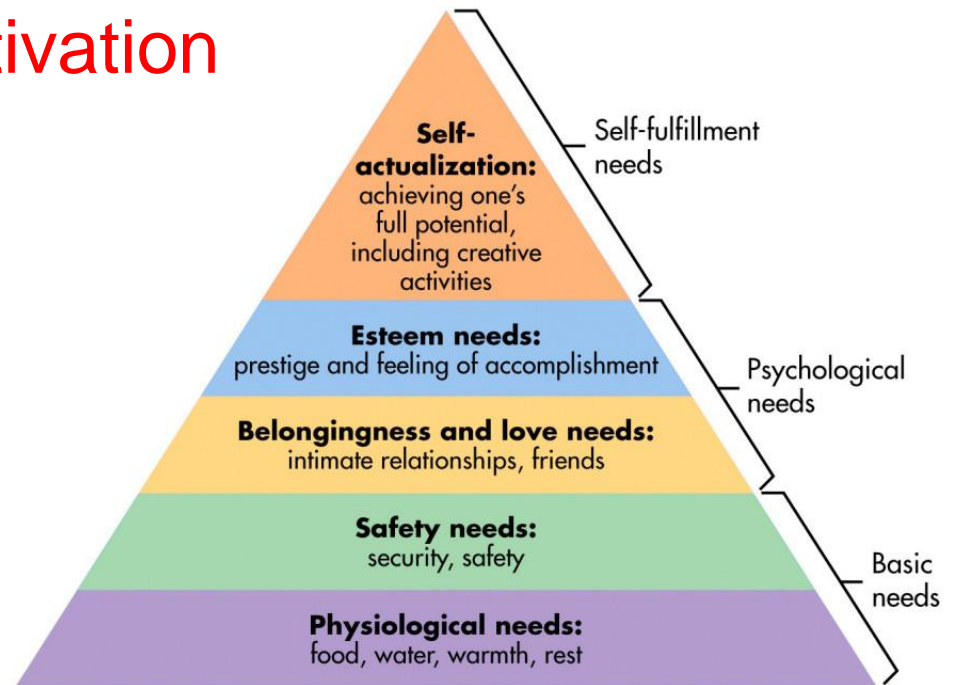
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Motivating employees

-dozens of theories:

Taylorism – the employee gives maximum performance for the benefit of the company because it is also for his/her own benefit.

Maslow theory of motivation



Motivating employees

Porter & Lawler expectancy theory – motivation stems from the belief that the employee's work will bring him/her the expected results

Herzberg's two factor theory – motivators (they give satisfaction) and hygiene factors (they do not give satisfaction, but negative when missing)

Motivators	Hygiene factors
Responsibility	Job security
Success	Status
Challenging work	Interpersonal relations
Recognition of achievements	Salary, fringe benefits
Involvement in decision making	Work conditions

Reinforcement theory – carrots and sticks

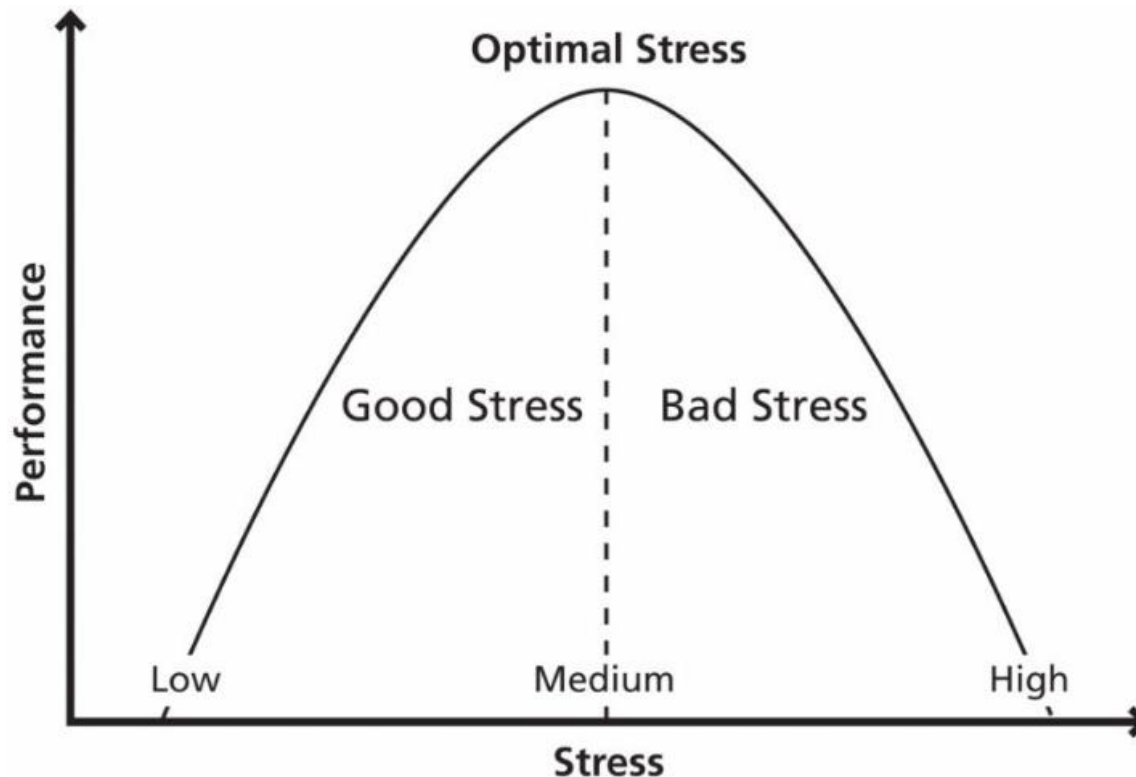
Motivating employees

X and Y theory – Douglas McGregor

- there are 2 types of people: X and Y
- X do not have a personal relationship to the company, they do not like working, they only work to satisfy their material needs
- motivation by punishment, authoritarian leading
- Y puts work among their needs, takes responsibility and control
- motivation by setting goals, democratic leading

Motivating employees

- work performance is a function of the employee's level of **ability** and **motivation**



-Yerkes-Dodson Law

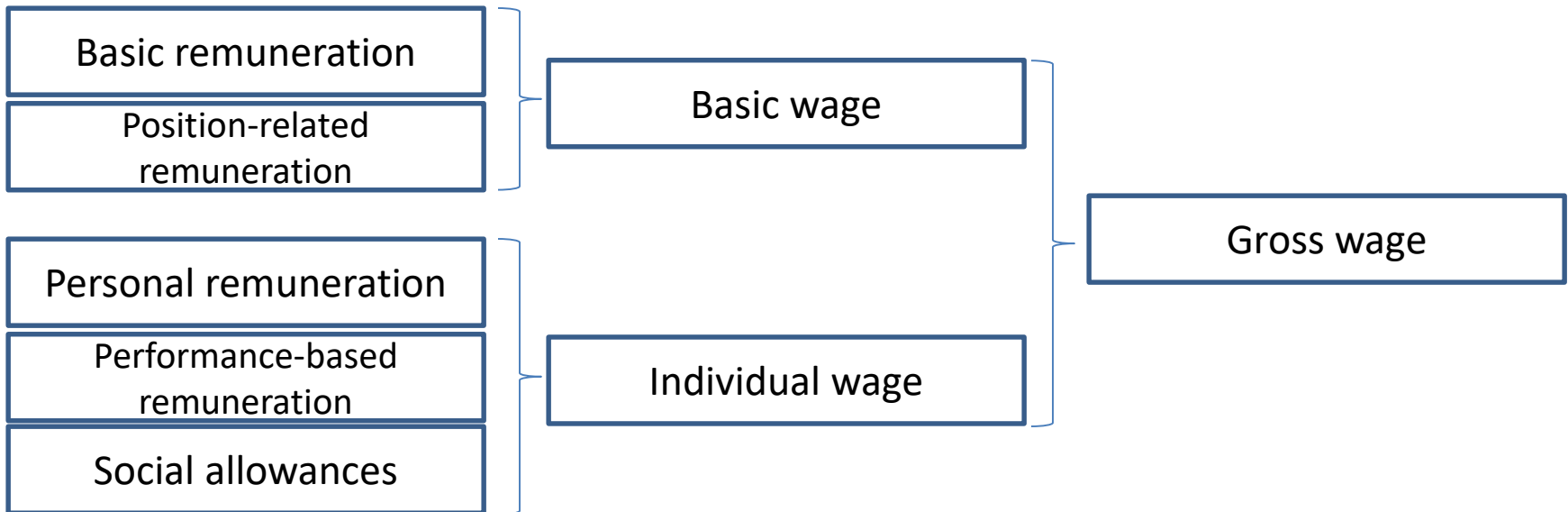
How to motivate?

1. Monetary motivation

- originally considered to be the most effective because money meets many needs
- wages, rewards, bonuses, 13th salary, contributions to transportation, pension insurance...
- enterprises set an internal minimum and maximum level of monetary compensation for each position
- since May 2018 Slovak companies are required to indicate wage in vacancy announcements

How to motivate?

Composition of wage in Slovakia:



Gross wage – social insurance (4,0%) – compulsory healthcare insurance (9,4%) – income tax (19,0% minus the non-taxable amount of 367 €/month) = **net wage**

Gross wage + employer's contributions to social and healthcare insurance companies (35,2%) = **cost of labor**

E.g.	Gross 1000 euros	Net 762,11 euros	Cost of labor 1352 euros
	Gross 2000 euros	Net 1460,26 euros	Cost of labor 2704 euros

How to motivate?

2. Non-monetary motivation

- physical conditions at work (air, lighting, noise, but also colors, architecture, company car, laptop etc.)
- competences, responsibilities, content of work
- supervisor and management style
- team work
- corporate culture
- tutorial systems

How to motivate?

- sources of additional motivation: **incentives**
- social benefits (beyond legal requirements):
(fringe benefits)

flexible working hours

home office

additional paid holiday days

employee training (e.g. languages)

extra healthcare

sick days (without doctor's confirmation)

special incentives for young parents

life insurance

fitness center