

HUMAN RESOURCE MANAGEMENT (HRM)/ MANAGING PERSONNEL

HRM is the part of management which deals with effective control and use of workers to do all the activities involved in an enterprise. It is the art of influencing people to do all activities required in an enterprise.

Nature of personnel management

- ✓ It includes the function of employment, development and compensation. These functions are performed primarily by the personnel management in consultation with other departments.
- ✓ It is an extension to general management. It is concerned with promoting and stimulating competent work force to make their fullest contribution to the concern.
- ✓ It exists to advise and assist the line managers in personnel matters. Therefore, personnel department is a staff department of an organisation.
- ✓ Personnel management lays emphasis on action rather than making lengthy schedules, plans and work methods. The problems and grievances of people at work can be solved more effectively through rational personnel policies.
- ✓ It is based on human orientation. It tries to help the workers to develop their potential fully to the concern.
- ✓ It also motivates the employees through its effective incentive plans so that the employees provide fullest co-operation.
- ✓ It deals with human resources of a concern. In context to human resources, it manages both individual as well as blue – collar workers.

Role of personnel manager.

Personnel manager is the head of personnel department. He performs both managerial and operative functions of management. His role can be summarized as;

- ✓ Providing assistance to top management. The top management are the people who decide and frame the primary policies of the concern. All kinds of policies related to personnel or workforce can be framed out effectively by the personnel manager.
- ✓ Advising the line manager as a staff specialist. Personnel manager acts like a staff advisor and assists the line manager in dealing with various personnel matters.
- ✓ Counseling personnel manager attends problems and grievances of employees and guides them. He tries to solve them in best of his capacity.
- ✓ Linking top management and workers. Personnel manager acts as a mediator between management and workers.
- ✓ Representing the organisation. Since he is in direct contact with the employees, he is required to act as representative of organisation in committees appointed by government. He represents company in training programmes.

ELEMENTS OF HUMAN RESOURCE MANAGEMENT

Man power planning: this is concerned with assessment of the man power of an enterprise in terms of both quality and quantity.

Recruitment: refers to the process of attracting and identifying a suitable worker for a given job. It can be done through advertisement.

Selection: this is a process an enterprise or entrepreneur follow so as to pick out the most suitable candidates for a particular job.

Placement: this involves assigning workers tasks to be done in an enterprise.

Induction training: this involves introducing a new worker to the enterprise so as to build confidence and sense of co-operation.

Human resource development: this is concerned with improving the skills of workers like through further training, study tours etc

Determination of employees' remunerations, terms of employment and working conditions: this involves assessment of monetary and non-monetary rewards payable to workers.

Motivation: this involves encouraging or stimulating workers to work hard in order to achieve desired goals of an organisation / enterprise.

Communication: this involves putting in place formal and informal communication requirements and procedures for the enterprise. It involves making consultation between employers and employees.

Termination: this concern with laying off a worker due to some reasons such as inefficiency, indiscipline etc.

Importance of Human Resource management

- ☞ It enables an organisation to get competent workers with the right skills and knowledge. This promotes productivity and better production.
- ☞ It enables an organisation to be efficient and effective in order to achieve its goals and objectives. This is because workers are informed of production standards and other expectations of the organization.
- ☞ It helps to minimize damage of machines and equipments by the fact that machines and pieces of equipment are operated by technically competent workers, damages are controlled.
- ☞ It helps to minimize costs of production, within an organisation. This may come about as a result of employing skilled and experienced workers to minimize wastage of time and resources.
- ☞ It helps an organization to achieve its targets of profits maximization since the needs of the workers are well catered for.
- ☞ It helps in staff training and development. This is done through organizing various training programmes and seminars by the personnel department which improves workers skills.
- ☞ It promotes good staff relations through development of co-operation between the employer and the staff.

- ☞ It promotes good image of the business to the public through the good skills exhibited by the personnel manager.
- ☞ It helps in evaluating the performance of employees in all departments of an enterprise through performance appraisal.

TYPES OF PERSONNEL IN AN ORGANISATION

Production personnel: this personnel is responsible for transforming of raw materials into finished goods and providing services depending on the nature of the business.

Marketing and selling personnel: this is responsible for marketing, selling and distribution of goods produced by an organisation.

Transport personnel: this one is responsible for transporting raw materials from suppliers to the organisation and finished goods to market centres.

Security personnel: this is responsible for safeguarding the environment of the business and ensuring that the stock and assets of the business are not tampered with.

Financial personnel: This is responsible for keeping and counting business funds and all the money received or paid out in an organisation.

Entrepreneur (the owner): this carries out overall supervision within this organisation, makes clear the job available and the required skills and knowledge of the required workers.

RECRUITMENT PROCESS

It refers to identification of vacant post, advertisement, short listings, and interviewing in order to get the best candidates. It involves attracting qualified applicants for jobs in an enterprise.

SOURCES OF RECRUITING EMPLOYEES

Internal sourcing methods

This is where an organisation recruits workers from within itself, internal recruitment takes the following forms (sources).

Through transfers: A transfer of workers from one job to another within the same enterprise is a source of recruitment. This is usually done to meet the demand of workers in the enterprise or business.

Through promotion: this refers to the appointing a worker to a position of a greater and high authority. This is an internal source of recruitment that brings change in the duties and authority of the worker.

Present employees/ employees' referrals: this is where an entrepreneur asks employees to recommend their friends and relatives to fill vacant posts in an organization.

Demotions. This is a form of internal recruitment where employees who may have been proved ineffective in performing their tasks may be transferred to fill lower

positions as compared to their current positions. This method is commonly used in security organisations like the police, army and the private security organisations like Saracen.

External sources

This is where employees are got from outside the organisation, such sources include the following.

Unsolicited applicants /walk ins: small businesses receive many un-solicited applications from qualified and un qualified individuals. The former should be kept in file for future reference. Good business practice suggests that all applicants be treated courteously whether or not they are offered jobs.

Advertisement: this involves looking around for the type of person by making the vacancy known to the public by the use of media like newspapers, television, radio stations etc.

Visiting institutions of higher learning and technical institutions: these are sources for certain types of employees, especially if prior work experience is not a major factor in the job specification. Schools are also excellent sources for part time employees.

Private employment agencies: these are organisations which specialize in recruitment of workers for different employers. The entrepreneur or employer provides them with job description for the vacancies to be filled together with the applicable terms and conditions in so that they look for and recruit the appropriate candidates for the employer. This is done in from the employees or employer for a highly qualified applicants exchange for a fee.

Head hunting / talent spotting: this involves looking around for the type of person that would suit the specification of the job. This is normally done by Human Resource Manager who inquiries from friends, giving them the description of the type of person he needs.

Field trips: this is where an entrepreneur goes out to different places spotting the right type of personnel needed for existing job.

Internet (surfing). This is where information about certain jobs is entered into the computer and those looking for jobs feed data also in the system. The computer then will match the jobs with people. However, computer networks are used by multi – national companies.

FACTORS CONSIDERED WHEN RECRUITING EMPLOYEES IN AN ORGANISATION / ENTERPRISE

Types of skills required: this is a very important factor; the recruited personnel should possess the required skills. This depends on the nature of the organisation; people with required skills will help a firm to achieve the set goals.

Employees' working experience: in every business, experience matters a lot; it is assumed that employees, who have enough experience in doing a particular activity, perform efficiently, so an organisation would look for those with enough experience, depending on the available work to be done.

Cost of the employee is considered when recruiting employees: cheap labour is always wanted by employers to minimize on the wage bill of workers. This enables employers to maximize profits.

Age of employee is greatly considered when recruiting employees: in most cases, employers do want to use minors in the business (people below 18 years). This is because in case of any problems, they cannot be blamed too much by the law. Actually, this would be taken as a case of child labour. Therefore employers always employ people who are above 18 years and at the same time those who are not too old.

Nature of the job to be done: employees to be recruited should vary with the type and nature of work to be done, for instance if the need for employees is in the marketing department, one would not expect to recruit accountants or doctors; instead he has to look for personnel who follow in that category (marketing).

Health conditions of the employee: most firms (mainly profit making firms) would not want to recruit employees with a lot of medical problems e.g those with chronicle disease. This is because it will affect the business in terms of reduced working days, increased medical allowance.

Sex of an employee: this also depends upon the nature of work to be done. some jobs are fit for a particular sex, for instance those who work in heavy machinery in factories loading and offloading of commodities etc are fit for men while others like receptionists, secretary etc are fit for ladies. So depending on a particular work, one should recruit a particular sex, which is fit for the job.

Language: it is also important as this is the only way for effective communication in an organisation that's why today firms need educated people who have common language to facilitate easy communication or want employees who speak many different languages.

Marital status is another vital factor always taken into consideration when recruiting employees: some employers prefer workers who are single because they will be committed to work and are easily flexible than the married people who always tend to have a sense of maturity are not easily flexible. For example, it becomes very hard for married people to move to other work stations, leaving behind their families.

Size of the business: some businesses are small and need few workers and at times large businesses need many workers. At recruitment therefore, the number of employees depends on the size of the enterprise.

Procedures followed when recruiting business employees

- i. Identifying the vacant posts / man power .
- ii. Advertising the posts.
- iii. Receiving applications.
- iv. Cross checking the applicants and handling inquires.

- v. Short listing candidates
- vi. Conducting interviews.
- vii. Selecting suitable workers.
- viii. Appointing successful workers in their jobs.
- ix. Giving induction training to newly recruited workers.

CAUSES OF DIFFERENCES IN WAGES OF WORKERS IN AN ENTERPRISE

- ✓ Differences in the nature of job performed: more difficult or demanding jobs earn high wages and salaries compared to simple jobs.
- ✓ Differences in level of education and training: workers with high level of education and skills would normally be paid higher wages and salaries compared to those with low level of education.
- ✓ Differences in productivity of labour: more productive employees in terms of output are paid higher wages than those whose productivities are low.
- ✓ Differences in cost of living: some entrepreneurs fix wage rate depending on cost of living of workers, in places with high cost of living workers earn higher wages than those working in places with low costs of living.
- ✓ Differences in entrepreneur's capacity to pay: entrepreneurs enjoying higher profits can afford to pay higher wages than those firms earning low profits or operating on losses.
- ✓ Demand and supply for labour: where the demand for labour in relation to supply is higher, the wage rate tends to be high and where the supply is higher than their demand, the wage rate tends to be low.
- ✓ Differences in working conditions: jobs with poor working conditions such as high levels of risks should be paid highly compared to less risky jobs.
- ✓ Differences in trade union's bargaining power: a stronger and more powerful trade union will secure higher wages for their members and weak unions may only afford to negotiate a bare minimum wage for their members.
- ✓ Differences in level experience / expertise: highly experienced workers tend to be paid higher wage rates than less experienced.
- ✓ Government policy on wages: the government may set up minimum wage rate. If these minimum wage rates are high, wages and salaries will also be low.
- ✓ Difference in the nature of employment: workers on contract receive high payment compared to those on temporary or permanent basis/
- ✓ Difference in workers bargaining power.
- ✓ Difference in efficiency of the worker.

SILENT FEATURES OF MAN POWER PLANNING

Man power planning involves forecasting of the future man power needed so that adequate and timely management can be made to meet the man power needs in the business

The major purpose of man power planning is to determine the types of workers and the right number required for effective accomplishment of the tasks and goals of the enterprise

Human resource planning is continuous process since the demand and supply of the labour change frequently. It leads to development of policies, programmes and procedures for the acquisition and development of the man power employed by the enterprise

It involves both qualitative (determination of number of workers needed) and quantitative (determination of appropriate skills for various jobs) planning

OBJECTIVES OF MAN POWER PLANNING

- ✓ To forecast or predict type of skills required in future
- ✓ To determine the number and type of the workers required
- ✓ To promote the development of the existing personnel
- ✓ To ensure optimum use of present man power
- ✓ To ensure proper control measures of an enterprise so that the man power is available when it is needed

BENEFITS OF SUCCESSFUL MAN POWER PLANNING

- ✓ It enables the management to reduce labour cost since imbalance due to the shortage in surpluses in demand can be controlled before it becomes unmanageable
- ✓ It helps in identifying gaps that need to be filled so that the suitable training programmes can be designed so as to build particular skills required in the future
- ✓ It helps in formulation management and succession plans since it provides enough time to the employer to identify and help managers to be promoted
- ✓ It provides a sound basis for the development of workers so as to ensure optimum use of the available talents
- ✓ At national level it guides the government in employment creation in education reforms and in transfer of workers in the country
- ✓ It helps in diversification of business to undertake new projects and expansion programmes aimed at increasing earnings

ORGANISATIONAL CHART

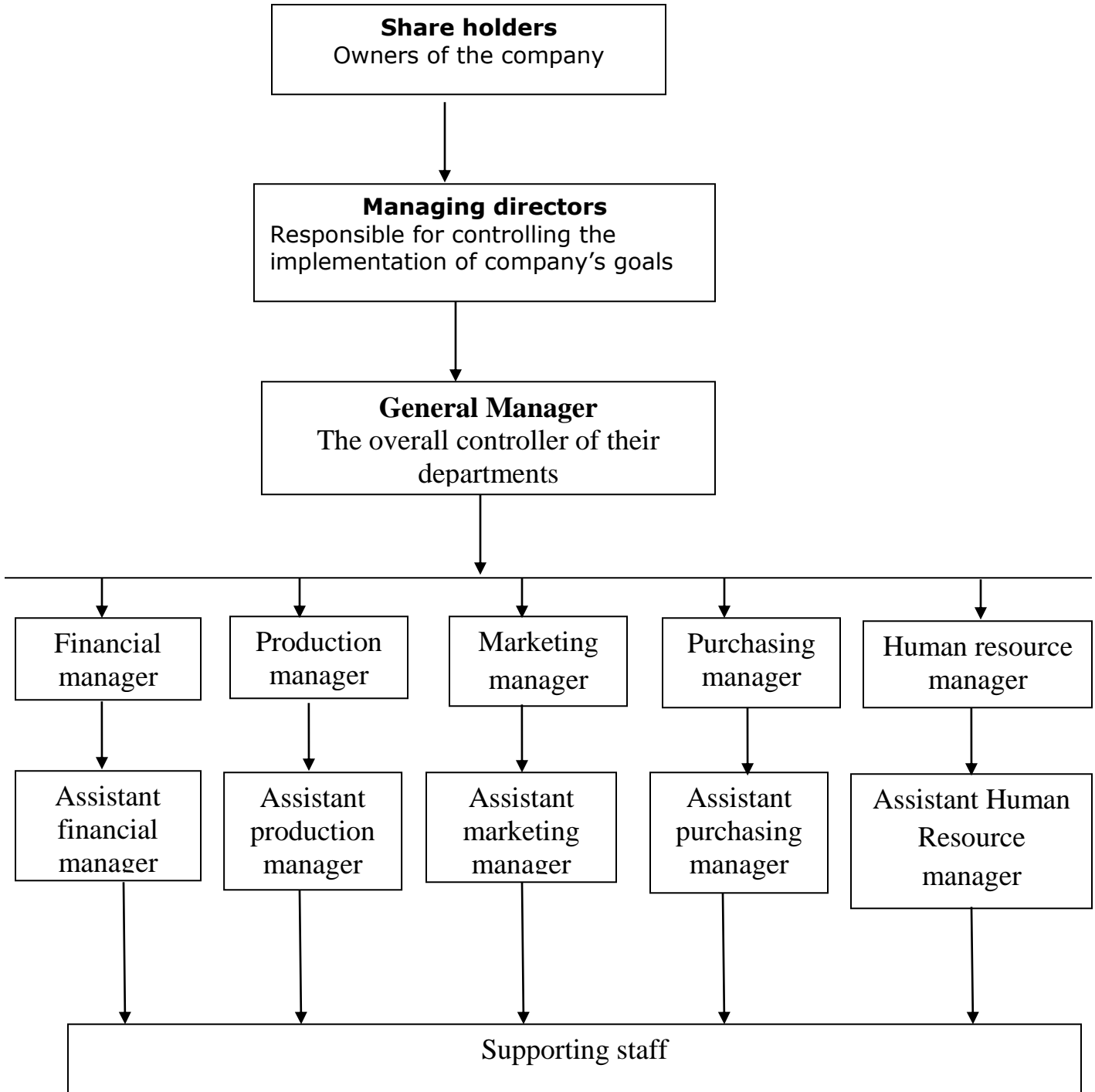
This is a diagram that shows the organisational structure of a firm showing the overall top management shown in different departments of the firm. The organisational chart shows the different departments and the job functions and the personnel with in those units

USES OF AN ORGANISATIONAL CHART

- ✓ It acts as a visual aid for staff training during induction session
- ✓ It specifies duties and responsibilities of different personnel in an organisation
- ✓ It shows the hierarchy of authority within the organization
- ✓ It is used as a reference whenever transfers and promotions are to be done in an enterprise
- ✓ It facilitates smooth flow of information communication in an enterprise
- ✓ It helps an entrepreneur to identify vacant posts in an enterprise
- ✓ It helps an entrepreneur to coordinate with different department
- ✓ It ensures an entrepreneur to determine the man power requirements of the business
- ✓ It gives the organizational structure of the enterprise
- ✓ It shows the reporting relations in an enterprise
- ✓ It is used as a reference point whenever transfers and promotions are to be done in an organization

- ✓ It creates a platform for delegation of authority between superiors and subordinates
- ✓ It enables the successfulness of performance appraisal basing on employees duties and responsibilities
- ✓ It instills discipline among employees and manager as it specifies the level of administration and subordination

Illustration



REASONS WHY AN ENTREPRENEUR MAY RECRUIT WORKERS

- ✓ To recruit the right people with the required skills and abilities. When workers with skills and abilities are recruited there are high chances of increasing productivity in the enterprise.
- ✓ To minimize damages to machines and equipment by using technical competent persons. When competent workers are recruited, damages which can increase costs on machines and equipment can be minimized.
- ✓ To minimize costs in an enterprise. Recruitment of workers helps to avoid wastage of resources and time thus increase in efficiency and effectiveness.
- ✓ To replace workers who are retiring, dismissed and die. Recruitment helps an enterprise to fill the gaps caused by the workers moving out.
- ✓ To get workers for future use in case an enterprise expands. Workers may be recruited to be kept for future programs e.g when more branches are open.
- ✓ To increase productivity and output in an enterprise. Recruitment of workers improves performance leading to high productivity and output.
- ✓ To cater for advancement in skills required to perform certain tasks. Some workers may be recruited due to more development in an enterprise e.g advanced technology.
- ✓ To be groomed by the business. Workers may be recruited when they are under qualified or not experienced hoping to be groomed to become better workers.
- ✓ To fill the gaps costed as a result restructuring within the enterprise. Unqualified or not experienced staff members may be restructured in order to recruit skilled workers.
- ✓ To increase man power required for efficient and effective in achieving the set target of the business. Recruitment enables an enterprise to increase labour force so as to achieve its set standards and targets.

Competencies expected of an applicant during an interview

- Consistence
- Qualifications / education
- Confidence
- Courtesy
- Time management
- Decency / smartness
- Respect
- Intelligence
- Experience
- Team work
- Controlling emotions
- Good communication
- Creativity and innovativeness
- Concentration
- Self - motivation
- Knowledge
- Flexibility
- Attentiveness / listening

PERSONAL REQUIREMENT OF THE BUSINESS

Personal resource requirement of the business implies determination of the staff, their skills and experience or specific requirements required by the business in its operation

JOB ANALYSIS

This refers to the systematic collection and recording of information concerning the jobs to be performed in an organisation. It involves recording of information that concerns the purpose of the job and major duties and conditions to be performed. It also involves knowledge; skills and abilities needed to perform the job effectively and efficiently for example the job of an accountant would require knowledge of accounting duties

Job analysis therefore involves the following activities

- ✓ identifying the purpose of the job
- ✓ Identifying duties and responsibilities of a job / position.
- ✓ Stating the terms and conditions of the job.
- ✓ Identifying the knowledge, skills, experience and abilities required to perform the job effectively and efficiently.
- ✓ Identifying the reporting relationships i.e to whom to report.
- ✓ Identifying of the qualifications one should have to perform the job.
- ✓ Identifying the personnel qualities and behaviour one should possess for example age.
- ✓ Identifying of physical and mental characteristics one should have to perform the job.

Steps followed when carrying out job analysis

- ✓ Collecting the relevant data i.e information about the job
- ✓ Selecting the representative positions
- ✓ Collecting job analysis data i.e information is related with the future of the job with required qualifications
- ✓ Developing job specification
- ✓ Developing a job specification

JOB DESCRIPTION

This is a broad statement of the purpose, scope, duties and responsibilities of a particular job to be done. Job description should be written or prepared under the following headings

- ✓ type of the job
- ✓ Location of the job / department.
- ✓ main duties and responsibilities of the job / position
- ✓ supervision given and reporting line
- ✓ the limit of jobholder's authority
- ✓ job relationship to other jobs or departments
- ✓ any office equipment to be used on the job like computer
- ✓ some terms and conditions of employment
- ✓ Job circumstances i.e whether pleasant / unpleasant, demanding or undemanding etc.

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JOB DESCRIPTION

JOB TITLE: Sales Manager

DUTIES AND RESPONSIBILITIES

- Identifying suitable advertising media
- Selecting appropriate way of increasing sales
- Motivating the sales team
- Receiving customer orders

Reporting to: Human Resource Manager

Working conditions: Normal working conditions

JOB SPECIFICATION

It refers to a detailed statement of the physical and mental activities involved in doing the job. It defines the desired human requirements needed for a given job e.g knowledge, experience, skills, physical requirements like health etc

Job specification is expressed in terms of what the workers does what knowledge he/she uses in doing it and the judgment he/she make

Such requirements may include.

- ✓ identifying the level of education and training one should have attained in order to perform a particular job
- ✓ Specifying the knowledge, skills and experience that one should possess.
- ✓ Identifying the personal characteristics that one should have to perform the job such as age, sex, integrity etc.
- ✓ identifying the physical requirements
- ✓ age range
- ✓ health and appearance (not commonly considered)

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Job specification for an accountant

Qualification

- A first class degree in commerce or any Business related degree course from a reputable institution
- ACCA or CPA (Uganda) at least two stages is an added advantage

Experience: A minimum of 3 years working in recognized institution / firm

Other requirements and skills

- Good communication and interpersonal skills
- Computer literate, with knowledge of MS- office, Pastel, Tally or Quick books
- Self-motivated and minimum supervision

Health status: should be normal without any chronic diseases

Marital status: should be married

Age: between 25-45 years

Mode of application

- A hand written application with a C.V and all the relevant documents
- Two referees plus their current addresses
- Should send an application to the above address, not later than 2 weeks from the date of this advertisement
- Only short listed applicants will be contacted

Job grading

This refers to the process of determining the relative value of every job in the organisation in order to price the jobs in terms of wages and salaries. It is what is expected to be the output for a given job and one should perform as expected

The main objectives for carrying out job grading.

- ✓ To determine the relative value for each job.
- ✓ To provide factual information to be used when settling salary disputes.
- ✓ To provide a basis for negotiations between employers and employees since salary grievances are reduced
- ✓ To ensure good relationship between employers and employees since salary disputes.
- ✓ To provide adequate information used when designing job analysis.
- ✓ To motivate employees this improves their morale.
- ✓ To promote hand working among employees.

Methods of payment

- ✓ Salary: this is a fixed periodic payment within a given time to workers. It is a fixed period payment to workers after a long period of time. It is commonly paid to non-manual either monthly basis or other wise

Characteristics of salaries

- ✓ It is confidential to the employee earning
- ✓ It is progressive in nature therefore it should be increased after a given period of time. But not remaining static or constant
- ✓ It is considered personal to the workers earning
- ✓ It has no additional payments like bonus, overtime

2. Wages: this is the payment to manual workers and it's usually expressed as a rate per hour. It is a method of payment used by entrepreneurs to their temporary workers in enterprise. It is normally paid after a short period of time e.g daily basis, hourly or weekly

Wages have different structures and they include

- Overtime pay.** This is paid to the worker who works or serves over and above the normal working time.
- Shift pay.** This refers to an allowance or payment given to workers who alternate as they perform their duties. Sometimes employees work during unusual hours and this allowance is given to them as way of compensating them for their hard work inconvenience and hardships.
- Cost of living allowance.** This refers to payment given to workers in response to an increase in the general price level. It is a payment given to employees who work in places where there are high costs of living e.g in urban areas like Kampala.
- Piece rate payment.** This refers to the payment where a worker is paid doing a given piece of worker. This is applicable where work to be done is measurable and payment rates are usually agreed upon before work is done.
- Time rate.** This refers to method of payment based on the amount of time worked. It is a type of payment arrangement where remuneration is given according to the time one take doing the job.
- Contract based payment.** This refers to a mode of payment where a given worker takes on a piece of work to be done which should be completed in agreed time for agreed amount of money.
- Special wage addiction.** This is a situation where the worker is paid during abnormal working conditions for example in insecure places.
- Bonus scheme payment.** This refers to extra reward given to the worker over or above his regular pay and it is normally given to workers who perform their duties exceptionally well.
- Standard pay.** This refers to the payment given to workers as a fixed pay in a given period, this may be monthly, weekly, this is irrespective of the amount of work done.
- Policy allowance.** This is usually paid to workers whose services are very scarce. The intention of this payment is to motivate and encourage the workers to serve for the organisation.

Factors considered when determining payments for workers in an enterprise.

- ✓ **Level of competition for workers among different employers.** High levels of competition for workers force employers to pay their workers higher wages so as to motivate and retain them. On the other hand, absence of competition for workers among different employers leads to relatively low wages paid to employees.
- ✓ **Level of education and training that a person undertakes.** Workers who have high levels of education are paid higher wages because of the extra period of training incurred. On the other hand, low wages are paid to those workers with low levels of education.
- ✓ **Cost of living.** employees who work in areas where cost of living is high for example in urban areas are paid higher wages than those who work in areas where the cost of living is relatively low for instance in rural areas.
- ✓ **Experience and skills for a particular job.** Higher wages are paid to employees with experience and the required skills relating to a particular job. On the other hand, workers lacking experience and the required skills to perform a particular job are paid less.
- ✓ **Amount of work (duties and responsibilities) being done.** employees with more tasks to perform than others should be paid highly because of the extra assigned duties while those with less duties and responsibilities should be paid according to the amount of work being done ie they should earn less.
- ✓ **Nature of employment opportunities.** Permanent workers with guaranteed job security are paid relatively low wages than those doing work which is on a contract basis. This is because the job security for contract jobs is usually for a limited fixed period which is agreed.
- ✓ **Strength and bargaining power of workers.** Workers with a lot of bargaining power and whose services are highly demanded by the organisation are paid higher wages. On the other hand, employers who take advantage of workers with low bargaining power through paying them less provided they are helping to achieve its goals.
- ✓ **Demand for the services being rendered by the worker.** There are workers whose services may be highly demanded than those being offered by the others. In such situations, such workers are paid higher wages than those offering services that the organisation / business would still continue to operate even without such employees.
- ✓ **Nature of work being done.** Workers who perform mental / knowledge-based type of work are paid higher wages / salaries for example accountants than those who perform physical type of work like cleaning.
- ✓ **Risk involved in the work being done.** Workers who do risky jobs like the night watchmen should be paid higher than those doing less risky jobs like office or toilet cleaning.
- ✓ **Profitability of the business/ employer.** Business or organisation which make a lot of profits motivate their workers by paying them higher wages. On the other hand, workers in businesses with low profits being made are paid relatively lower wages.

JOB PERFORMANCE STANDARDS

These refer to acceptable competency aspects required for a given job. It is minimum expected from output from the job

Sourcing. This involves identifying the sources of the required personnel. Source may include the organisation itself (internal sourcing), compiling organisation (other organs of the same industry) newspapers, journals, colleges and institutions

Selection. This involves evaluating and choosing among different candidates it involves the following steps

- Receiving application forms
- Initial screening of the short listed candidates
- Reference to check the truthfulness of the candidate
- Physical examination
- Job letter (accompanied with an appointment letter)

However the selection exercise is always accompanied by a recruitment programme

Example of recruitment programme

- ✓ Identifying the vacant post and the value in the enterprise
- ✓ Advertising the vacant post
- ✓ Receiving application and handling inquires about the advertised posts
- ✓ Cross checking applications against job specification
- ✓ Establishing interview panel, rooms and questions
- ✓ Short listing the candidates
- ✓ Contacting successful candidate for the interview
- ✓ Conducting interview
- ✓ Analyzing the interview results and selection of the suitable candidates
- ✓ Appointing the successful candidates
- ✓ Carrying out induction training for the successful candidates

JOB INDUCTION OR ORIENTATION

This is the process by which a newly recruited employee is introduced to a job and various aspects are given. An induction training or programme include the following

- ✓ Issuing an appointment and discuss the content there
- ✓ Introducing the worker to the board of directors, shareholders and other heads of departments
- ✓ Introducing the worker to other supporting staff
- ✓ Carrying out tour or survey around the business premises
- ✓ Providing him with all the necessary resources and introducing him to his office
- ✓ Welcoming part with the boards of directors and getting ready to report to work

Factors considered when preparing induction of new employees

- ✓ Knowledge and job ie one should have the necessary knowledge about the job which employees are to be inducted
- ✓ Having a current employee serve as a mentor ie there is need to give a new employee a mentor to guide him on the job

- ✓ Setting/ preparing a sample job break down. This spells out the contents of the job to be done in terms of job content.
- ✓ Setting a training time table. This shows the activity / time
- ✓ Work area. This involves arranging the venue for induction by providing facilities required.
- ✓ Evaluating new employee's work on a daily basis. This helps to know their performance to guide them well where they are to work.
- ✓ Employee special needs. In case of this provide special facilities for them during induction.

Advantages of induction of new employees

- ✓ It leads to increased productivity. Adequate training increases skills which improves both the quality as well as quantity of the product due to increase in level of performance
- ✓ It improves employees' morale. Training improves needed skills which build up confidence and satisfaction of the employees
- ✓ It decreases supervision. A trained employee supervises himself. He accept responsibility and experts more freedom and autonomy and less supervision

PERFORMANCE APPRAISAL

This refers to the continuous process of assessing and providing employees' feedback about how well or how poorly they are doing their work for the organisation

It refers to the continuous process of evaluating workers process against the organizations' job standards

It refers to a judgment of employee performance on the job based on various considerations than productivity alone. It is sometimes termed as merit attracting assessment

Reasons to appraise workers performance

- ✓ To determine the future use of an employee ie whether he/she should remain on the present job or be transferred, promoted, demoted or dismissed.
- ✓ To decide whether there is need to increase a worker pay or not basing on ground of merit
- ✓ To identify the training needs of employees
- ✓ To motivate employees to do better in present jobs by allowing them to appraise their own performance
- ✓ To judge whether the employee has performed according to the expected standards of performance or not
- ✓ To provide performance records needed by financiers donors /creditors so as to evaluate performance of the enterprise
- ✓ To enable employees set realistic job targets
- ✓ To promote good working relationship between employers and employees those who obtain proper communication.
- ✓ To re-enforce desired competencies / behaviors among workers
- ✓ To obtain feedback on performance
- ✓ To validate selection techniques and human resource policies for equal opportunities of worker
- ✓ To monitor and ensure efficiency and effectiveness of workers

Importance of performance appraisal

- ✓ It helps to determine the future use of an employee ie whether he/she should remain on the present job or be transferred, promoted, demoted or dismissed.
- ✓ It helps to judge whether there is need to increase a worker pay or not basing on ground of merit.
- ✓ It helps to identify the training needs of employees. This is because after performance appraisal it is easy to identify areas of performance where there is need for improvement and appropriate training
- ✓ It helps to motivate employees to do better in present jobs by allowing them to appraise their own performance. The employee (appraise) is in position to get knowledge of results of his performance and recognition of his merit and opportunity thus discussing the results with the managers or entrepreneur
- ✓ It helps to judge whether the employee has performed according to the expected standards of performance or not. it enables the employer to identify the best performers in the business enterprise
- ✓ It provide performance records needed by financiers donors /creditors so as to evaluate performance of the enterprise
- ✓ It enables employees set realistic job targets for work to be done. This enables an entrepreneur to meet business standards and long term goals
- ✓ It promotes good working relationship between employers and employees those who obtain proper communication.
- ✓ It re-enforces desired competencies / behaviours among workers
- ✓ It helps to obtain feedback on performance
- ✓ It validates selection techniques and human resource policies for equal opportunities of workers
- ✓ It helps to monitor and ensure efficiency and effectiveness of workers. This is because workers tend to perform carefully bearing in mind that they are to be appraised
- ✓ It enables an enterprise to monitor the progress of the employees on the jobs. This is because the strength and weakness of workers are easily identified through performance appraisal

Methods of appraising performance

- ✓ **Ranking method.** This method requires an entrepreneur to rank his/ her subordinates in order of merit. Basing on the total skills, knowledge and experience
- ✓ **Grading.** this method requires an entrepreneur or manager to group his employees in different categories basing on the total performance usually quality and quantity
- ✓ **Rating scale.** This method consists of a list of personal characteristics of factors against each of which is a scale up to 5 points for the manager to base his assessment of workers e.g better performance are given excellent and worst performance are given poor
- ✓ **Open ended method.** This method emphasizes the way the job is performed and expect the manager or supervisor to write a few sentences about the subordinates' performance rather in different aspect of the job
- ✓ **Behavior expectation scale.** This method requires the manager to select some aspect of the worker behaviour where appraisal can be based. It is sometimes termed as behaviorally anchored rating scale (BARS)

An example of performance appraisal

PERFORMANCE APPRAISAL FORM

Name of the employee:

Job title; Accountant

Evaluation period: 1 Month

Method: Rating Scale Method

KEY ASPECTS

| Details | Excellent | Good | Fair | Average | Poor | Points |
|--------------------|-----------|------|------|---------|------|--------|
| Quality of work | ✓ | | | | | 100 |
| Beating deadline | | ✓ | | | | 70 |
| punctuality | | | | ✓ | | 50 |
| smartness | ✓ | | | | | 100 |
| Social interaction | | | ✓ | | | 50 |
| Team player | | | | | ✓ | 10 |
| Total | | | | | | 380 |

Weight of comments

Excellent – 100, Good – 70, Fair - 50, Average – 40, Poor – 10

Comment: quite good employee and deserves a certificate of merit

Recommendation: more improvement should be made on punctuality in order to enable the organisation achieve its goals and objectives

Prepared by

Approved by.....

MOTIVATION

It refers to the process of stimulating labour to take up a desired course of action

Or it refers to the process of encouraging workers so that they may perform efficiently and effectively in an organisation

METHODS USED WHEN MOTIVATING EMPLOYEES.

- ✓ Ensuring Timely and adequate remuneration of workers. Workers payment should be made on time as agreed upon in terms of payment and it should be adequate to enable them perform their duties efficiently and effectively
- ✓ Management of discipline in the organisation. The discipline among the workers, managers and entrepreneurs should be well unforced basing on rules and regulations in order to have effective working culture
- ✓ Rewarding good results. Giving rewards to specific good result on the work well done encourages employees to work hard and get more rewards
- ✓ By providing fringe benefits to workers like pensions, housing allowance, maternity leave, sick leave where applicable to workers so that to encourage them perform better in the organisation
- ✓ Through job training. Training of workers helps them to develop express, skills and acquire more knowledge used to improve performance of the organization e.g use of tools and equipment

- ✓ Ensuring good working conditions. Improving working conditions costs a pleasant working environment which enhances the employees motives to achieve the desired set objectives and goals of the organisation
- ✓ Ensuring job security. There is need to ensure workers that they have job security and therefore an employer should avoid sending away employees at any time he feels
- ✓ By ensuring open communication to all business employees. There is need for employer and employee to communicate efficiently and effectively through top-bottom and bottom – top communication with feed back
- ✓ Through organizing staff parties. There is need to organize parties for staff members they socialize and share ideas and get encouraged to serve in the organisation
- ✓ Through promotion aspects. Workers need to be promoted, if they perform better so that they are encouraged to perform to their best hoping for more promotions
- ✓ Through participating in decision making. Allowing employees to participate in decision making promotes motivation among the employees since they develop sense of belonging
- ✓ By carrying out performance appraisal to evaluate employees' performance
- ✓ By sharing and showing concern of workers problems.
- ✓ By involving employees in profit sharing schemes since they are one of the people who contribute towards profits
- ✓ Through giving sponsorships to workers. This enables the workers to acquire more knowledge and many opportunities in their profession

Reasons for motivation of workers

- ✓ To stimulate workers to perform their duties positively so as to contribute towards the achievement of desired objectives and goals of the organization
- ✓ To promote good human relations through job satisfaction
- ✓ To improve the productivity of workers through inducing them to work hard which increase outputs
- ✓ To create a better image of the firm or business since employees will be given financial and non-financial rewards
- ✓ To improve skills of worker s through provision of training programmes like on the job training
- ✓ To minimize labour strikes and other forms of labour un rests through regular and appropriate communication with workers
- ✓ To retain workers in the business through making them contented by promising them promotional prospects
- ✓ To reduce supervision costs
- ✓ To improve the quality of products
- ✓ To improve self-esteem of employees
- ✓ To encourage employees to be open
- ✓ To attract a competent employee
- ✓ To ensure timely completion of work and beating deadlines
- ✓ To encourage the spirit of hard work
- ✓ To ensure team and spirit of togetherness

Importance of motivation

- ✓ It stimulates workers to perform their duties positively so as to contribute towards the achievement of desired objectives and goals of the organization

- ✓ It helps to prevent workers from seeking alternative employment opportunities in other enterprises. If workers are well motivated, they cannot easily move to other enterprise for jobs
- ✓ It promotes good human relations through job satisfaction
- ✓ It improves the productivity of workers through inducing them to work hard which increase outputs
- ✓ It creates a better image of the firm or business since employees will be given financial and non-financial rewards. This attracts more workers to the organisation
- ✓ It improves skills of workers through provision of training programmes like on the job training
- ✓ It minimizes labour strikes and other forms of labour un rests through regular and appropriate communication with workers
- ✓ It reduces supervision costs
- ✓ It helps to increase relations between the employees and employers. When the workers are encouraged to participate in management in decision making, it increases labour relations in the organisation
- ✓ It improves the quality of products this is because workers are well motivated and their morale is kept up, thus production of quality products and services in an organisation
- ✓ It encourages employees to be open
- ✓ It attracts a competent employee
- ✓ To ensure timely completion of work and beating deadlines
- ✓ It encourages the spirit of hard work. when works are motivated they work hard in order to achieve the set goals of the organisation leading to high productivity in the long run
- ✓ It promotes team and spirit of togetherness. When workers are motivated they work together in order to achieve the set goals of the organisation leading to high productivity in the long run

Employee – employer relation

For nay organisation to achieve its objectives and goals there is need for good employee – employer relations

Methods of ensuring good employee – employer relations

- ✓ Creating favourable working environment. For good relations an entrepreneur or manager should assist the people who want to perform certain tasks through positive methods of relationship
- ✓ Through ensuring proper motivation of workers. An employer should motivate the workers by giving them prices and fringe benefits when they perform well and there should be appropriate punishments to minimize indiscipline in the organisation
- ✓ Through proper communication. an employer should communicate effectively to employees the fundamental objectives of the business and basic policies so as to promote good relations
- ✓ Promoting economic satisfaction of workers. It is necessary for the employer to satisfy the needs of the workers especially basic needs so as to provide opportunity for personal development e.g provision of training facilities
- ✓ Providing good relationship. An employer or manager can ensure good relations with workers by becoming good examples in their actions e.g an employer shouldn't be harsh to the workers

- ✓ Treating workers with dignity and respect. There is need for an employer to recognize that workers are human beings who need to be accepted and helped in order to perform better
- ✓ Putting in place proper machinery and handling of disputes. An entrepreneur needs to utilize proper methods, tactful and speedy ways of handling disputes among the workers so as to improve good relations

Common Causes of indiscipline among employee

- ✓ Inadequate work rules and regulations within an organisation. Failure to avail and inform the employees the rules and regulations concerning the organisation may cause indiscipline among them
- ✓ Defective culture and habits at work. Some workers may adopt bad habits like late coming, absenteeism and rudeness which may cause indiscipline among the workers
- ✓ Inconsistence in enforcing discipline. When an employer becomes tough on certain worker and tends to relax on another one like a relative or friend then this may cause indiscipline
- ✓ Lack of proper procedures for handling disputes. When there is no clear way of handling grievances of employees, dissatisfaction may come up leading to indiscipline
- ✓ Poor administration or management within an enterprise. Conflicts and quarrels come up between management and employees there is likely hood of indiscipline
- ✓ Corruption and favouritism within an organisation. When top management treats some employees fairly compared to others in an organization then indiscipline tends to come up
- ✓ Excessive dictatorship in administering the activities of an organisation. An employer should not be too much authoritative since it may irritate the workers thus causing indiscipline

Ways in which good human resource management can be used as a tool to promote the quality of products in an enterprise

- ✓ Training of workers to equip them with the necessary skills
- ✓ Motivating workers to encourage them work hard
- ✓ Ensuring proper organizational structure
- ✓ Giving workers detailed instructions
- ✓ Providing a favorable working environment and working conditions
- ✓ Carrying out performance appraisal to enable judgment of performing in respect to quality
- ✓ Ensuring discipline among workers to help promote unity and peace at work to enable production of qualitative products
- ✓ Giving timely and adequate remuneration which make employees satisfied at work
- ✓ Giving workers appointment letters to work with job security
- ✓ Involving workers in the decision making process

Labour turn over

Refers to the ratio of the number of employees that leave a company through attrition, dismissal or resignation during a period to the number of employees on payroll during the same period

Or refers to the number of employees moving in and out of the business

Causes of the high labour turnover in Uganda

- ✓ Inadequate wages leading to workers moving to competitors
- ✓ Sexual harassment of workers by bosses
- ✓ Low levels of motivation/poor morale
- ✓ Promotion prospects in other businesses
- ✓ Recruiting and selecting of wrong employees
- ✓ Delayed payment of workers' salaries
- ✓ Communication gaps which leads to poor relationship between employees and employers
- ✓ Disrespect of employees by bosses
- ✓ Transfers caused by marriage
- ✓ Excessive work load to workers

Costs of labour turn over

- ✓ it leads to additional recruitment costs
- ✓ Low productivity
- ✓ Increased costs of training and replacement of workers
- ✓ It lowers business's performance
- ✓ Loss of know-how and customer good will
- ✓ Potential loss of sales due to high turnover in the scale force
- ✓ Damage the morale and productivity to those workers remain in the enterprise
- ✓ Hiring costs
- ✓ Higher accident rates
- ✓ Underutilization of production facilities
- ✓ High rate of scrap and waste
- ✓ Over time pay is increased
- ✓ It lowers reputation of the enterprise which may make the business to lose its potential customers

Benefits of labour turn over

- ✓ New employees bring new skills, ideas, enthusiasm and contacts with them
- ✓ New employees are resistant to changes in most cases
- ✓ New employees are willing to accept lower pay rates
- ✓ New employees are excited about their new jobs and work harder to please management and clients
- ✓ Employee turnover allows for flexibility in the way the organisation is to run
- ✓ It allows management the opportunity to restructure departments and functions

Strategies to minimize employee turn over

- ✓ **Engaging employees.** This involves engaging, retaining and optimizing the value of employees to motivate them to stay in the organisation
- ✓ **Increasing knowledge accessibility.** The extent of the organization's collaborativeness and its capacity for making knowledge and ideas widely available to employees to stay in the organisation. Sharing information should be made at all levels of management
- ✓ **Optimizing workforce.** This can be done through establishing essential processes for getting work done, providing good working conditions establishing accountability and many good hiring choices would retain employees in their organisation

- ✓ **Empowering of employees.** Superiors empowering subordinates by delegating responsibilities to them leads to subordinates who are more satisfied with their leader and consider them to be fair and in turn to perform up to the superior's expectations
- ✓ **Ensuring job involvement.** This involves an individual's ego involvement with work and indicates the extent to which an individual identifies psychologically with his / her job. Workers who have greater variety of tasks tend to stay in the job
- ✓ **Employee training and development.** Staff training and development refers to the process programs and activities through which or organisation develops, enhances and improves the skills, competencies and overall performance of its employees and workers

METHOD OF CALCULATING LABOUR TURNOVER

Separation method. This method takes into account those workers who have left during a particular period. Its formula is

$$\frac{\textit{number of separation}}{\textit{average number of workers during the period}} \times 100$$

Replacement method. This method takes into account only those workers who have joined in place of those who have left. The formula

$$\frac{\textit{number of replacement}}{\textit{average number of workers during the period}} \times 100$$

Flux method. This shows the total change in the composition of labour force due to separations and replacement of workers. Its formula is

$$\frac{\textit{number of replacement} + \textit{number of separation (left)}}{\textit{average number of workers during the period}} \times 100$$

Additional method. Under this method, number of employees added during a particular period is taken into consideration for computing the labor turnover. The method of computing is as follows.

$$\frac{\textit{number of additions}}{\textit{average number of workers during the period}} \times 100$$

During October 2007, the following information is obtained from the personnel department of a manufacturing company

Labour force at the beginning of the month 1,900 and at the end of the month 2100.

During the month, 25 people left while 40 persons were discharged. 280 workers were engaged out of which only 30 were appointed in the vacancy created by the number of workers separated and the rest on account of expansion scheme. Calculate the labour turnover by different methods.

Solution

Additional method

$$\frac{\text{number of additions}}{\text{average number of workers during the period}} \times 100$$

$$\text{Average number of workers} = \frac{1900 + 2100}{2} = 2,000$$

$$\frac{280}{2,000} \times 100 = 14\%$$

Separation method

$$\frac{\text{number of separation}}{\text{average number of workers during the period}} \times 100$$

$$\frac{20+45}{2,000} \times 100 = 3.25\%$$

Replacement method

$$\frac{\text{number of replacement}}{\text{average number of workers during the period}} \times 100$$

$$\frac{30}{2,000} \times 100 = 1.5\%$$

Example two.

From the following information, calculate labour turn over using the following methods

- i. Separation method
- ii. Replacement method
- iii. Flux method

Number of workers at the beginning 800

Number of workers at the end 1,700

During the year, 12 workers left and 89 workers were discharged. The company recruited 1,000 workers and of these 70 were to fill the vacancies of those leaving, while the rest were engaged for an expansion scheme

$$\text{Average number of workers} = \frac{800+1,700}{2} = 1,250$$

Separation method

$$\frac{\text{number of separation}}{\text{average number of workers during the period}} \times 100$$

$$\frac{12+89}{1,250} \times 100 = 8.08\%$$

Replacement method

$$\frac{\text{number of replacement}}{\text{average number of workers during the period}} \times 100$$

$$\frac{70}{1,260} \times 100 = 15.6\%$$

Idle time

Is a period or duration for which payments are made when an employee is available for work but is not carrying out any productive work

Idle time can arise because of reasons like

- ✓ Machine break down
- ✓ Lack of orders
- ✓ Unavailability of materials
- ✓ Consultation
- ✓ Having lunch
- ✓ Resting etc

Idle time can be normal or abnormal

Abnormal idle time

Time caused by factors that can be avoided if proper precautions are taken e.g long time power failure, shortage of raw materials, production stoppage, sudden strikes and lock outs etc

Idle capacity

This means that plant and machinery is available for utilization but is not fully used due to normal or abnormal reasons.

How to control idle time

- ✓ Strict supervision
- ✓ Proper planning
- ✓ Proper maintenance of stock
- ✓ Time procurement of stock
- ✓ Assurance of power supply from own proper plant
- ✓ Advance planning for machine utilization

Training of employees

Refers to the process of identifying and developing the necessary knowledge for doing administratively and meeting complaint conditions.

Type/forms of employee training

- Off - the - job training
- Induction / orientation training
- Mentoring
- Performance review training
- Apprenticeship
- On - the - job - service / in-housing training

Purpose of training employees in an enterprise

- ✓ To create a pool of readily available and adequate replacement for personnel who may leave or move up in the organization
- ✓ To enhance the company's ability and use advances in technology because of a sufficiently knowledgeable staff
- ✓ To build a more efficient, effective and highly motivated team, which enhances the company's competitive position and improves employees morale

- ✓ To enable employees develop a greater sense of self-worth dignity and well-being as they become more valuable to be firm in society
- ✓ To optimize the utilization of human resources that further helps the employee to achieve the organizational goals as well as their individual goal
- ✓ To provide an opportunity and broad structure for the development of human resource technical and behavioural skills in an organisation. It also helps the employee in attaining personal growth
- ✓ To develop the job knowledge and skills of employees at each level. It helps the employee in attaining personal growth
- ✓ To reduce employee turnover since workers will have necessary skills needed for better performance of the job
- ✓ To reduce on supervision costs. This is because a trained employee accepts the responsibility and expect more freedom for less supervision
- ✓ To build the positive perception and feeling about the organisation. The employees get these things from leaders, subordinate and the peers
- ✓ To increase productivity of the employees that help the organisation further to achieve its long term goals
- ✓ To increase productivity of workers morale. Training improves needed skills which build up confidence and satisfaction of the employees
- ✓ To improve on the relationship between the business and its employees

The following are the importance of the training business employees

- ✓ it creates a pool of readily available and adequate replacement for personnel who may leave or move up in the organization
- ✓ it helps to enhance the company's ability and use advances in technology because of a sufficiently knowledgeable staff
- ✓ it helps to build a more efficient, effective and highly motivated team, which enhances the company's competitive position and improves employees morale
- ✓ It enables employees develop a greater sense of self-worth dignity and well-being as they become more valuable to be firm in society
- ✓ It helps to optimize the utilization of human resources that further helps the employee to achieve the organizational goals as well as their individual goal
- ✓ It helps in providing an opportunity and broad structure for the development of human resource technical and behavioural skills in an organisation. It also helps the employee in attaining personal growth
- ✓ It develops the job knowledge and skills of employees at each level. It helps the employee in attaining personal growth
- ✓ It reduces employee turnover since workers will have necessary skills needed for better performance of the job
- ✓ It reduces on supervision costs. This is because a trained employee accepts the responsibility and expect more freedom for less supervision
- ✓ Builds the positive perception and feeling about the organisation. The employees get these things from leaders, subordinate and the peers
- ✓ Increases productivity of the employees that help the organisation further to achieve its long term goals
- ✓ Increases productivity of workers morale. Training improves needed skills which build up confidence and satisfaction of the employees
- ✓ Improves on the relationship between the business and its employees

Reasons why most of the small business are reluctant to offer job training

- ✓ Lack of interest and openness. Many managers prefer to keep information to themselves and thus hide information from subordinates

- ✓ Limited time this limits managers to train subordinates
- ✓ Failure to mind about the future benefits and concentrate on the present benefits like enjoying present benefits
- ✓ Broad expertise Managers tend to have broad expertise rather than specialized skills for training and development activities
- ✓ Limited funds to finance training requirements
- ✓ Getting started business owners expect workers to learn on job

Procedure for training business employees

- ✓ Identifying organizational objectives. The organisation reviews its objectives so that the training offered is geared towards attaining the set objectives
- ✓ Assessing the needs to discover the gap that requires training
- ✓ Setting training objectives. The training objectives are set to guide the training process for example developing a well-trained person, assisting employees towards achieving their high potential, motivating and stimulating employee participation
- ✓ Selecting the trainees. This involves deciding on who to be trained. This depends on employees ability to enable the success of the program
- ✓ Setting training goals. The training goals relate directly to the needs determined by the assessment. The goals help to transform on employee from the current performance level to where the firm wants him in future. Workers are motivated if mode part of the process of setting goals
- ✓ Selecting the training methods. The methods to use when training the workers are selected. This may be on the job which train employees on the job or off – the job training which is offered to workers in form of conferences, case studies, lectures etc
- ✓ Selecting competent trainers. People to conduct the training depend on the type of training and people receiving the training. On the job training is mostly conducted by supervisors and off the job training is commonly offered by outside instructors
- ✓ Administering the training. The training is then administered for the selected employees. While training, considerations are made on time, location, facilities, accessibility, comfort and equipment to use. The training steps are critically followed during the training
- ✓ Evaluating the training. This involves assessing the extent to which the desired changes are accomplished. The newly acquired skills are compared with the skills defined by goals of the training program. Timely evaluation prevents the training from straying from its goals.

Factors that limit employees training / challenges of training employees

- Limited time. Training needs time which most enterprises do not have
- Limited trust of employees
- Broad expertise of managers
- Limited trust of openness to employees
- Unpredictable future business needs
- Desire for high profits by business owners
- Limited commitment on the side of trainers
- Doubt about the value of training
- Fear of losing workers
- Difficulty in identifying training needs
- Limited skilled personnel