HUMAN RESOURCE MANAGEMENT

HRM

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Original submission						
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AUTHENCITY STATEMENT
I certify that the attached material is my original work. No other person's work or ideas have been used without acknowledgement. Except where I have clearly stated that I have used some of this material elsewhere, I have not presented it for examination / assessment in any other course or unit at this or any other institution.

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ASSESOR'S FEEDBACK			

GENERAL COMMENTS

SPECIFIC COMMENTS

HOW TO IMPROVE YOUR ACHIEVENMENTS IN THE FUTURE

ASSESORS SIGNATURE AND DATE	

Acknowledgement

This would not have become a success without the contribution of many. And I make this the opportunity to thank all of them who gave the support.

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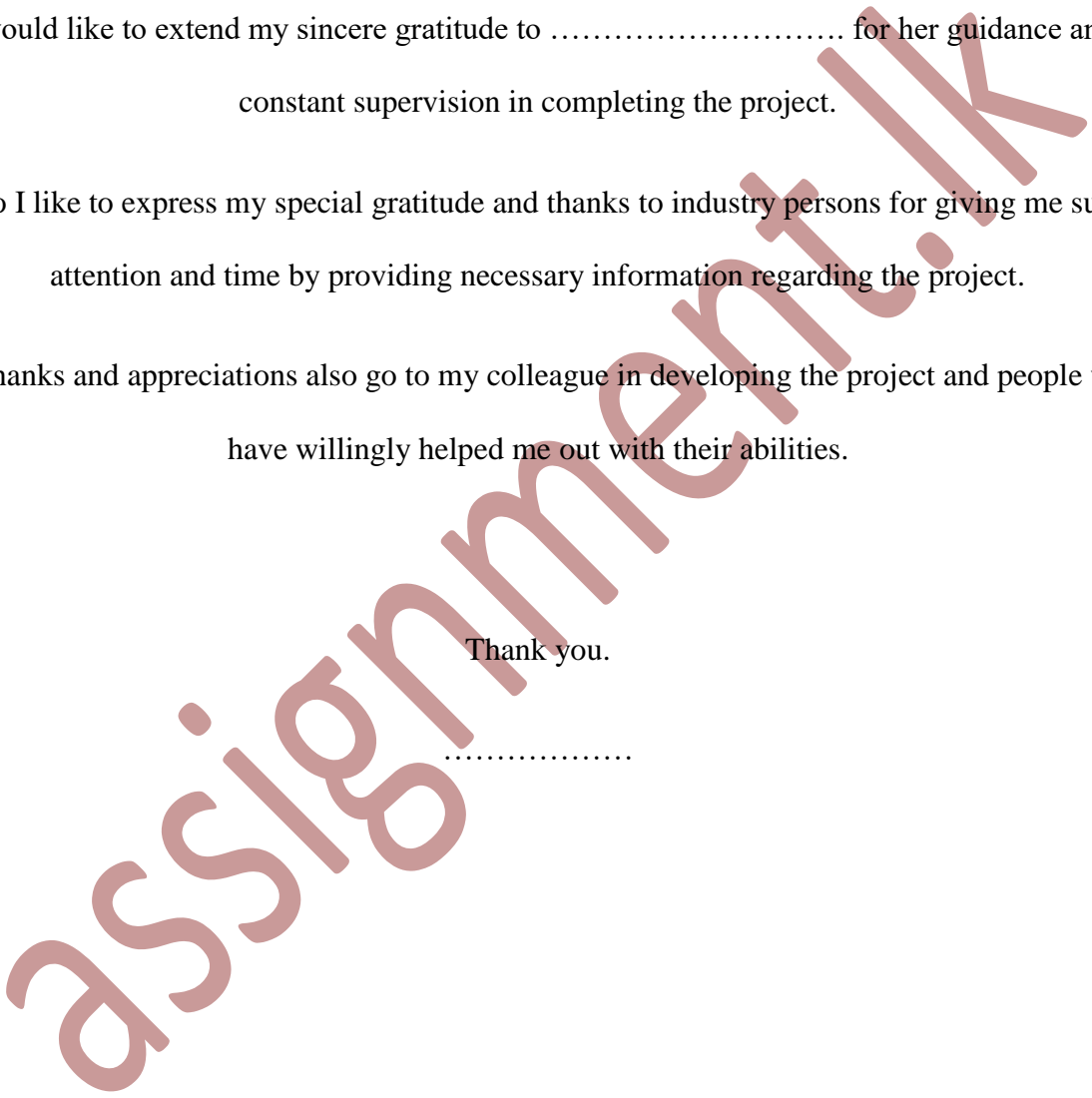
Thank you.

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Introduction

Here the entire report has aimed to understand the difference between personnel management and human resource management, understand how to recruit employees as well as understand how to reward employees in order to motivate and retain them and finally knowing the mechanisms for the cessation of employment with the relevant regulatory requirements in Sri Lankan context. Further it has taken the Tesco Plc and the Nestle Company for applying the theories into practical context while comparing the effectiveness of the both recruitment, selection as well as the exit procedures etc. Ultimately it has given a reliable and timely conclusion based on the overall findings and the analysis here. (Beardwell, Holden, 2010)

Task 01

1.1 Personnel Management and Human Resource Management

Personnel Management is the traditional approach for managing people which is narrowly focused on personnel administration, employee welfare and labor relations. Human Resource Management is the modern approach to management of people which covers a broad area in the people dimension with including acquisition, development, training, motivation, retention of human resources in the organization. Job design in Personnel Management is based on division of labor and hence it is functional. But in the Human Resource Management, Job design is more cyclical and is based on teamwork. The type of leadership observed in Personnel Management is transactional leadership. Transformational leadership is apparent in Human Resource Management where leaders are more people oriented and focuses on a shared vision, flexible corporate culture, trust etc. (Beardwell, Holden, 2010)

1.2 Function of the Human Resource Management

Organizations have many purposes that are generally known as goals and objectives. They are namely, increasing market share, increasing profitability, customer satisfaction etc. Human Resource Management focuses on attracting a qualified pool of applicants to the available job

vacancies and then selecting the cream of the cream as appointees. And further it looks at the training and development of the employee to help them to be successful in their career. And also it administrates the incentive schemes, welfare programs, grievances handling etc. to motivate the employees to work for the organization. With maintaining a well qualified pool of employees, the organization can be a role model to other organizations and use its human capital stock to enhance its goodwill and reputation with highlighting the quality service and good employee practices. (Hallowell, 2004)

1.2 Role and responsibilities of line managers in HRM

Line Managers are the managers who are assigned with the duty to manage the individual employees or teams which are in the lower levels of the management hierarchy and they report to the top management. They are also called "Front Line Managers". It is an increasing trend that the line managers are increasingly involving in the Human Resource Management functions. Basically they involve in tasks like filling out performance appraisal forms, interviewing candidates, payroll, coordinating communication etc. Line managers should conduct meetings and communicate the matters to the top management or the in Human Resource Department and also partner with Human Resources specialists and involve in the strategy development process in order to fulfill their role more effectively.

1.4 The impact of the legal and regulatory framework on HRM

The impact of the existing Legislative framework on HRM can be analyzed through the current legislations available to protect the employees, employers as well as the whole society such as, Minimum wage legislation, Wages Boards Ordinance, Budgetary Relief Allowance of Workers, Maternity Benefits Ordinance, Employment of Female in Mines Ordinance, Employment of women young person Act, Workmen's compensation Act, Equal Act, Sex discrimination act, Race relations act etc. therefore these legislations are making a huge impact on the human resource management within the organization for the main functions of recruitment, selection, compensation management, health and safety management, reward management, grievances handling etc. (Hallowell, 2004)

Task 02

2.1 Human Resource planning in organizations

Human resource planning refers to the process of determining future employee needs and formulating strategies to achieve those needs. The main objective is to provide the organization with appropriate employees to appropriate jobs at right time in order to achieve organizational goals. The human resources planning process helps to determine future employee needs. Employee needs can change over time due to changes in demand for the product , production methods, goals and strategic plans, leaves, terminations, external factors etc. So the effect on the level of employees required would be forecasted with using methods such as Delphi method, Formal expert surveys, informal forecasting, extrapolation etc. Human Resources planning help to utilize human resource more effectively and efficiently. According to the future demand, organization can decide to hire more employees or use the existing employees more productively thus increasing resource efficiency of human resources. Human Resources planning help to formulate and implement strategic plans. If the company plans to open up a new plant, the human resources demand would be increased and thus more people could be hired, hire part time workers, sub-contracting etc. These reasons make Human resources planning more significant in order to achieve organizational goals. (Beardwell, Holden, 2010)

2.2 The Stages of the HRM Planning

The process of Human Resource Planning involves forecasting the future demand for Human Resources as its first step. It involves estimating the types and quantities of employees needed in the future. The second step of Human Resource Planning involves estimating the supply of human resources. There are two sources of supply: internal and external. The internal supply consists of current employees who can be promoted, transferred or demoted to meet the forecasted needs. People in the labor market who are not employed in the organization are included in the external supply. The next task is to compare the demand and supply of human resources for a relevant time period. This helps to identify any shortages or surpluses. As the

final step in the Human Resource Planning process, the organization must monitor the progress of the process with regarding to the accuracy, benefits obtained, cost effectiveness etc. and use the past records for further learning and improving the process

2.3 The recruitment and selection process

The process of recruitment at Tesco Company comprises of first looking at the internal recruitment which is less costly. In that it would advertise in its internal website: intranet.\. And also it will advertise in offline media such as television, radio, magazines, and newspapers. However the recruitment process of Nestle is somewhat different to that at Tesco. There Nestle has taken a more radical approach to talent management by creating "Talent Puddles" which is similar to the talent pools. Here the Nestles' approach has focused on creating a talent bank in specific areas of business. (Gomez. Balkin, & Cardy, 2001)

When considering the selection process at Tesco which is a major retailer, screening is a significant activity. As the first step, the managers collect all the CV s they have received and asses the quality of the employee through the CV with using various techniques. Then the selected applicants would be called for an assessment center which is conducted within the stores in order to see the practical capabilities of the applicants. The candidates who are chosen from the assessment center would then be called for an interview which is the final step of the selection process. In comparison, the selection process at Nestle comprises of recruiters' assessment test which initially looks at the quality of the applications and ranking and recording the level or the grade of the applicant is currently operating at. So the candidates are met and interviewed by the recruitment team and line managers before placing them into talent puddle.

2.4 The effectiveness of the recruitment and selection techniques

When looking at the recruitment and selection process of Tesco and McDonalds, some pros and cons can be identified. Since Tesco and Nestle are using interviews, the errors such as halo effect, stereotyping, gender bias etc. may be existed in their recruitment and selection process.

Furthermore it can be identified that the new concept of "talent puddles" in Nestle is a more effective method of creating a pool of talents and this ensures better performance as well. However both organizations do not consider factors like race, age, gender, color, nationality etc. in the recruitment and selection process which is another positive fact and depicts nondiscrimination of people within the organization and the balancing of multi-cultural aspects as well. (Hallowell, 2004)

Task 03

3.1 Motivational Theory and Reward

Motivation is known as major psychological fact that influences the behavior of Individuals. Rewards can divide into two segments, Intrinsic and extrinsic. Intrinsic rewards are self-administered such as Responsibility, Challenge, Autonomy, Purpose and Feedback. These rewards are self-govern and Individuals are desire to attain those by themselves. Extrinsic rewards are granted by Authorities in an Organization. Pay, Bonuses, Promotions, Incentives, Fringe benefits and Tangible awards are included into this category. Therefore company needs to concern not only financial side rewards but also non-financial factors should concern in order to motivate the employees. Evaluation and theories relating to the reward and employee motivation can be demonstrated by using the following theoretical perspectives. (Gomez. Balkin, & Cardy, 2001)

Herzberg Two Factor Theory

Herzberg has described two factors relating to the job Satisfaction of Individuals. Factors, when present in Work Place environment will lead to satisfaction to the employees are known as Motivators. Further Employees are dissatisfied when factors called hygiene are not presented inside the Organization.

Abraham Maslow's hierarchy of needs theory

According to Abraham Maslow, there is a hierarchy of needs that the people prefer to fulfill. Such as Biological needs (E.g. Food, Shelter), Safety needs (E.g. Freedom, Job safety), Social

needs like belongingness to family, friends etc. as well as the Esteem needs like appreciation, recognition and finally Self-actualization needs like personal growth, advancement in life etc.

3.2 Process of Job Evaluation

Job evaluation can be identified as the process of analyzing as well as assessing different jobs systematically in order to ascertain the relative worth of those jobs for the organization itself. There it may basically evaluate the job content, personnel qualities and skills required etc. so the main objective of the job evaluation is determining the pay system among the various jobs. In order to do that, it may use several methods like job ranking, factor comparison and the job grading etc. so the job evaluation may provide the base for the wage and labor negotiations as well. Furthermore labor unions, personal perceptions on the wages, cost of living, government legislations, labor supply and demand, productivity as well as the individual differences like capacity, age, qualifications, experiences, work hazards, promotion possibilities etc. may determine the pay other than the job evaluation process here.(Gomez., Balkin, & Cardy, 2001)

3.3 Effectiveness of Reward Systems

Effective reward system within an organization can help to become more competitive within the industry as well as retain the most important employees and reducing the employee turnover. So the Reward systems of the organization can increase the level of the employee motivation as well as reinforce the organizational image within the key stakeholders and the potential employees as well. Therefore monitory as well as non-monitory rewards are essential for motivating the employees under the different circumstances such as fulfilling the esteem and self actualization needs of the employees for have already satisfied the physical needs or the basic needs like food, water, shelter etc. as per the Maslow's Hierarchy of Need theory. Furthermore a lower level employee or an operational level employee should have to be satisfied with the basic needs or the monitory rewards before going to make non-monitory rewards itself. Furthermore it is essential to make performance based rewards as well as the membership based rewards based on the context as mentioned above.

3.4 Monitor the Employee Performance

Here the performance appraisal of the employees within the organization can be identified as a continuous process or an on-going process itself. There the organizations are enabling to use different kinds of methods to monitor the employee performance such as 360-degree /full circle appraisal which is generally allocated for the key employees of the organization, MBO (Management by Objectives) which begins with an action statement, team appraisal which measures the accomplishment of the team objectives etc. not only that but also the organization can use self-monitoring tools such as project plans, activity logs and checklists etc. to track their actions etc. (Hallowell, 2004)

Task 04

4.1 Reasons for Cessation of Employment

There may be several reasons for the cessation or the termination of the employment with an organization such as resignation which implies the voluntary termination of the employee as well as retirement which indicates voluntary termination of the employee through meeting the retirement criteria of age, service time period etc. not only that but also an employee can be terminated through the discharge which means involuntary termination of the employees and Layoff which also means involuntary termination under the non-disciplinary causes etc.

4.2 Employment Exit Procedures

According to the Tesco Safety manual; their termination procedure is consisting with several steps such as informing the organization before three months of dismissal and organizing a meeting in order to make smooth process of transition. And then it requires acquiring back the relevant authentication devices within the employees and making the any residual payments to the employees ultimately. However the Nestles' exit procedures are somewhat different than the Tesco Plc, because it given more pre- warning signals for the employees when there are some involuntary terminations under the non-disciplinary reasons. There the company has appointed a separate termination analysis committee in order to analyze the causes and justify the

terminations. After getting the approval from the committee, the company comes to the final decision and provides the appealing rights to the employees with one month period as well. Therefore it can be identified that the current exit procedure in Nestle is somewhat more humanistic and effective than Tesco Plc here. (Beardwell, Holden, 2010)

4.3 Legal and Regulatory Framework on Employment Cessation Arrangements

As per the legal & regulatory framework in Sri Lanka, the employers are accused on the unjustifiable dismissals under the act of unfair dismissal and the Termination of Employment of Workmen (Special Provisions) Act, No.45 of 1971. Further it described that the employee should have to be informed before the 90 working days of dismissal from the workplace. Further the employee who has more than 02 years of experience can get a written statement mentioning the reasons for the dismissals. Further any employee cannot be terminated without the prior written approval and notice. And also it is considered as an unlawful discrimination of an employee under the reason of his/ her disability. However the act has allowed dismissing a particular employee under the accepted reasons such as poor performance, violence of the disciplinary rules, carrying illegal businesses or activities within work premises etc. Furthermore it has allowed taking legal actions through filing a case in court within the three months of dismissal of the employee under the reason of unfair dismissal by the employer via the trade unions as well as labor tribunals etc. (Hallowell, 2004)

Conclusion

Ultimately it can be concluded that the human resource is the key of the whole value driven process of the organization and therefore each and every organization should have to more concern about the quality of the existing workforce in order to get more competitive advantages as well. Therefore it is essential to have an effective recruitment, selection as well as reward system within the organization in order to retain the key employees while attracting potential talents as well as the organization can increase the level of the employee motivation while reinforcing the organizational image within the key stakeholders and the potential employees through having proper reward system, monitoring system as well as the exit procedures within the organization itself.

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