

EYB

وسّع أعمالك

Expand Your Business

An Integrated Support Programme For Growth Oriented Enterprises

STRATEGIC HUMAN RESOURCES MANAGEMENT

JORDANIAN EDITION

Written by Meire Brito

Adapted by Hamdallah Mubarak



International Labour
Organization



The American Chamber
of Commerce in Jordan
Am Cham - Jordan



جمعية الأمان الإجتماعي
Social Fraternity Program
برنامج تنمية المشاريع الصغيرة
SMP Development Program

About Expand Your Business (EYB)

EYB stands for Expand Your Business. It is an integrated business training and support programme for small to medium scale enterprises that have growth potential and capacity to create more and better jobs.

The vision of the EYB Programme is to assist growth oriented enterprises that have growth potential to develop effective strategies to exploit the growth potential of their enterprises. They are also assisted to strengthen their business functional areas in marketing, human resources and finance.

The EYB Programme is targeted towards Growth Oriented Enterprises (GOEs) that have a growth potential, employ between 6 to 100 employees, have basic management systems and have been in operation for at least one year. The EYB Programme is designed to enhance the knowledge and skills of Owners, Executive Directors, General Managers and functional managers in marketing, human resources and finance. The programme is designed to assist the GOEs to anticipate, plan and successfully manage the growth of their enterprises.

The EYB is an integrated programme, which involves classroom training, facilitation of business and financial linkages, individual counselling sessions and facilitation of Business Support Groups. The individual counselling sessions assist GOEs to complete their Business Growth Plans. The Business Support Groups provide an opportunity for GOEs to meet and discuss common problems, challenges and solutions, network and receive expert advice from invited resource specialists in identified areas.

Acknowledgements

This Module has been adapted from the ILO EYB Human Resource Management Manual (ISBN 92-2-114169-1) developed by the ILO-SIYB/EYB Regional Project Office, Expand Your Business in Harare, Zimbabwe, 2003.

The ILO is thankful to the following organizations and individuals for their valued contribution in the development of this publication:

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First published 2004

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Strategic Human Resources Management

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JABA –Jordan American Business Association, Amman, Jordan, 2004

The Deposit Number at the National Library of Jordan: 2022/8/2004

ISBN 9957-447-08-4

Also available in Arabic: *Al-Idarah Al-Istrateegyeh Lelmawared Al-Bashareyeh* (ISBN 9957-447-01-7)

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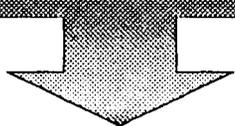
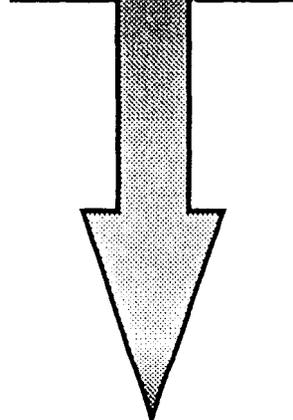
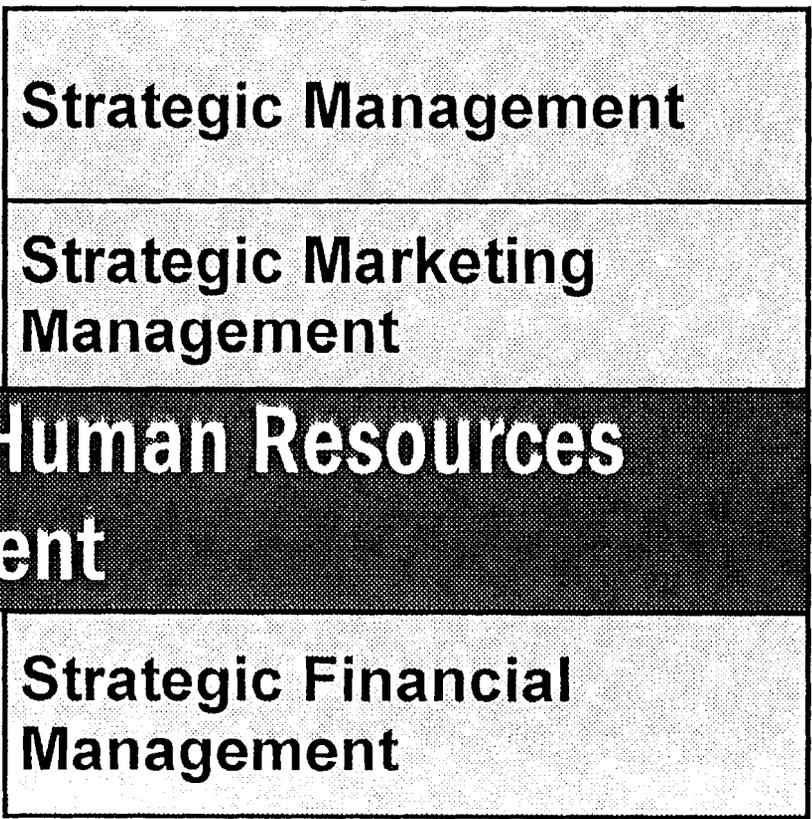
EXPAND YOUR BUSINESS

EMBA

YOU
ARE
HERE

Training Modules

START HERE



In this module you will find:

■ Relevant business knowledge and information

Read the simple theory and information relevant to the topic of this module. The examples on the case study that follow the theory and information show how that knowledge is applied to manage a business well.

■ Practical exercises

Do the exercises in the module and then compare your answers with the suggested answers given at the end of the module to find out how much you have learnt.

■ Action and Growth Plans

Fill in and use the action and growth plans. This will help you to put your new knowledge into practice.

■ Useful business terms

Useful business terms are printed in *bold italics* when they appear for the first time in the module. Look up the meaning of these terms in the text box next to them. Memorise their meanings. They are also listed in the annexes section of this module.

■ The symbols

You will see the following symbols in the left hand margin. The symbols indicate the nature of the text contained in the boxes next to them as explained below.



Next to this symbol, you will find the objectives of the module and its Chapters.



Next to this symbol, you will find exercises for you to do or questions for you to answer.



The box next to this symbol tells you where to find more information in the other modules or elsewhere, for example: **EYB Module: Strategic Financial Management** tells you more about how to interpret financial ratios.



The box next to this symbol contains questions for you to answer about your own business.



The box next to this symbol tells you something, which is extra important for you to memorize. For example, **the customer is the most important person for your business.**



The box next to this symbol provides you with examples on the case study used in this module. It shows how theory and information is applied in the case study.

PREFACE

About the Strategic Human Resources Management module ...

Nowadays, the concept of human resource management goes beyond the concept of personnel management, in a sense that HRM strives to manage the human resources requirements of an organisation to best suit the requirements of the organisational strategy. The reason behind this new approach is the general consensus that organisational success depends largely on the shared efforts of its employees. In other words, this newer HRM approach recognises human resources as the key to the successful implementation of strategies and, additionally, as the core asset available to achieve sustainable competitive advantage.

It is essential that organisations develop practices and techniques that will assist in getting the best out of its employees to effectively implement the strategy. Human resources management provides the best practices and tools that can be applied to the business in order to enhance the quality and commitment of the workforce. The application of these practices and tools are particularly important in a growth-oriented organisation, as a large part of the implementation of the growth strategy depend on the efforts of organizational members.

Whom this module is for...

This module is for YOU if you are managing a business and are willing and planning to expand it. It is for you if your business is currently employing between 6 and 100 employees and having good market opportunities, good human resources, and product or products with a good position in the product life cycle.

This Module is for you if you are holding one of the following posts in the business:

- **General Manager/Owner/Partner**
- **Human Resources Manager**

This module is for you if you have acquired the basic business management systems in marketing, record keeping, costing, buying, stock control and business planning basics.

Before you read this module,

You will benefit more from this Module if you first read the EYB Modules:

- Strategic Management
- Strategic Marketing Management

What you will learn in this module ...



After studying this module, and completing the exercises in it, and with the guidance of your business trainer, you will be able to:

- **Develop the human resources management strategies and functions (HRM)**
- **Set up a dynamic organizational structure.**
- **Plan and analyse human resources requirements.**
- **Recruit and select the qualified staff.**
- **Develop and train your and staff skills.**
- **Motivate and energize your staff to achieve your objectives.**
- **Increase and enhance exchange of information between your staff.**
- **Establish effective work relationships with your human resources**
- **Develop the human resources records and information system.**
- **Re-Align your human resources plan to enhance your strategic growth**

INTRODUCTION TO HUMAN RESOURCES MANAGEMENT

Human Resources Management plays the important role of aligning human resources with organizational goals by putting in place practices, policies, and systems that honour its people as a source of competitive advantage. It is concerned with a broader set of topics including effective human resource planning, acquisition, management, development, compensation, utilisation and retention.

What you will learn in this chapter...



After studying this chapter and completing the exercises in it, and with the guidance of your business trainer, you should be able to:

- **Define human resources management**
- **Analyse human resources management in the organizational context.**
- **Identify the main human resources challenges in your business.**
- **Define the importance of Strategic Human Resource Management for the growing businesses**

1. What is Human Resources Management

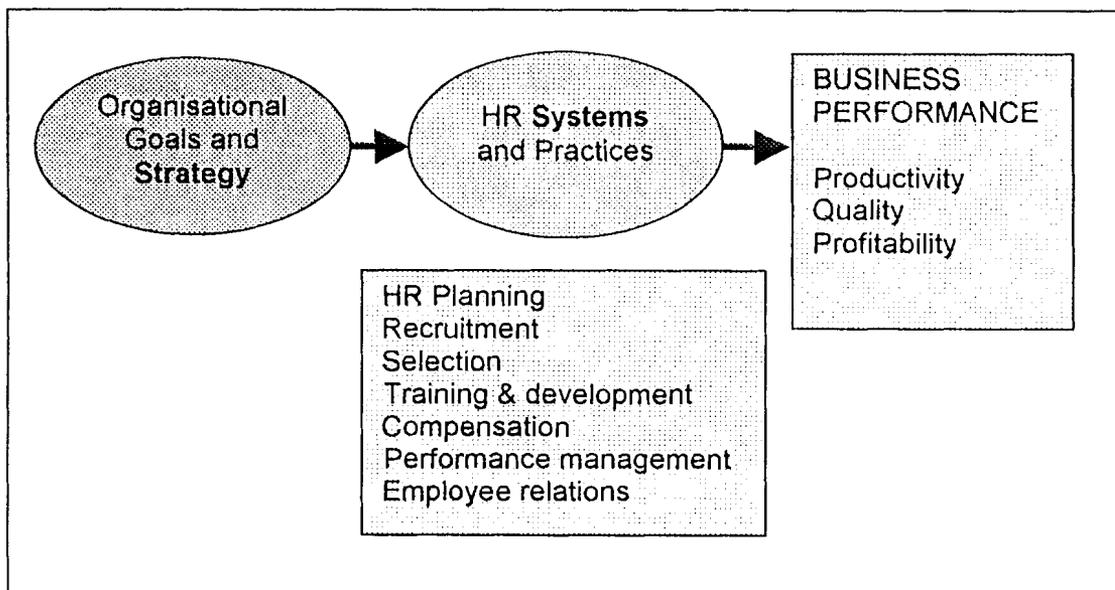
The Human Resources (**HR**) of a business consist of the total set of skills, knowledge and experiences of an organization's workforce.

Traditionally, **Human Resources Management (HRM)** merely performed administrative roles such as maintaining employee records, administering hiring, training and appraisal, ensuring health and safety of workers, and maintaining industrial relations. These are tasks associated more with personnel management, which largely focuses on the administration of these foregoing aspects, as well as compliance of employees with corporate rules and regulations.

Nowadays, however, the concept of human resources management goes beyond the concept of personnel management in a sense that **HRM** strives to manage the human resources requirements of an organization to best suit the requirements of the organizational strategy. The reason behind this new approach is the consensus that organizational success depends largely on the shared efforts of its employees. In other words, this newer **HRM** approach recognises human resources as the key to the successful implementation of strategies and, additionally, as the core asset available to achieve sustainable competitive advantage.

HRM plays an important role in aligning human resources with organizational goals and objectives by putting in place effective and efficient practices, policies, and systems that are in line with the organizational strategy. It concerns itself with effective human resources planning, acquisition, management, development, compensation, utilisation and retention, in a way that the organization and people's capabilities are compatible in the best possible way to achieve company goals.

The following figure illustrates how Human Resources Management links to the goals of the business.



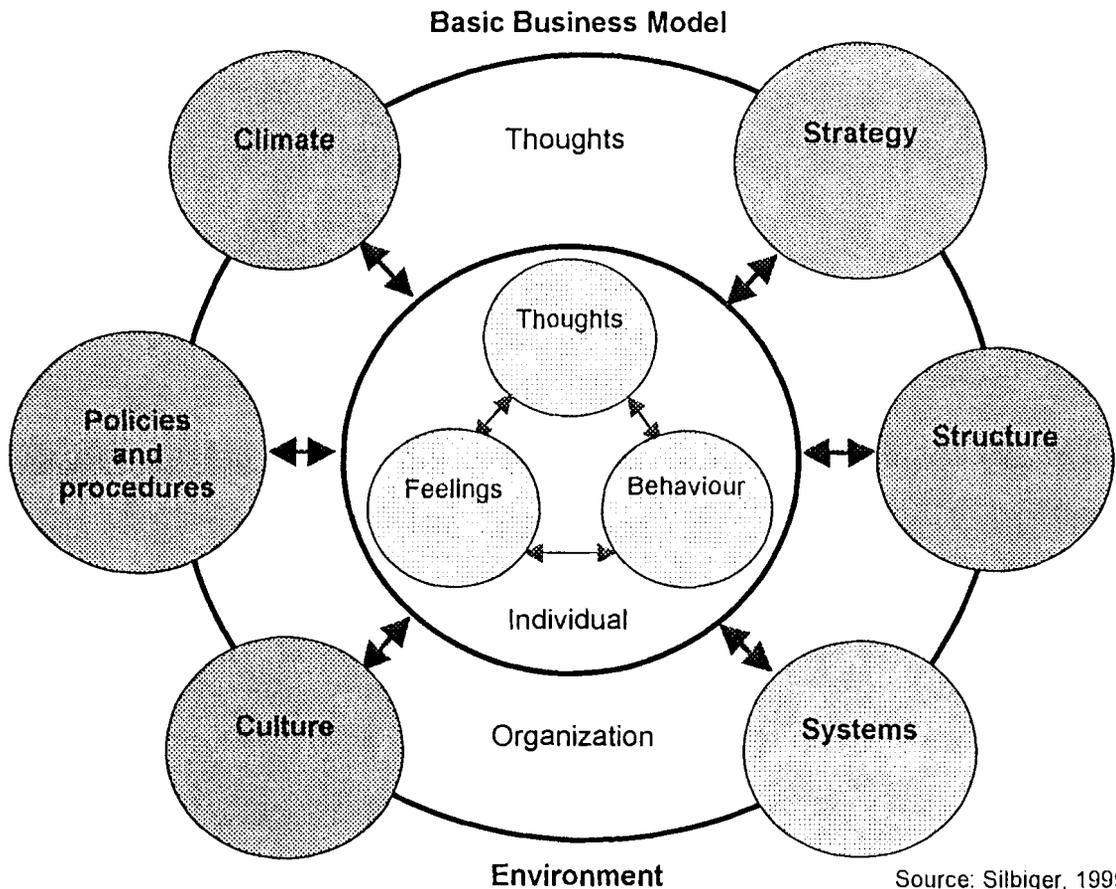
2. Human Resources Management in the Organizational Context

To understand the role of HRM in the organizational context, one must consider the elements that comprise an organization. An organization is a network of these different elements working together to achieve efficient and effective operations. The *system* for managing human resources is one element, as is the *strategy* of the organization. These were discussed earlier and are depicted in the figure shown on the previous page. The other elements are **structure, policies and procedures, culture and climate**. The following figure illustrates the organization and its different elements.

Systems are the means by which people (and other resources) are allocated, controlled, and monitored. Also, includes the manner by which information is gathered and distributed.

Strategy is a plan (implicit or explicit) for gaining a competitive edge in the market.

Notably, the illustration locates people at the centre of the organization, as individuals become influenced by the organization and the quality of its components. If the organization and all its components fit the individuals' needs and requirements, the result will be a committed and productive workforce. At the same time, if your business components do not satisfy the requirements of these individuals, the result will be lower business performance and productivity.



Therefore, the role of human resources management is to ensure that the business functions effectively by influencing all its elements.

For example:

- a. **HRM** forms an integral part of the **strategic** and business plan formulation of the business and participates in executing strategic and business plans.
- b. **HRM** contributes to the development of a business **structure** that promotes efficiency, co-operation and commitment throughout the business. It creates partnership with the various divisions in solving problems, meeting strategic objectives, and managing human resources.

Structures illustrate levels of hierarchy and accountability in an organization.
- c. **HRM** puts in place appropriate **systems** for allocating and managing employees and for monitoring and rewarding performance.
- d. **HRM** installs communication **systems** that enhance employee participation and commitment, provide employee access to important information, and facilitate co-ordination amongst employees, divisions, which satisfy employees' needs for social interaction at work.
- e. **HRM** enhances a **culture** committed to quality, continuous improvement and learning by providing leadership commitment, appropriate policies, training opportunities, mechanisms for employee participation in the decision-making activities of the business.

Culture is the combination of beliefs, thoughts, behaviour, symbols conveyed to people throughout an organization.
- f. **HRM** enhances a **culture** of mutual respect and commitment to employee welfare by ensuring security in the workplace, facilitating group cohesion and respecting individual rights of employees.

Policies are rules often captured in a handbook.

Procedures are observable ways of transacting not always written down.
- g. **HRM** applies consistent **policies and procedures** in managing employees and in decision making, as well as ensuring that proper documentation is in place and managed accordingly.
- h. **HRM** facilitates a **climate** where employees find the work environment enjoyable, safe and meaningful, at the same time conducive to achieving organizational and personal goals.

Climate refers to the emotional state of the members of the organization.

We will discuss these elements throughout the module.

3. HRM Challenges

Environmental forces often have an effect on your business and provide challenges to your employees. Those forces will create some problems in the business environment. The good manager should deal with the following challenges: -

■ **Rapid Change**

Many businesses face a volatile environment in which change is nearly constant. If they are to survive and prosper, they need to adapt to change quickly and effectively. Employees are usually at the heart of an effective response system. Dealing with stressful rapid change can put employees under a great deal of stress, and unless the business develops support mechanisms to keep it manageable, both the business and employees may pay a heavy price.



In the Business Environment

- **Everything in the world will change.**
- **Change is the only constant variable in the world.**

Your Roles in the Business Environment are:

- **Studying and analysing the results of environmental change in your employees.**
- **Creating flexible human resources procedures.**

■ **The Information and Communication Technology (ICT) Revolution**

Information and Communication Technology (ICT) is not the domain of major corporations anymore. With the rapid developments that took place in this field, simple, user friendly, cheaper equipment and software, has become available to enterprises and individuals almost anywhere. Coupled with the revolution in communication technology, ICT represents the single most important factor affecting businesses and their human resources in recent years.

ICT has created unlimited opportunities for business but it also poses several challenges. Entrepreneurs and their workers who can deal effectively with ICT improve their productivity tremendously. They expand their sales and improve their contribution to the bottom line.



The ICT Revolution will create the following advantages:

- **Increasing the business flexibility and productivity.**
- **Creating new opportunities.**
- **Decreasing operational costs including.**

The ICT Revolution will create the following disadvantages:

- **Increase stress level among employees**
- **Allow for certain amount of distraction during office hours.**



Think about the following questions:

1. Is your business using computers?
2. If yes, what main automated functions can be found in your business?
3. Do you have an Internet connection in your business?
4. If yes, for what purposes do you use it?
5. Do you have a Website? If not, when do you plan to have one?

■ Diversity

Each day your business will face the increasing diversity of the clients, suppliers and workforce. All these trends present both a significant challenge and a real opportunity for managers. Businesses that formulate and implement **HR** strategies and capitalize on employee diversity are more likely to survive and prosper.

Diversity is an increasingly evident characteristic of the relationships between employee, clients and suppliers from different countries.



Diversity

- An increase in your exports to different markets will increase the clients' diversity.
- An increase in your imports from different markets will increase the suppliers' diversity.
- An increase in your workforce from different nationalities will increase the labour diversity.
- Diversity will create new opportunities and new threats.
- Managing diversity will create innovations.

■ Globalisation

One of the most dramatic challenges facing Jordanian businesses as they enter the twenty-first century is how to compete against foreign businesses, both domestically and abroad. Many Jordanian businesses are already being compelled to think globally, something that does not come easily to a business long accustomed to doing business in a large and expanding domestic market with minimal foreign competition.

Globalisation is an increase in the international trade relationships, and flow of funds amongst countries.

■ **Decentralisation**

In the traditional business structure, major decisions made at the top then implemented at lower levels.

Decentralisation is a new challenge for business managers because most people prefer to retain the authority and decision-making power. The growth oriented business should decentralise the decisions of major functions, such as **HR**, marketing, and production.

Decentralisation is transferring responsibility and decision-making authority from a central office to people and locations closer to the situation that demands attention.



An increase in the business size will increase need to transfer responsibility and decision-making authority from the central office to people on the line.

■ **Business Culture**

The term business culture refers to the basic assumptions and beliefs shared by members of a business. These beliefs operate unconsciously and define in a basic "taken for granted" fashion the business's view of itself and its environment. The key elements of business culture are:

- The norms that evolve in working groups, such as the norm of a fair day's work for a fair day's pay.
- The philosophy that guides the business's policy toward employees and/or customers.
- The rules of the game for getting along in the business – "the ropes" that a newcomer must learn to become an accepted member.



EXERCISE

1. What are the main human resources challenges facing your business now?

.....

.....

.....

.....

.....

.....

.....

Continued on the next page ...



EXERCISE

Continued from the previous page ...

2. What are your suggestions to conquer those challenges?

4. Why is Human Resources Management important for the growing business?

As mentioned before, organizational success depends on a committed, skilled and flexible workforce to achieve its growth plans and competitive advantage. In turn, dissatisfied, unskilled and non-committed employees will have a direct negative impact on the implementation of the organisational strategies and objectives, and the business is likely fail. This happens because these employees eventually will either leave the company or perform poorly, and, as a result, the organisation will not achieve its growth plans due to poor overall organisational productivity and performance.

Try to imagine the impact of employees' inadequate behaviours and lack of training and commitment on the following scenarios of **growth strategies** studied in the **Strategic Management module**:

- *A low cost strategy* aims at creating large-scale facilities, continuous learning, or reducing overhead costs. If employees are not committed to the goals of this strategy and do not proactively assist during the processes of cutting costs, decreasing waste and suggesting new alternatives to support the strategy, it will then lose its essence and the strategy will fail. Therefore, to be successful, a low cost strategy depends on the shared efforts of all organizational members.

Low Cost Strategy: involves a focus on lowering costs and increasing efficiency.
- *A differentiation strategy* would only be successful if an organization creates the impression that its products are different from those of competitors through brand image, unique customer service, a unique product and/or service features.

Differentiation Strategy: is directed to the offer of distinctive products or services.

Obviously, employees' performance will have a direct impact on the implementation of this strategy. If employees are not committed and/or not willing to work towards the objectives of developing unique products, services promoting a good brand image to the customers, this strategy will certainly fail.

- **A focus strategy** aims to provide goods and services for a market niche, such as youth, upper class females, underserved geographical locations, and offering these at a possibly higher price. Again, this strategy also depends on the commitment and motivation of employees to develop the best products, to fit the right customers, at the right location. Additionally, the success of this strategy also depends on employees understanding of customers' requirements and excellence in customer service.

Focus Strategy: is directed to the provision of goods and services for a market niche.

Therefore, to implement the strategy in an effective manner it is essential that organizations develop practices and techniques that will assist in getting the best out of their employees. Human resources management provides the best practices and tools to apply to a business in order to enhance the quality and commitment of its workforce. The application of these practices and tools are particularly important in a growth-oriented organisation, as a large part of the implementation of the growth strategy will depend on the efforts of the members of the organization.

Competitive advantage is another concept that organizations should pursue to remain competitive in the market. Human Resources Management contributes to developing competitive advantage through a culture of commitment and participation. This achievement is possible because it is difficult for competitors to copy such culture, as this is the result of values and beliefs of the staff, developed over time, within the organization. If a business has an appropriate culture in place, a competitive advantage will be hard to copy by others.

Human Resources Management also offers techniques on how to design a better structure for your business, how to train and develop your staff, how to improve communication through members of your organization, how to develop better systems, and how to design policies that enhance effectiveness to implement your strategy.

Accordingly, growing businesses have to map out an **HRM** growth plan in line with their objectives and strategies. This module will assist you in developing your growth plan with tools and inputs to which you shortly will be introduced.



This module proceeds to cover the following issues:

- **Setting up a proper organizational structure (Chapter 2).**
- **Planning, allocating and developing staffing (Chapter 3, 4, 5).**
- **Motivating staff towards the desired performance (Chapter 6).**
- **Communicating effectively (Chapter 7).**
- **Creating a positive work environment through effective employee relations (Chapter 8).**

It is very important to select the right human resources strategy that will enable your business to achieve its growth goals.

The following table illustrates the major characteristics of human resources strategies that will fit with different business, and environmental strategies

Human Resources Strategies		
Business Strategy	Common Business Characteristics	Human Resources Strategies
Low Cost Strategy	<ul style="list-style-type: none"> • Sustained capital investment and access to capital. • Intense supervision of labour. • Tight cost control requiring frequent, detailed control reports. • Low-cost distribution systems. • Products designed for ease in manufacture. 	<ul style="list-style-type: none"> • Staff efficiency. • Explicit job descriptions. • Detailed work planning • Emphasis on technical qualifications and skills. • Emphasis on job-specific training • Use of performance appraisal as control devices.
Differentiation Strategy	<ul style="list-style-type: none"> • Strong marketing abilities • Product engineering • Strong capability in basic research • Corporate reputation for quality or technological leadership • Amenities to attract highly Skilled Labour, scientists, or creative people 	<ul style="list-style-type: none"> • Emphasis on innovation and flexibility. • Broad job classes. • Loose work planning. • Use of external recruitment • Team -based training.. • Emphasis on individual based pay. • Use of performance appraisal as a developmental tool.
Focus Strategy	<ul style="list-style-type: none"> • Sustained capital investment and access to capital. • Strong marketing abilities • Product engineering 	<ul style="list-style-type: none"> • Staff efficiency. • Use of external recruitment • Emphasis on individual based pay



EYB Module: Strategic Management tells you more about business strategies.



CASE STUDY

Hana Juice Company (HAJCO) Ltd.

In your Strategic Management Module, you became familiar with the business case of **Hana Juice Company**. This case study continues throughout *this* module. Hana had defined a number of strategic growth objectives for their business, both long term and shorter term. Below you find these objectives repeated. By applying the case study in this module, Jameel is preparing a HR growth plan that will assist him in achieving these growth objectives.

Following is a list of Human Resources related objectives established in the Strategic Management module that will be dealt with throughout the next chapters:

Human Resources related long term objectives:

- Organizational Chart redesigned (Chapter 2).
- Organizational Chart including relevant divisions and line managers (chapter 2).
- Job description available for all staff (Chapter 3).
- Managerial responsibilities delegated to line managers (Chapter 2 & 5).
- Relevant training for all employees conducted within plan period (Chapter 5).
- Salary survey carried out and salaries adjusted, workplace safety procedures implemented within plan period (Chapter 6 & 8).
- Local staff selected for new available positions whenever possible (Chapter 4).

Human Resources related functional and short-term objectives:

- Organisations structure reviewed and Organisational Chart ready by the end of the year (Chapter 2).
- Job descriptions available for management and supervisors in 6 months from now (Chapter 3).
- Production/Quality control manager recruited by end of year (Chapter 4).
- Finance manager recruited within 6 months (Chapter 4).
- Assessment of training needs for all employees conducted and training for production workers implemented in next 12 months (Chapter 5).
- Salary survey carried out, and salaries adjusted by the end of the year (Chapter 6).
- Performance based salary system implemented for line managers in next 12 months (Chapter 5).
- Efficient and safe work procedures described within next 6 months (Chapter 8).
- Staff selection criteria reviewed to favour local employees within next three months; advertisement procedures adjusted immediately (Chapter 4).
- Environment co-ordinator appointed (Chapter 4)

5. Chapter Summary

It is essential for the effective implementation of the strategy that Enterprises develop practices and techniques that will assist in getting the best out of its employees. Human resources management provides the best practices and tools that to apply to the business in order to enhance the quality and commitment of the workforce.

Environmental forces often have an effect to your business and provide challenges to your employees. Those forces will create some problems in the business environment. The good manager should deal with the following challenges: -

- Rapid change
- The Information and Communication Technology (ICT) Revolution
- Diversity
- Globalisation
- Decentralisation

HRM functions within the context of an organisation. Because of this, **HRM** needs to be supportive of the goals and operations of that organisation. To understand this role better, one needs to consider the elements that comprise an organization. These are:

- Strategy
- Structure
- System
- Policies and procedures
- Culture
- Climate.

HRM plays a key role in influencing these different elements in a way that aligns them with organisational goals and strategy.

Therefore, it is essential in effectively implementing the strategy for organizations to develop practices and techniques that will assist in getting the best from its employees. Human resources management provides the best practices and tools to apply to the business in order to enhance the quality and commitment of the workforce.

After having determined a growth strategy, human resource practices have to be organised in such a way as to provide the structure, people, and systems necessary to implement the strategy.

This module will cover these issues. Tools and inputs provided throughout the module will help the entrepreneur in formulating an **HRM** growth plan. This module is organized thus:

- Introduction to human resource management (Chapter 1).
- Setting up a dynamic organisational structure (Chapter 2).
- Planning and analysing your human resources (Chapter 3).

- Recruitment and selection (Chapters 4).
- Developing and appraising your human resources (Chapter 5).
- Enhancing your human resources performance through motivation and participation (Chapter 6).
- Communicating with your human resources (Chapter 7).
- Establishing effective work relationships (Chapter 8).
- Human resources records and information systems (Chapter 9).
- From strategy to action: Realigning the human resources management plan (Chapter 10).

SETTING UP A DYNAMIC ORGANIZATIONAL STRUCTURE

An organization is a grouping of human resource with the purpose of consistently and effectively carrying out jointly agreed upon tasks in order to meet goals, such as profit, business growth etc. An organizational structure describes the division of labour in the organization, i.e. who performs which tasks.

What you will learn in this chapter...



After studying this chapter, and completing the exercises in it, and with the guidance of your business trainer, you should be able to:

- Explain what a dynamic organisational structure is and how it can help to expand the business.
- Distinguish among types of organisational structures and their advantages and disadvantages.
- Map the organisation's current structure.
- Develop a blueprint for more dynamic organisational structures.
- Optimise the organisational structure

1. What is a dynamic organizational structure?

To understand what a dynamic organizational structure is, you need to recall some essential vocabulary of organizational development first:

- An organization is a grouping of human resource with the purpose of consistently and effectively carrying out jointly agreed upon tasks in order to meet goals, such as profit, business growth etc.
- An organizational structure describes the division of labour in the organisation, i.e. who performs which tasks.

Organizational structures reflect both the vertical and the horizontal differentiation of the division of labour. By means of vertical differentiation, one designs the hierarchy and authority in the organization across organizational levels, and the reporting relationships between employees. By means of horizontal differentiation, in turn, one establishes the division of labour on different organizational levels, by grouping tasks into functions / positions, and these positions into departments.

To manage organizational structures, one needs integration and co-ordination. Integration is the process of establishing linkages between departments to ensure that co-ordination takes place and all employees are working towards the same goals. Managers have an important role in the co-ordination process. They need to ensure adequate linkages so for example, materials are purchased only *when* they are required for production, and that production is planned in relation to sales.

Usually, organizational structures will be integrated based on the principles of efficiency and effectiveness. The tasks are differentiated vertically and horizontally in a way that ensures that organizational goals can be achieved as quickly as possible, and at the lowest costs possible.

Dynamic organizational structures, then, refer to organizational structures that allow for flexible integration of the division of labour, as and when need arises, i.e. in times of rapid business growth. Often, dynamic organizational structures are a prerequisite for growth; usually enterprises more successfully manage growth *if* dynamic structures are mapped out first.

2. How can dynamic organizational structures help your business to grow?

An entrepreneur who has chosen to implement a growth strategy has to face continuous and fast change. These changes are the result of continuous new opportunities and threats in the market. The entrepreneur has to anticipate these opportunities and threats fast and efficiently to achieve rapid growth, and stay ahead of possible competitors. This requires the organization and its structure to be flexible and dynamic.

A dynamic organisational structure can help you to expand your business for various reasons:

- It is flexible and adapts quickly to changing conditions;
- It is simple and as flat as possible, with the minimum levels of hierarchy;
- It is decentralised; the decision-making process is spread over the hierarchy. Also in the lowest level of the hierarchy, autonomy and empowerment to make decisions are allocated to selected personnel;
- It exhibits improved communication between employees across the organization, thereby facilitating the access to and the exchange of information.

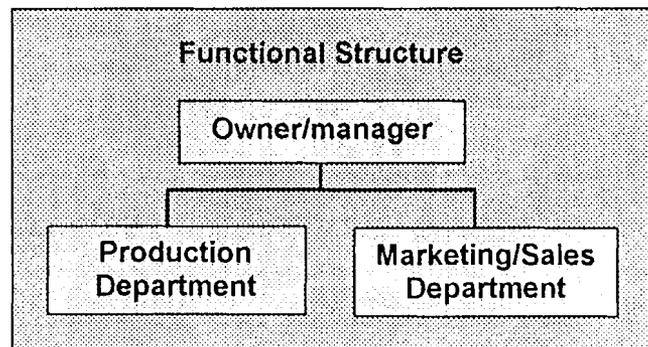
3. Common types of organizational structures for small and medium enterprises

The most common types of organization structures for small to medium growth-oriented enterprises are:

- Functional structures
- Divisional structures
- Hybrid structures

3.1 Functional structures

The functional structure is the most common way to group activities together, particularly for smaller sized businesses. This design groups people based on similar skills or their use of the same resources. A functional structure includes those functions that directly related to the achievement of the primary purposes of the organisation, such as "finance", "personnel", "marketing and sales" and "operations" etc. Illustrated in the diagram above.



As explained earlier, functions can be grouped in departments where combining of specialised tasks by skilled and knowledgeable employees is efficient. It will be effective if co-ordination between departments is well organized. A functional structure offers the flexibility to extend with additional functions or departments.

Functional structures have both advantages and disadvantages.

a) The advantages of a functional structure are:

- The distinction between functions allows for bundling of activities to the minimum required extent, thus offers flexibility.

- This type of organization is efficient and cheap, as it does not require duplication of departments and functions. In a reasonably stable environment, or in the case of businesses pursuing growth through low-cost strategy, this set up would be very convenient.
- Job definitions can be clarified and responsibilities can be well allocated.
- Employees are given the opportunity to learn and deepen their experience within their departments which leads to enhanced productivity and specialisation;
- For the managers and supervisors this set-up allows for easier control of their employees, as they are grouped along common skills.

b) The disadvantages of a functional structure are:

- In the cases of more complex organizations (such as providers of information technologies' services) with continuous growth and expansion may face problems with this type of structure, particularly in the case of a differentiation strategy. The reason is that due to co-ordination problems the various specialised departments (such as research and development, production and quality control) may not be tuned perfectly to differentiate their products or services from those of competitors;
- There is a risk of emphasis and accumulation of decisions to be taken at the top of the hierarchy;
- Communication problems may arise with the introduction of new functions. In functional departments, the co-ordination of the tasks between the departments becomes more complex, and requires adequate communication structures. Without adequate communication between the departments, the link between processes will not be adequate resulting in a lack of fast customer response;
- This type of structure also restricts the overview of employees of the organization and the market.

3.2 Divisional structures

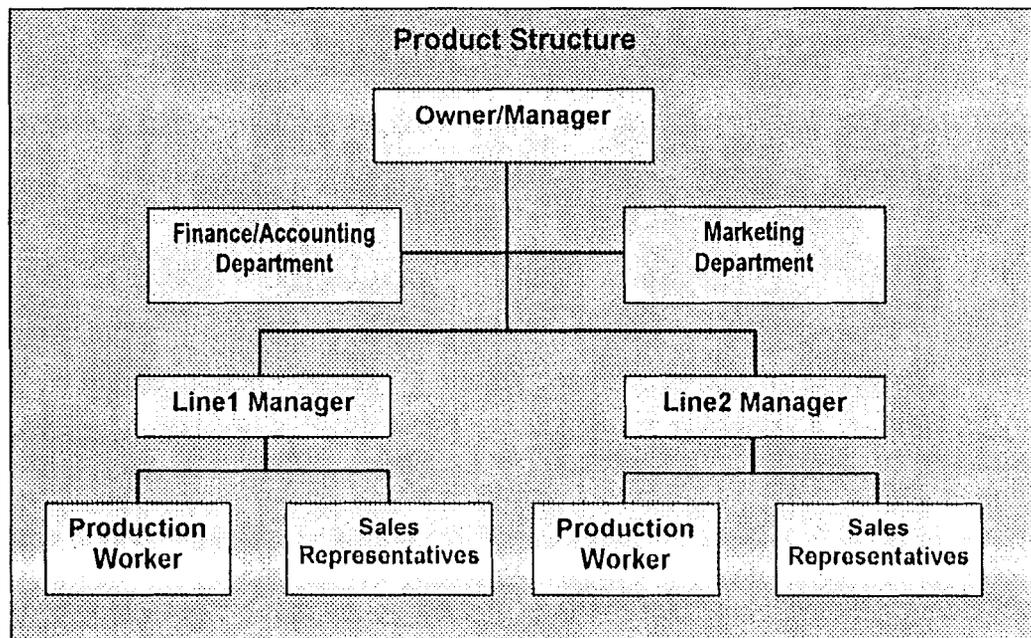
The Divisional Structure is a design that groups functions together into divisions based on the needs in the market. The market and therefore, the structure may require a focus on products, customers or markets. Such divisions are relatively autonomous from each other and they are more dynamic than functional structures.

There are three types of divisional structures: product, customer and geographic structures.

a) Product structure:

Product structure is a design that groups all the one or more products or services according to their similarities or differences. Product divisions are useful and more dynamic when co-ordination becomes more difficult due to differences in the products and services. In a product structure, everyone who works on a particular product reports to one person, regardless of function is performed. This type of structure allows that support functions such as marketing, sales and accounting can be centralised at the top of the organisation (or at the headquarters) so that these functions can serve different product divisions.

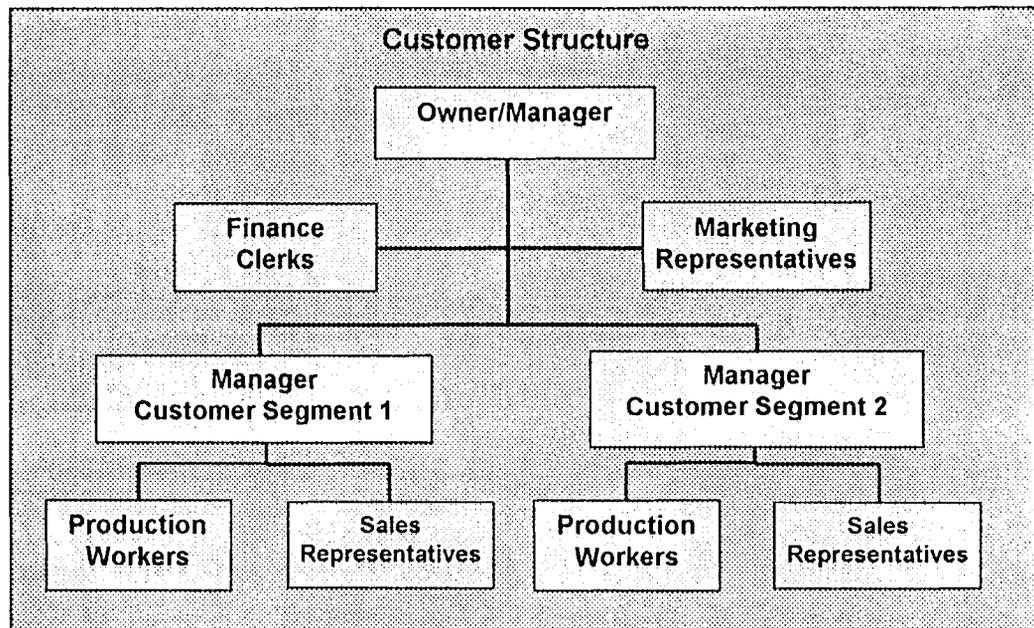
An example of the product structure is shown on the following figure.



b) Customer structure:

Customer structure is a design that enables an organization to serve particular types of clients or customers. It is useful, more dynamic, as compared to a functional structure, to co-ordinate specific and/or various needs of customers. Marketing and customer orientation is the angle along which different required functions are bundled into divisions. As a result, such divisions are more apt and specialised to serve the targeted customers.

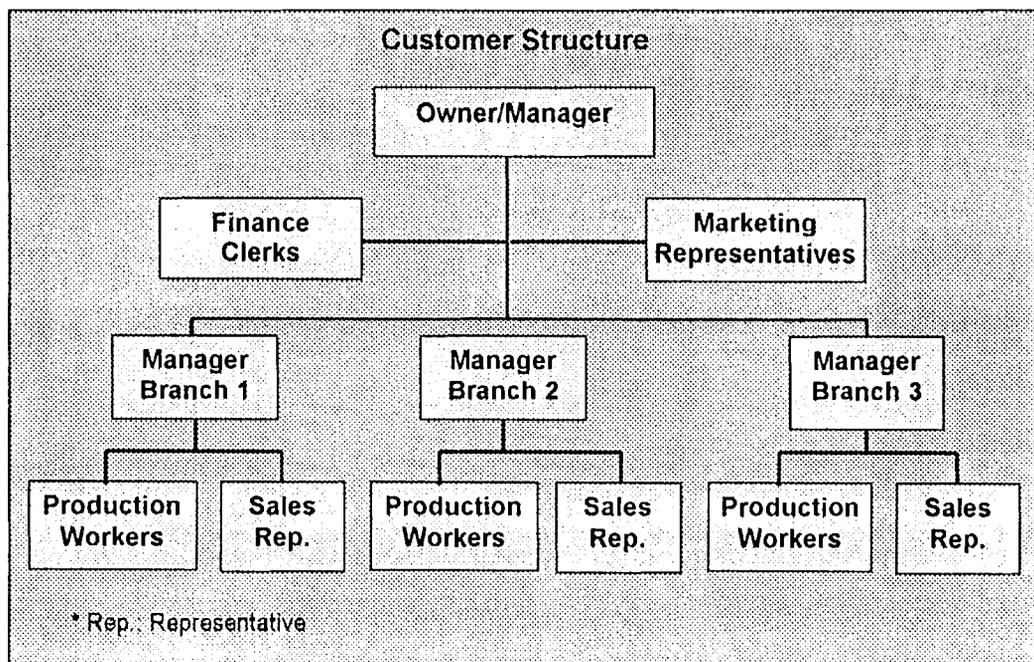
An example of the customer structure is shown below:



c) Geographic structure:

Geographical structure is a design that enables the organization to serve different geographic areas. It is useful and more dynamic, when it is necessary to adjust the provision of services and products to satisfy the needs of customers from different geographic areas for which such grouping specifically has been geared up.

An example of the geographical structure is shown below:



Divisional structures have both advantages and disadvantages.

■ **The advantages of a divisional structure are:**

- Usually smaller divisions are more dynamic, and easier to manage and control.
- The organization is enabled to focus better on particular problems, such as a large number of (complex) products, disperse locations of production and/or sale of products, and a large number of different customer groups.
- Divisional structures have greater autonomy, and require less co-ordination between divisions. The divisional structure therefore makes co-ordination and control easier in comparison with a functional structure.
- Support activities (i.e. marketing and sales, R&D, etc.) can often be centralised at the top of the organisation (or at headquarters) and serve different customer, product and geographic structures. This facilitates efficiency.
- The essential functions, such as production and sales are clustered together in divisions. This facilitates the smooth flow of the various steps in the core processes without delays, excess stock etc.

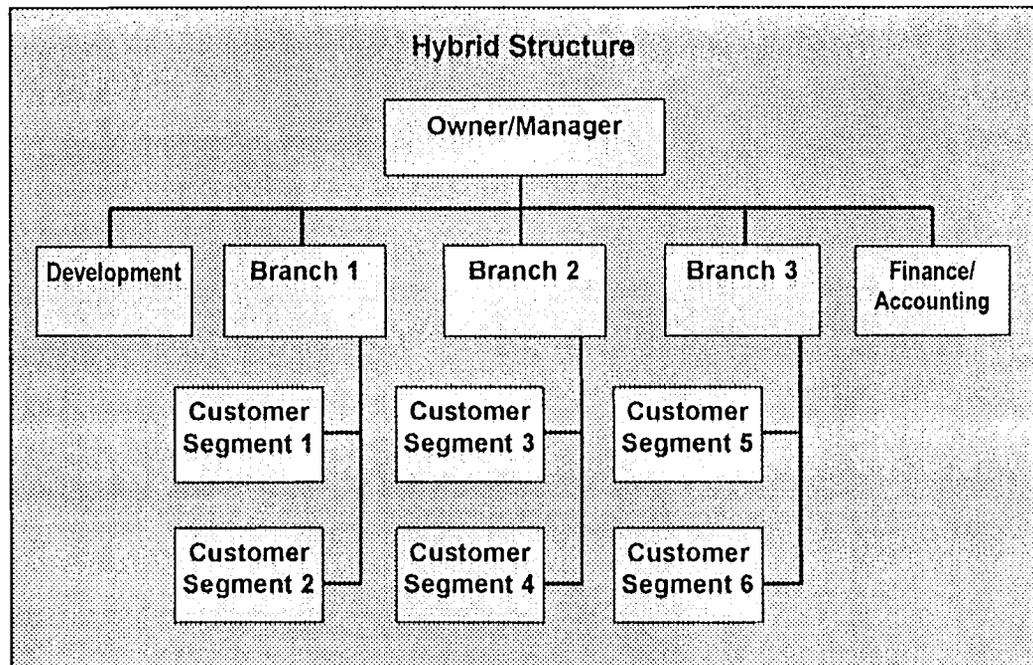
■ **The disadvantages of divisional structures are that:**

- Structuring an organization by product, market or geographic divisions may result in increased costs due to resource duplication (for example, repeated production and sales departments for different divisions or geographical locations).
- In addition, employees do not easily develop in-depth specialisation in a divisional structure. This structure could therefore, be less efficient by comparison.

3.3 Hybrid structures

In addition to, and based on the above types of structures, there is a practical hybrid structure. This structure is effective when product-line and geographic enterprises are partially incorporated with the functional approach. A hybrid structure combines different types of structures to have better satisfy particular organisational requirements. The main disadvantage of this concept is the high costs involved because of the more complex structure with various departments. It should therefore, only be considered for bigger enterprises.

The next diagram depicts an example of a hybrid structure.



4. How to set up dynamic organizational structures

Follow these steps to set up a dynamic organizational structures geared for growth.

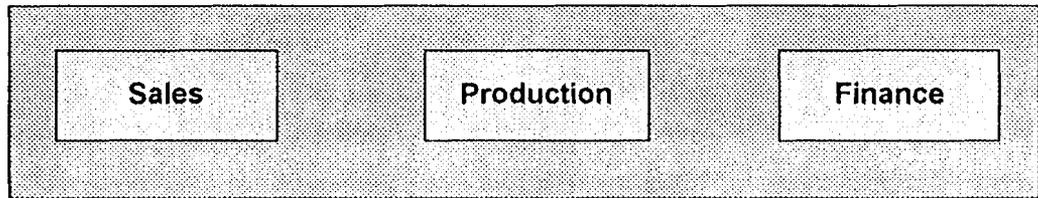
- Map your current organizational structure
- Develop a blueprint for a more dynamic organizational structure
- Optimise your organisational structure

4.1. Mapping your own organizational structure

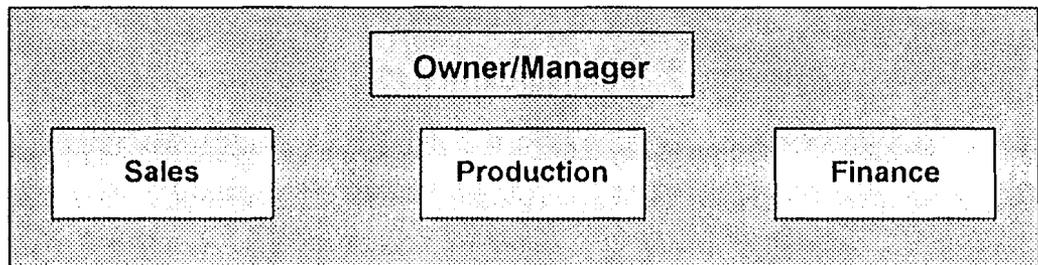
The following steps will assist you to map your own organizational structure, leaning back on the blueprints of organizational structures discussed previously:

- Write on a paper the names of all employees, and the tasks performed by each of them.
- Group the tasks by functions. This means that the tasks performed by each employee should be grouped together based on their similarities. For example, all employees who perform tasks related to production of goods should be grouped together. Another group should be made for people who are responsible for selling the products. Employees responsible for tasks related to the management of money should further be grouped together, and so on and so forth.

- Collate each function into a department: (for example - sales, production, finance, accounting, customer service, human resources, R&D, etc.).
- Each function must be placed inside a small square and placed next to each other, as in the following example:

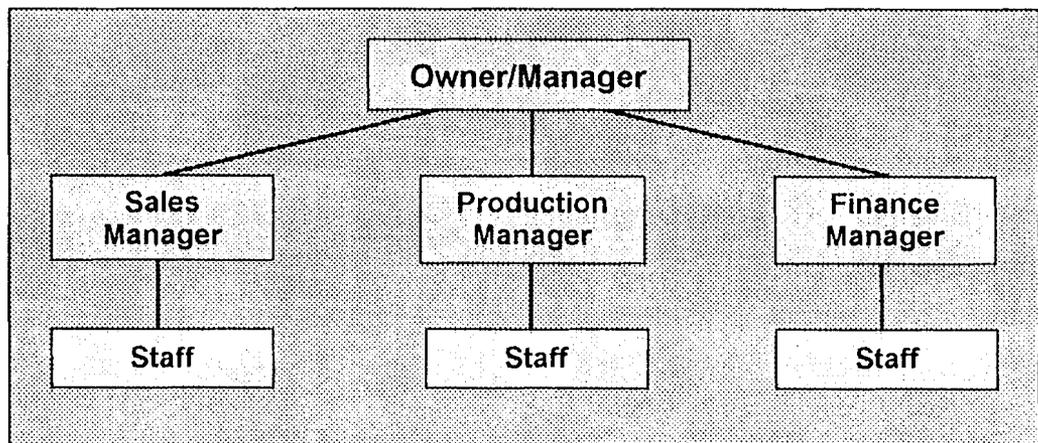


- Above each function, another square will be placed for the Growth Oriented Enterprise (GOE). Each function must be linked upward with this square as in the following example:



- Make other small squares and place them below each function square. Each manager should have one square and another square should be given to the staff. The number of managers will depend on organizational requirements and the number of employees to monitor (managers must be able to effectively control the work done by all employees).

Link the squares by a line. The line linking each square means the chain of command (or authority level) as in the example on the next page:



4.2. Develop a blueprint for more dynamic structures

The choice of an adequate organisational structure depends on the present market opportunities and requirements, the requirements for internal efficiency and effectiveness and the growth stage of the organisation. Hence, no *a-priori* optimal structure, as such exists.

For these reasons, it is important to assess the strengths and weaknesses of a current structure and the desired one, its costs involved, as well as its possible impact on the organizational members. It is also important to consider that any type of structure should be simple and flexible in adapting to changing requirements.

Enterprises are more likely to manage growth if dynamic structures have been mapped out first. However, dynamic structures stem from the strategy of the business, hence the saying 'structure follows strategy'. Thus, the chosen structure should be in line with the growth strategy pursued by your company. While there is no direct link between an adequate type of organizational structure and a chosen growth strategy, certain organizational structures are more likely to exist with certain growth strategies.

For instance, if the organization wants to compete in a low cost strategy, jobs are likely to be structured into functional structures, in order to keep the costs low by avoiding duplication of functions and/or departments. On the other hand, if the business had adopted a differentiation strategy, which requires more innovation and participation from employees, a divisional structure seems to be more appropriate.

The growth strategies will be discussed here against the structures in question.

a) Organisational structures supporting low cost strategies

A **low cost strategy** involves a focus on lowering costs and increasing efficiency. Therefore, a functional design would be very practical, as it does not involve high costs because there is no duplication of departments or divisions, and increases efficiency because employees are grouped by similarities of skills, facilitating more specialisation of the tasks performed.

However, if during growth process problems arise from controlling issues related to customer-orientation, product-type or geographic location, changing to a divisional structure would be more appropriate.

The **GOE** can create new departments whenever it is necessary. Each department must have at least one manager or supervisor who will monitor the employees and report to the **GOE**. The emphasis on an effective sales force and on an efficient operational workforce to intensify the growth process may require more managers/supervisors allocated to these departments in order to ensure ample control and efficiency of the operations.

b) Organisational structures supporting differentiation strategy

A **differentiation strategy** is directed to the offer of distinctive products or services (i.e. different from the competitors') in order to attract the loyalty of certain customers. The Enterprises that pursue this strategy, typically apply unique customer service or unique product or service features. The main activities required to implement this strategy are the research & development of new products, production, and marketing and sales/customer services.

The organization will thus focus on these product development and/or customers' activities. For some businesses, it may be required to hire professionals with experience in research and development. In this case, a Research and Development (R&D) department or equivalent function should be developed.

Production is essential to ensure that the products can be produced at adequate price, quality and quantity. Marketing is essential to provide information on new market opportunities to the entrepreneur, R&D department and production. Finally, a sales/customer service force composed of people who offer a unique customer service is also required. All these functions should be created if they do not currently exist, and relevant personnel must be hired and allocated to perform the tasks. In some instances, the marketing and sales department could be jointed, forming just one department.

As differentiation strategy, usually requires new and innovative ideas from employees, the structure should therefore, preferably be flat and enhance participation and involvement of the staff from the marketing, R&D, production and sales functions. Teamwork might assist in the implementation of this strategy as it enhances innovation, participation and creativity of employees (teamwork will be discussed later in this module).

The choice of structure will depend on the possible effectiveness in offering unique products and unique customer service. If the organization can satisfy customers' requirements by offering premium products / services with a functional structure, this will be rewarded by low costs and a high efficiency. However, if the functional structure does not allow appropriate co-ordination in satisfying customers' requirements, a customer structure could be implemented to serve the needs of specific customer groups, a geographic structure to serve the needs of customers from different geographic areas, or a product structure to handle a wide range of products.

c) **Organisational structures supporting a focus strategy**

The *focus strategy* is directed to the provision of goods and services for a market niche, such as youth, upper class female, underserved geographical locations, etc. The focal point of this strategy is the marketing and sales functions.

The personnel from the marketing department will perform the tasks related to the assessment of customers' needs, and identification of new products. Therefore, a marketing department or equivalent function should be developed if it does not currently exist. This involves a marketing manager and marketing employees to perform these tasks. An effective sales function is also, important to assist the marketing function in understanding customers' needs of this market niche.

The type of structure will depend on the effectiveness in serving the market niche. If products and geographic locations for these products are very different from one another and, for these reasons controlling problems may occur, a product based or geographic divisional structure are more appropriate. If, however, products are more closely related, and there is no problem regarding serving customers from different geographic locations, a functional structure may be more efficient and appropriate.

4.3. Optimise your organizational structure

Once you have mapped your current organizational structure, and made a strategic choice of a more dynamic organizational structure that supports your growth strategy, you can proceed to and gear the existing organizational structure for growth.

a) **Steps to make your existing organizational structure more effective and dynamic**

Step 1	Evaluate the chosen growth strategy, and the possibly matching organizational structures. Assess the advantages and disadvantages of the possibly matching structures. Decide which structure (i.e. functional, or product, geographic or customer based divisional structure) is the most adequate based on the need for internal efficiency, and the need to satisfy customer needs effectively.
Step 2	Compare the desired type of organizational structure with your current organizational structure as mapped out earlier. Assess whether and which new departments and/or divisions should be incorporated into the new structure, and whether the current ones should be integrated, expanded, or eliminated in order to improve the efficiency and effectiveness of processes, and to maintain a customer/market orientation.
Step 3	Design your new organizational structure in line with your growth strategy; with you at the top of the hierarchy (refer to the exercise in section 4.1 to design your new organizational structure)
Step 4	Allocate the tasks and functions within these departments or divisions, and allocate one or more manager(s) or supervisor(s) to operate and control them.

b) **Points to remember in designing your new structure:**

- The **span of control** of each manager/supervisor will depend on how many employees he/she will be able to monitor efficiently and effectively. For this reason, it is essential that your managers/supervisors assist you during this part of the design of the new structure. They will be able to tell you how many employees they would be able to manage effectively.
- Empower managers/supervisors with clear responsibilities, authorities and accountabilities through job descriptions (these topics will be discussed in detail later in this module).
- Remember that the dynamism of the organization relies on a flexible and flat structure, which adapts quickly to changing conditions. Therefore, keep the structure very simple, flexible, and avoid designing a very bureaucratic structure with too many layers of management.
- Make sure that the organizational structure allows the involvement and participation of employees. In this case, a flat structure is required, combined with free flow of information, a decentralised decision-making process, empowered and motivated employees (these topics will be discussed in details throughout this module). This process will also require the participation of your managers/supervisors to ensure that these essential requirements are met.

- Communicate the new organizational structure to all employees. This means that each employee should know exactly where they are allocated, what is expected from them, and who their supervisors and line managers are, from the bottom to the top-level management. It is recommended that you introduce the new organizational structure to all your employees and that your managers/supervisors instruct each employee further on their role in the new structure. Furthermore, each newly recruited employee should, also know the organizational structure, their tasks and responsibilities, and their supervisors.
- Remain aware that a dynamic organizational structure requires your continuous attention, particularly with regard to the dynamic allotment of accountabilities and responsibilities in the growth process. By following the above instructions, you will be able to include, exclude or integrate departments or units whenever this is necessary to support growth requirements.



CASE STUDY

Hana Juice Company (HAJCO) Ltd. Organizational Structure

After the assessment of their internal and external environment, Mr. Jameel decided to choose the **differentiation strategy** (please refer to your **Strategic Management Module**). The objective of this strategy is to offer products that are different or perceived to be different by the customer from standard products available on the market.

The differentiation strategy for GOEs: efficiently / effectively supports, by functional, geographic, product or by customers' structures. HAJCO opted for functional structure due to its simplicity, efficiency and flexibility for growth. When HAJCO expand further and require more control over their functions, they can easily define and develop new departments, when the organization grows further, a specialised human resource department may be added to the structure, dealing with issues related to employees' performance and satisfaction. For the time being, these HRM related tasks are performed by Mr. Jameel himself, who knows that, if problems related to the co-ordination of customers' requirements, geographic location or product lines arise, the functional structure could be replaced by a customer, geographic or product structure respectively.

Mr. Jameel started his organogram by positioning himself at the top of the organizational hierarchy. As mentioned in the Strategic Management Module, he decided to be no longer the Production Manager. He is changing his position because he realised that it is more important for him to concentrate on major organizational issues and focus on the growth process of his business. He named his new position Operational Director.

Due to the simplicity of the fruit processing system, a research and development department is not required at HAJCO. The focus of HAJCO's differentiation strategy is on the production and quality control department. Therefore, these departments have to be part of HAJCO's new organisational structure. HAJCO thought it more convenient for the moment to assign the production quality function to the Production Manager and the Production Supervisor. The company realises that it can easily split up these two functions when the business grows bigger and more co-ordination is required.

Continued on the next page ...



CASE STUDY

Hana Juice Company (HAJCO) Ltd.

Organisational Structure

Continued from the previous page ...

As HAJCO's intentions involve the penetration of the current market, / the development of new ones, the business will require an effective marketing function with an aggressive sales force in order to penetrate the market and satisfy customer needs. For these reasons, the Jameel decided, also to create a department for these functions. As the business is still reasonable small, they decided to combine these two functions into a department called Marketing/Sales department, managed by Mrs. Hind.

HAJCO's strategic plan also includes the appointment of an environment co-ordinator, as established in HAJCO's short-term objectives related to its public responsibility. A department at the managerial level of the hierarchy to allocate an experienced environment co-ordinator was created.

HAJCO also realised that the growth process requires the support of good management information to keep steering the business as well as to keep track of finance. HAJCO therefore, decided to establish a joint department for Finance and Accounting.

HAJCO's next step was to appoint managers to be in charge of each department (the process of internal employees' promotions and recruitment and selection of new candidates will be discussed in details throughout this module). These managers will be located at the same level of the organizational hierarchy. These managers will monitor the employees within their departments, and ensure the departments are organised efficiently and effectively. If the number of employees becomes too large, the managers will need to delegate some of their tasks to a supervisor or assistant.

After having briefly analysed the span of control (i.e. the number of employees) and main responsibilities of the managers of each department, Mr. Jameel concluded that they were going to have a heavy workload in the near future due to their plans for expansion. They, therefore, decided to delegate some of Mr Jameel's tasks to an assistant. Similarly, the new Production/Quality control department will also require the nomination of one supervisor, due to the heavy workload, and the high number of sub-ordinates to control.

With the definition and set-up of these three departments, the business will be better prepared to facilitate growth through the differentiation strategy.

With the completion of the organizational structure (see below), Mr. Jameel achieved some **long-term objectives**: (E.g. organogram redesigned, including relevant departments and line managers) **short-term objectives**: (organizational structure reviewed, organogram ready by end of year, and managerial responsibilities delegated to managers). These relate to the internal structuring, established in the HAJCO's case study, in your Strategic Management Module. Long-term Mr. Jameel has to re-assess the efficiency / effectiveness of this structure against the differentiation strategy, established as part of HAJCO's long-term objectives.

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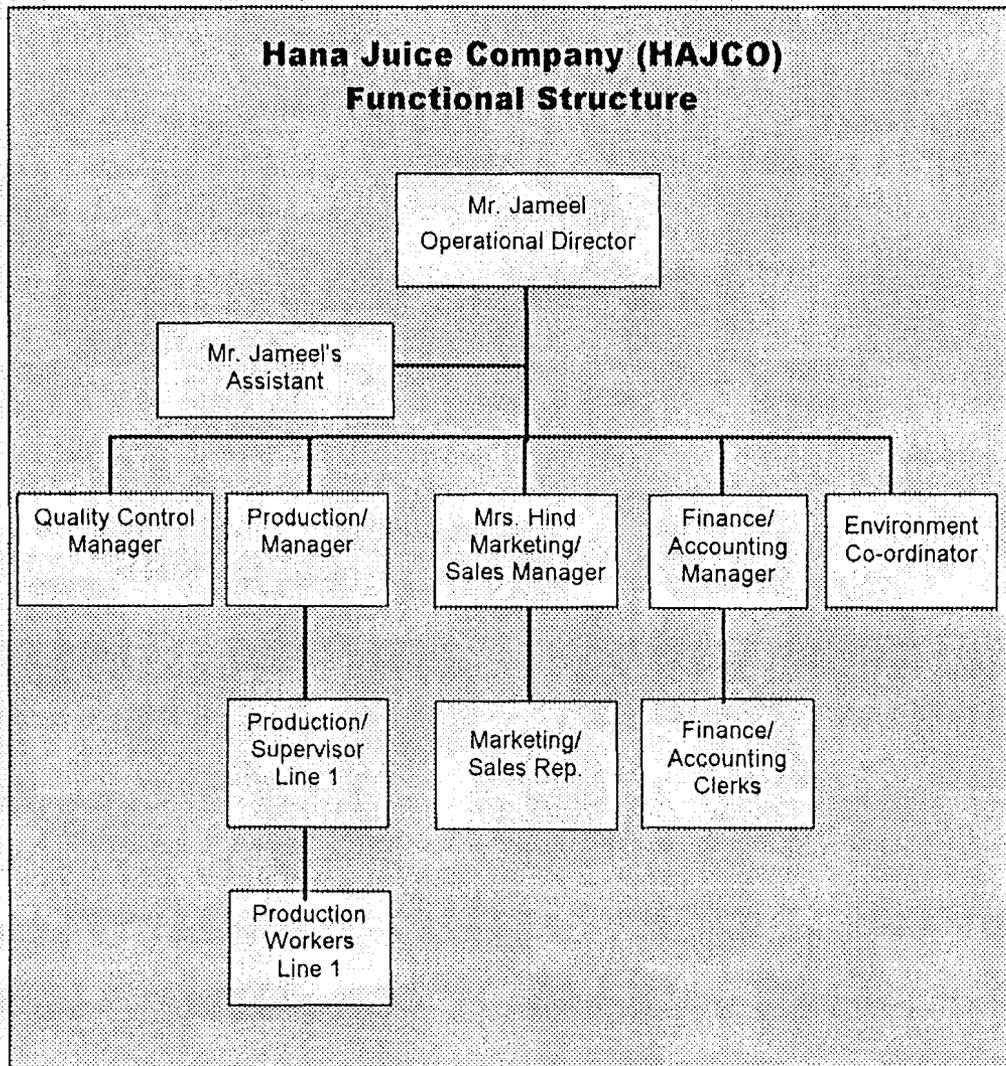


CASE STUDY

Hana Juice Company (HAJCO) Ltd.

Organisational Structure

Continued from the previous page...





EXERCISE

1- Revisit your business organization structure to support your growth strategy.

A large rectangular area with vertical lines, intended for writing a response to the exercise prompt.

2- Please, complete this corresponding section on your growth plan.

5. Chapter Summary

Dynamic organizational structures are organizational structures that allow for flexible integration of the division of labour, as and when the need arises, i.e. in times of rapid business growth. Often, dynamic organizational structures are a prerequisite for growth. In any case, enterprises are more likely to manage growth if dynamic structures have been mapped out first.

A dynamic organisational structure can help you to expand your business for various reasons:

- They are flexible and adapt quickly to changing conditions;
- They are simple, and as flat as possible, with the minimum levels of hierarchy;
- They are decentralised and the decision-making process is spread over the hierarchy. Moreover, at the lowest level of the hierarchy, autonomy and empowerment to make decisions are allocated to selected personnel;
- They exhibit improved communication between employees across the organisation, thereby facilitating the access to the exchange of information.

Follow these steps to set up a dynamic organisational structure geared for growth.

- Map your current organizational structure
- Develop a blueprint for a more dynamic organizational structure
- Optimise your organizational structure

Your current organizational structure is likely to correspond to one of the three common types of organizational structures for small to medium scale enterprises. It will have either/ a functional structure, / a divisional structure or a hybrid structure.

Follow these guidelines to optimise your existing organizational structure with caution:

- Evaluate the advantages and disadvantages of the various types of organizational structures vis-à-vis your growth strategy. Decide which structure is the most adequate based on the need for internal efficiency, and the need to satisfy customer needs effectively.
- Make the choice and rethink the departments required within this design.
- Assess whether departments should be integrated, expanded, eliminated or created.
- Draw the new or adjusted organizational structure.
- Allocate the tasks and functions within the departments.

PLANNING AND ANALYSING YOUR HUMAN RESOURCES

Business growth usually requires more people, new competencies, skills and attitude. This chapter will empower you to manage your business growth by learning the process of planning and analysing your human resources.

What you will learn in this chapter...



After studying this chapter, and completing the exercises in it, and with the guidance of your business trainer, you should be able to:

- **Link between Human Resources Planning and the organisational strategy.**
- **Conduct human resources planning in your business.**
- **Assess the business demand for labour.**
- **Develop job descriptions.**
- **Assess the internal and external supply of labour.**
- **Explain the different types of contracts.**
- **Use succession planning**

1. The link between human resource planning and organizational strategy

Human resource planning is concerned with determining the present and future human resource requirements of your business, both qualitatively and quantitatively. The quantitative aspect refers to the number of employees that your business needs or will need in the future, whereas the qualitative aspect refers to the type of job skills, and employee attributes required by your business.

Human resource planning links directly to your organizational strategy. In fact, human resource planning is an integral component of your strategic growth plan (please refer to your Strategic Management module). Your growth plans will certainly require sufficient and suitable human resources to support your growth strategy and the human resources planning process is the tool available for you to perform this task effectively.

However, human resource planning is a decision-making process not only concerned with acquiring new employees, but also with utilising, training, re-deploying, replacing and retaining them. These extensive subjects are covered in subsequent chapters within the module.

2. The human resources planning process

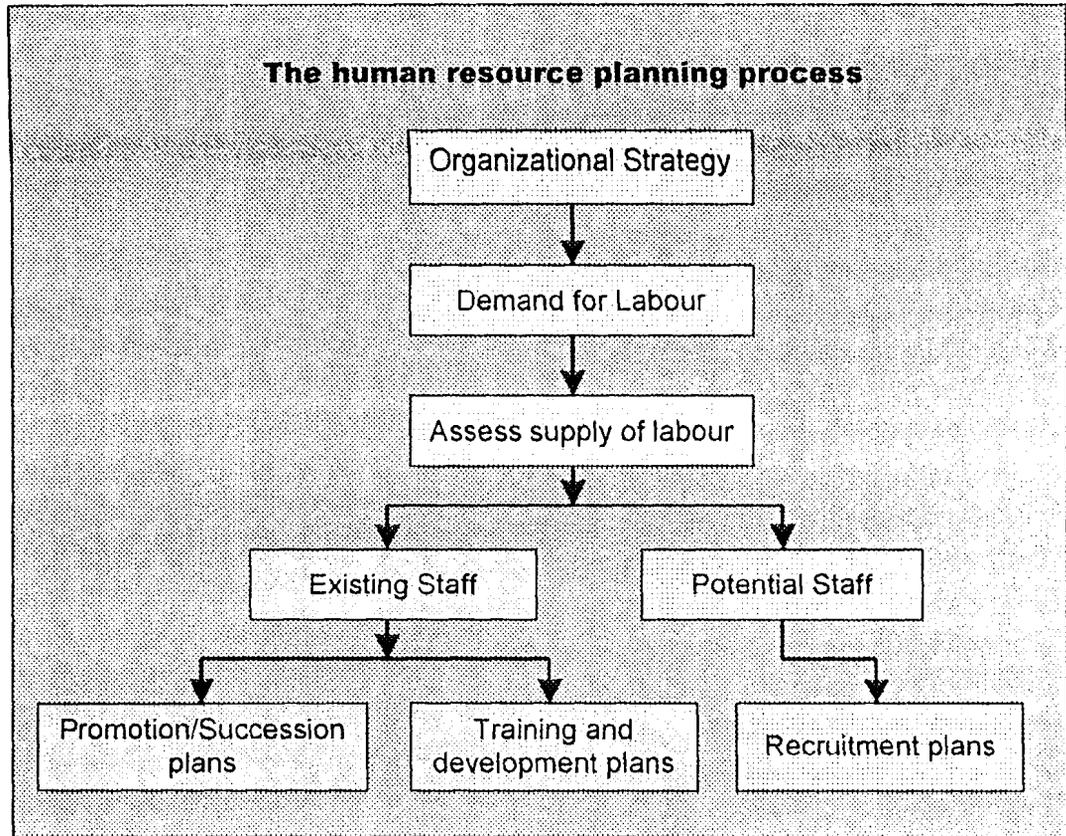
The human resource planning process starts with the identification of your business objectives. Factors such as the direction in which your business is moving, its types of products and services, and the size and types of the markets it wishes to penetrate have implications on your staffing requirements.

The next step is to estimate the number of staff required to implement the growth strategy of your business (demand forecast analysis). Then, you have to assess the availability of your internal human resources, followed by an analysis of the external human resources, considering the economic, social and political environment (supply forecast analysis).

The results of this analysis will provide you with enough information to decide whether it more suitable for your business to:

- Train and develop your current staff in order to utilise them for new positions within your business.
- Promote some of your current staff within or business to perform hierarchically superior new positions.
- Hire new external employees.

The chart on the next page illustrates the human resources planning process



Topics related to the recruitment, selection, training, personal development and promotion of staff are discussed throughout this module.

3. Assessing your business demand for labour

As a first step, you have to assess what skills are needed to carry out the various tasks in your enterprise, based on your growth strategy. In other words, you will estimate your business demand for labour. In this stage, you have to consider both your business' constant and seasonal labour demand, as well as the changes in technology and their implications on your business for instance, the acquisition of certain equipment may require less operational employees in your business.

An easier method for you to assess your business' demand for labour is to refer back to your organizational structure of your business, elaborated in the previous chapter. The process is essentially done based on your management team's own judgment and experience. The organisational chart visualises who is doing what in your business. Each box in the structure stands for one or more positions that will have to be filled by one or several staff with certain skills. Staff required by your business needs the skills and knowledge to fill these positions.

3.1 Preparing job description for positions in your business

A *job description* is a useful tool to list the skills needed to fill the various positions in your business. Job descriptions define employees' tasks and responsibilities, and delineate authority. They should contain information on several aspects of a job along with the skills, knowledge and abilities required to perform the tasks.

Job Description: defined as a written statement of what an employee does, how it is done, and under what conditions the job is performed.

The job description is defined as a written statement of what an employee does, how it is done, and under what conditions the job is performed.

a) The importance of Job description for your business

The job description will serve you as follows:

- Provides guideline for recruitment and selection of the staff because the job description determines what the worker is supposed to do, it becomes a useful tool for recruiting and selecting the applicants according to specific criteria.
- Provides bases for training programmes that the individual will need in order to be able to perform his or her job more effectively.
- Facilitates Performance appraisal process by comparing the actual performance level with the standard level in the job description cards.
- Provides a dictionary of occupational titles for the enterprise.
- Clarifies the requirements of the job, thereby giving both enterprise and employees a common understanding of expected performance.
- Helps in reviewing and planning human resources, to become a useful tool for evaluating human resources profile compared with the operational requirements.

b) The information that should be included in the Job description

Job descriptions for each position on your organizational chart should be prepared, providing the following information:

- **Job title:** with a clear indication of the functional area and the level of the job e.g. marketing manager
- **Reports to:** which identifies the reporting relationship by provision of the job title of the manager or supervisor to whom the job holder is directly responsible e.g. marketing director.

- **Reporting to jobholder:** which identifies the reporting relationship by any person who directly reports to the jobholder e.g. marketing assistant and other marketing employees.
- **Main objectives:** a concise description of the job performed. It must clearly distinguish from other jobs and should define the role of the job and its contribution to the achievement of enterprise goals. E.g., what products or services are to be generated/provided, etc?
- **Principal responsibilities and main tasks:** a description of the major duties and responsibilities that make up the job, prioritised in terms of importance.
- **Job requirements:** a description of the required competencies and experience, education, training and licenses as needed to perform the job.



The common writing styles of most job descriptions are:

- **Direct style.**
- **Present tense.**
- **Each sentence should begin with an active verb.**
- **Each sentence should reflect an objective**



CASE STUDY

Hana Juice Company (HAJCO) Ltd.

JOB DESCRIPTION

Mr. Jameel prepared job descriptions for all the positions within his business, resulting in the accomplishment of some of his long term and functional objectives related to HRM (i.e. job descriptions available for all staff). The following example illustrates a job description elaborated by Mr. Jameel for a new post being established in his business.

JOB TITLE:	<u>PRODUCTION/QUALITY CONTROL SUPERVISOR LINE I</u>
DEPARTMENT/FUNCTION:	Production/Quality control
REPORTING TO:	Production/Quality Control Manager
SUPERVISES:	All the production workers for product line I

Continued on the next page...



CASE STUDY

Hana Juice Company (HAJCO) Ltd.

JOB DESCRIPTION

Continued from the previous page...

MAIN OBJECTIVES:

In overall charge of production. Ensures that products are produced at the right quantity, quality, cost and time.

PRINCIPAL RESPONSIBILITIES AND MAIN TASKS:

1. Directs and controls production operations.
2. Ensures that products and services are produced at the right quantity, right quality, right cost and right time.
3. Prepares equipment and work force schedules.
4. Prepares operating budget of the production section for review and approval of the Production/Quality Control Manager and Operational Director.
5. Initiates cost reduction measures and improvement of production systems and procedures.
6. Ensures proper maintenance of machines and other factory facilities.
7. Monitors expenses and resource utilization.
8. Prepares daily production reports and individual outputs of workers.
9. Performs other duties as may be assigned.

JOB REQUIREMENTS:

Experience and skill in food production.

Minimum high school diploma or its equivalent.

Awareness of budgetary procedures.

Familiar with basic maintenance procedures and health and safety standards.

Excellent interpersonal skills.

Ability to work under pressure and for long hours.

At least 3 years related experience as production supervisor.

After you have elaborated job descriptions for all the positions of your business, you have to assess how many employees are required to perform each of these positions. The total number of employees required performing all the job descriptions results in your total labour demand.

c) Guide lines for writing Job description

- Be clear: Write clear statements that are not duplicated in another job description card.
- Be specific: Select the most specific words.
- Be brief: Use short and accurate statements.
- Re-check: check whether the job description fulfils the basic requirements.
- Develop the current job description every one-year.
- Encourage your human resources to develop the job descriptions cards.
- There are no standard forms for writing job descriptions.
- Describe the job not the employee.
- There are standard modules that can help you in writing **job descriptions**.
- Use simple words and short sentences.



EXERCISE

Based on the previous example, prepare a job description for your own position within your business.

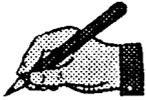
JOB DESCRIPTION

JOB TITLE:

DEPARTMENT/FUNCTION:

REPORTING TO:

Continued on the next page ...



EXERCISE

JOB DESCRIPTION

Continued from the previous page ...

SUPERVISES:

MAIN OBJECTIVES:

PRINCIPAL RESPONSIBILITIES AND MAIN TASKS:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

JOB REQUIREMENTS:

3.2 Analysing the Jobs in your business

The first step of conducting the job description is to analyse the Jobs. **Job analysis** is the systematic gathering and analysing of information concerning the job, putting a job under the microscope to reveal important details about it. Specifically it identifies the tasks, duties and responsibilities of a particular job as follows:

Job analysis is the systematic gathering and analysing of information concerning the job.

- **Interviews:** the interviewer should interview a representative sample of job incumbents utilising a structured interview .The structured interview includes a series of job-related questions that are presented to each interviewee in the same order.
- **Observation:** through observing employees who actually perform the job and recording the core job characteristics from observation. This method is used in cases where the job is routine, by which the observer can identify the job essentials in reasonable amount of time.
- **Diaries:** through asking employee to keep diaries or job logs of their daily work activities, and record the amount of time spent on each activity, and by analysing this data, job characteristics can be identified.
- **Questionnaires:** in which the employee fill out a questionnaire that asks a series of questions about the job knowledge, skill, and ability requirements, duties and responsibilities which after analysis will provide details of the job characteristics.

An example of Job Analysis Questionnaire is shown below:

Job Analysis Questionnaire	
General information	
Name:	Job title:
Department:	Job number:
Supervisor's name:	Supervisor's title:
Summary of duties	
State in your own words briefly your main duties.	
<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	
Continued on the next page ...	

Job Analysis Questionnaire
Continued from the previous page ...

Contacts:

Does your job require any contacts with other department personnel, outside companies or agencies? If yes, please define the duties requiring contacts and how often.

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Supervision:

Does your position have supervisory responsibilities? Yes , No.

If yes, please fill out a supplemental position description questionnaire for supervisors and attach it to this form .If you have responsibility for the work of others but do not directly supervise them, Please explain. -

.....
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.....

Decision-making:

Please explain the decisions you make while performing the regular duties of your job.

What would be the probable result of you making:

- a) A poor judgment(s) or decision(s), or
- b) An improper action?

.....
.....
.....
.....
.....

Continued on the next page ...

Job Analysis Questionnaire Continued from the previous page ...			
Responsibility for records: List the reports and files you are required to prepare or maintain. State, in general, for whom each report is intended:			
(a) Report Intended for: _____ _____			
(b) Files Maintained: _____ _____			
Frequency of supervision: How frequently must you confer with your supervisor or other personnel in making decisions, or in determining the proper course of action to be taken?			
Frequently <input type="checkbox"/>	Occasionally <input type="checkbox"/>	Seldom <input type="checkbox"/>	Never <input type="checkbox"/>
Working conditions: Please describe the conditions, under which you work inside, outside, air-conditioned area, etc. Be sure to list any disagreeable or unusual working conditions.			
_____ _____ _____			
Job requirements Please indicate the minimum requirements you believe are necessary to perform satisfactorily in your position.			
a) Education:			
Minimum schooling			
Number of year's			
Specialisation or major			
Continued on the next page ...			

Job Analysis Questionnaire
Continued from the previous page ...

b) Experience:

.....
.....

Type:

.....
.....

Number of year's

.....
.....

c) Special training:

.....
.....
.....
.....

d) Special skills:

.....
.....
.....
.....

Additional information:

Please provide additional information, not included in any of the previous items, which you feel would be important in a description of your position.

.....
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.....



EXERCISE

Conduct job analysis for the following positions

- Your position
- Marketing manager
- Maintenance officer

4. Assessing the supply of labour

4.1 Analyse whether your existing staff matches your staff needs

This phase is related to the assessment of the availability of staff to fulfil the requirements of your growth strategy, as indicated in column 3 of the matrix shown on the next page. You will have to assess two major factors in order to make your decision:

- Your existing staff (the internal labour market)
- The supply of potential employees (the external labour market)

The first step of this phase is the assessment of whether the skills of your existing staff match with the job descriptions for the positions in your growing business.

To analyse whether your existing staff match your staff needs, you have to first, map the current skills of your existing staff and then compare it with the new job descriptions for your growing enterprise; a gap between the current skills of your staff and the required skills to fill the positions in your growing business indicates a mismatch.

Use the **matrix on the next page** to carry out a staff skills match analysis, for each position and staff member separately. Please note that potential leavers (i.e. current employed workers who are in the imminence of retiring, changing jobs or being dismissed) should not be taken into account during this process.

If a position is to be newly created, leave the corresponding box of **column 1** of the matrix empty. If a position is to be abolished because of your revised organizational chart, leave the corresponding box in **column 2** empty. In both cases, you might want to consider, though, if an existing staff member could fill a new position with his or her skills, and accordingly take down notes in the corresponding box in **column 3**.

4.2 Assessing the external labour supply

If you realise that it would be more effective or necessary to hire employees from the external labour market, you will have to first assess whether it would be easy for you to find potential candidates who possess the required skills for your business.

It is important to consider that, even in times of high unemployment; you may face shortages of candidates with particular experience or skills. On the other hand, if the market is highly competitive, some professionals may demand a very high salary that your business may not be able to afford. You may also face availability of potential candidates; however, they may not be interested in working in your business if it does not offer a reasonable salary, reasonable working hours, acceptable working conditions, career development, etc.



The next chapters will assist you in;

- **Developing an effective recruitment policy for attracting new candidates,**
- **Offering you tools to maintain effective working relationships with your employees.**

Changes in population densities and new developments in skills training may also affect the supply of labour force. It is always important that you become aware of possible changes in your social, political and economical environment and their implications on your business.

5. Employing new staff

When opting in acquiring new employees from the external labour market, you have to decide what type of employment contract is going to be offered to the successful candidate. The type of employment contract may vary depending on the nature of business and how these employees will be utilised within the business. The most common types of employment are regular staff, casual and part-time staff, contractual staff, and outsourcing. Their main characteristics are described below. However, it is important that you first refer to the Jordanian Labour Code to determine specific conditions imposed for different types of contracts, such as probationary period, the obligations of the employer towards the employees, etc.

5.1 Regular staff

Regular staff is engaged to perform activities, which are, usually necessary or desirable in the usual business or trade of his employer, except when such employment falls under contractual basis, which will be discussed later.

The advantages of this type of employment are that regular staff is usually more committed, more effective and better prepared to perform the tasks of your business. It is common practice to require successful completion of a probationary period (established by your Jordanian Labour Law) before confirmation of regular employment.

5.2 Casual and part-time staff

Casual and part-time staff can be hired when the work or service to be performed is temporary or seasonal in nature, and the employment is only for the duration of a determined period. The main advantage related to the utilisation of casual and part-time workers is that your business would have lower labour costs, as the costs incurred for full-time employees are reduced, and adapted to your business' needs. For instance, a retail business may prefer to hire extra casuals or part-time staff during religious holidays, as the sales increase dramatically in comparison with the rest of the year. In this way, this business would not face extra costs related to the costs of paying and extra and idle staff throughout the year.

The main disadvantage of casual and part-time staff is that these employees may feel less committed and involved in their work than full-time employees may. Other disadvantages include the fact that casual employees and part-timers may be less willing to undertake extra working hours and the rates of turnover are usually higher than full-timers.

5.3 Contractual staff

Contractual employees can be hired for a specific project or undertaking with the completion determined at the time of engagement. This is the case of project-based staff. The main advantage of this type of contract is that, it would not be necessary for a business to maintain regular employees to perform tasks that would last for just one project with specified time. The disadvantages of this type of employment are the same as with the casual or part-timer staff.

5.4 Sub-contract external resource persons (outsourcing)

Outsourcing is the process of sub-contracting expertise through other enterprises to perform specific tasks on a temporary basis. This process differs from the casual and temporary employees. Outsourcing is more related to the acquisition of professional staff on a certain area of expertise, such as legal advisors, health and safety experts, business consultants, and trainers; whereas the casual and temporary employees usually perform more basic operational tasks, such as assisting the current production and sales' employees in seasonal times.

Outsourcing is the process of sub-contracting expertise through other enterprises to perform specific tasks on a certain area of expertise on a temporary basis

Some of the benefits of outsourcing are the following:

- You can acquire expertise that is not available in the enterprise.
- More flexibility. If the enterprise does not perform well, it can easily increase or decrease the number of employees.
- A reduction of employment costs (because the number of employees can decrease or increase depending on the Enterprise needs)
- You do not need to spend time to select and recruit employees, as other enterprises would do it for you.

However, there are also disadvantages related to outsourcing.

These are:

- One risk is that Enterprises may attempt to reduce its number of employees through outsourcing for even their core positions, such as production and marketing professional. The problem is that these functions are the enterprise's source of competitive advantage and that these should therefore never be sub-contracted.
- Another risk is case these professionals would not be motivated enough to perform their new tasks at their best, either because their employers (i.e. the subcontractors) have not been fulfilling their needs (discussed in details in chapter 6) or because their personality/approach do not match with your current enterprise culture. Therefore, it is important that you would first assess the way the subcontractors deal with their employees (i.e. if these employees are motivated to perform their new tasks), and if their personalities and approaches match with those of your employees.
- Other disadvantages related to outsourcing are the bargaining power of outside suppliers (i.e. by increasing prices) and lower employee morale.

5.5 Points to consider when opting for casual workers or outsourcing

- The personnel to be temporarily hired or outsourced will not be part of a core area of the business or an area in which the organisation has a comparative advantage. In that case, the personnel should be recruited as a regular staff instead.
- The outsourcing or temporary contract is well written and clarifies the enterprises intention, the skills and knowledge required from the related personnel, the types of responsibilities, the accountability, as well as the price and duration of the contract

Additionally, in case of outsourcing professionals, make sure that:

- The Enterprise has control mechanisms in place to ensure there is no loss of important information or data after the outsourced personnel leaves the company.

- The contract includes clauses that guarantee privacy and confidentiality of information from the outsourced personnel. When outsourcing personnel that will possibly deal with confidential enterprise's information or data (particularly in the areas of information technology and law), it is important to include such clauses in the contract.



CASE STUDY

Hana Juice Company (HAJCO) Ltd.

Human Resource Planning

The following business case illustrates HAJCO's human resource planning for some positions within the Production/Quality Control department at Hana Juice Company

Mr. Jameel is now starting the HAJCO's human resource planning in order to determine the quantity and the quality of human resources required to support his growth strategy.

He started his assessment by reviewing HAJCO's goals and objectives (please refer to the Strategic Management Module) and its implications on the Production/Quality control department. He knew beforehand that his ambitious growth plans would definitely require training of his current staff as well as the recruitment of external candidates.

In order to find out the number of production workers, he firstly recurred to his organizational structure to recall which hierarchical levels he had added on the Production/Quality control department.

The higher level required within this department was for the position for one Production/Quality control manager. He then elaborated a very detailed job description for this new position. At that point, Mr. Jameel was already sure that an external candidate should fill this position, as HAJCO's current production employees did not have the required skills to perform this position. He thus, started his assessment on the supply of external candidates. Despite Mr. Jameel's intention to favour local employees (refer to HAJCO's long and short term objectives from the Strategic Management module), his findings included the non-availability in his town of qualified professionals, as the local residents have limited education levels and no experience in this field. He then, realised that he had to develop effective recruitment programmes to attract candidates from the bigger cities, offering them special remuneration package to assist in the relocation to the town where HAJCO is established.

The next level of this department's hierarchy was to be filled by a Production/Quality control supervisor. Mr. Jameel then elaborated a job description for this position.

In assessing whether any of HAJCO's current employees has the experience and skills required for this position, he realised that one of them could perhaps perform this position. This person had previously acquired some experience in the production department of a well-established food company in the nearest city, where he also learned important issues related to quality control systems. Additionally, he has reasonable education and good communication skills. However, despite the identified employee's experience and skills, Mr. Jameel decided that, he would require more technical training, which he would administer himself and also by the future Quality Control Manager. Mr. Jameel then asked this employee whether he would be interested in this new position and offered him a higher remuneration for this promotion. The employee gladly accepted Mr. Jameel's proposal.

Mr. Jameel followed the above steps in order to assess the HAJCO's staff requirements for all positions within each of its departments.



The topic related to Recruitment and Selection of personnel will be discussed in details in the next chapter of this module.

6. Using succession planning

Succession planning is defined as the process of ensuring suitable supply of successors within the enterprise for current and future senior or key jobs arising from business strategy, so that the careers of individuals can be planned and managed to optimise the enterprises needs, and the individuals aspiration's.

Succession planning is the process of ensuring suitable supply of successors for current and future senior or key jobs within the enterprise, so that the careers of individuals can be planned and managed to optimise the enterprises needs, and the individual's aspirations.

Succession planning includes the following activities.

- Analysis of the demand for managers and professionals by business level, function and skill.
- Audit of existing executives and projection of likely future supply from internal and external sources.
- Planning of individual career paths based on objective estimates of future needs, and drawing on reliable performance appraisals and assessments of potential.
- Career counselling undertaken in the context of realistic understanding of the future needs of the business, as well as those of the individual.
- Accelerated promotions, with development targeted against the future needs of the business.
- Performance related training and development to prepare individuals for future roles, as well as current responsibilities.
- Planned strategic recruitment not only to fill short-term needs but also to provide people for development to meet future needs.



Think about the following questions

- 1- Have you identified the requirement from managers and senior staff in your business?
- 2- Do you have those managers in your business?
- 3- Can you train and promote them?
- 4- How can you recruit those managers from external resources?



For the good of your business, your employees and your customers, decide to begin planning your succession now.

7. Chapter Summary

Your growth plans will certainly require sufficient and suitable human resources to support your growth strategy and the human resources planning process is the tool available for you to perform this task effectively.

Human resource planning is a decision-making process concerned with determining the present and future human resource requirements of your business, both quantitative i.e. the number of employees your business will require, and qualitatively i.e. the type of job skills and employees attributes required.

Human resource planning is not only concerned with acquiring new employees, but also with utilising, training, re-deploying, replacing and retaining them.

The human resource planning process involves:

- The identification of your business objectives. Factors such as, the direction in which your business is moving, its types of products and services, and the size and types of the markets it wishes to penetrate, and have implications on your staffing requirements.
- Estimating the number of staff required to implement the growth strategy of your business (demand forecast analysis). This process is essentially done based on your own judgement and experience, as well as those of your management team. The development or assessment of job descriptions is a recommended tool for assisting you in this process. You should develop job descriptions for each position within your business.
- Assessing the availability and adaptability of your internal human resources with the skills required for your growing business.
- Analysing the availability of external human resources, considering the economic, social and political environment (supply forecast analysis).

The results of this analysis will provide you with enough information to decide whether it more suitable for your business to:

- Train and develop your current staff in order to utilise them for new positions within your business.
- Promote some of your current staff within your business to perform hierarchically superior new positions.
- Hire new external employees.

The most common types of employment are regular staff, casual and part-time staff, contractual staff and sub-contracted or outsourced staff.

Succession planning is defined as the process of ensuring suitable supply of successors for current and future senior or key jobs arising from business strategy, so that the careers of individuals can be planned and managed to optimise the enterprises needs and the individuals aspiration's.

RECRUITMENT AND SELECTION

People are the most important resource of your business. They are the foundation of your business growth. You should develop your skills in the recruitment and selection process. This will enhance your capabilities of managing your growth-oriented enterprise. This chapter will enhance your skills in recruitment and selection process.

What you will learn in this chapter...



After studying this chapter, and completing the exercises in it, and with the guidance of your business trainer, you should be able to:

- **Define recruitment and selection**
- **Recruit and select suitable staff for your business**
- **Conduct the recruitment and selection in your business.**
- **Design recruitment policy.**
- **Develop induction guidelines to be applied in your business.**

1. What does recruitment and selection mean?

Recruitment is the process of identifying, locating and attracting prospective applicants for job vacancies in your business.

Selection follows the recruitment process, and it aims to identify the most suitable applicants from the pool of candidates, and convince them to join your business.

For the recruitment and selection process to be effective, they should be preceded by your systematic identification of your human resource requirements as discussed in the previous chapter. The recruitment and selection process will then, assist you in hiring new employees to fill the skill gaps of your staff.

Recruitment is the process of identifying, locating and attracting prospective applicants for job

Selection follows the recruitment process and it aims to identify the most suitable applicants from the pool and convince them to join your business.

2. How can effective recruitment and selection help to expand your business?

As emphasized throughout this module, your employees are an important source of added value and competitive advantage to your business. It is through their commitment, skills, performance and creativity that products and services that meet your customers' expectations are produced.

As your business grows, it will require new employees to fill new roles and to replace staff members who leave. Effective recruitment and selection processes enable you to have the right people, in the right place, at the right time (3R's).

3. The Recruitment and Selection Process

A recruitment policy and procedures is an instrument that ensures that your recruitment practices are systematic, consistent and predictable. This policy establishes the steps that you will follow in filling a vacancy in your business while, at the same time, it helps make your values clear to prospective employees and other stakeholders. For instance, if your organization establishes an honest non-discriminatory approach during the process of recruitment and selection (such as non-discrimination regarding the gender, ethnic origin, religion, age, and status of the applicants) it would result not only in a higher number of interested candidates, but also in a better social image for your business.

The following example describes HAJCO's Recruitment Policy. Please note how they are promoting the social image of their business by stressing non-discriminatory and unbiased approaches, fairness and conformity with the law, and a non-exploitative environment (especially regarding remuneration and child labour).

The recruitment and selection processes have the following three stages:

3.1. Defining requirements

This is the stage where you establish the scope and responsibilities of the job. Job descriptions (discussed in the previous chapter) are the instruments that you will use at this stage, as these facilitate the recruitment process by defining the job that has to be done, and the qualifications and competencies a person must possess to be able to do the job.

In addition to the requirements established in the job descriptions, there are other requirements that should be taken into consideration when recruiting other employees. For instance, the candidate must also be assessed on the basis of his/her personality to ensure that he/she will get along with other employees.

The **Seven-point plan** is an instrument that makes provision for seven categories under which requirements can be analysed to ensure suitability.

The seven categories are:

- Physical make-up: which includes health, physique, appearance, bearing and speech?
- Attainment: education, qualifications, competencies and experience.
- General intelligence: fundamental intelligence capacity.
- Special aptitudes: mechanical, manual dexterity, and facility in use of words or figures.
- Interest: intellectual, practical – constructional, physically active, social, artistic.
- Disposition: Acceptability, influence over others, steadiness, dependability and self-reliance.
- Circumstances: domestic circumstances and the occupations of other family members.

3.2. Attracting candidates

When you want to advertise a job vacancy within your business, you will have first, to elaborate an effective and attractive advertisement, containing information on the organisation, the job, the qualifications and experience required, the location and the action to be taken (such as sending the resume via mail or contacting the organisation by phone).

Attracting candidates is about identifying and inviting candidates. There are several methods of attracting potentially suitable candidates, **these include:**

a) Internal recruits

Maybe one of your employees is suitable for the job. This normally improves employee morale because it provides opportunities for growth (professional development). Since internal candidates are already familiar with the business set-up, job requirements, loyalty and personalities involved, they can perform at optimum level sooner than one who will be recruited from outside the business.

b) Advertisements

Advertisements in the local newspapers, print media, radio and trade journals. These means of communication normally have a wide reach and can generate a good number of candidates.

Using this method successfully requires addressing two issues, the media to be used, and the design of the advertisement. The selection of the best medium depends on the type of position for which the recruitment is made.

The advantages and disadvantages of some major type of media are:

■ **Newspapers**

Advantages

- Short deadlines.
- Flexible size advertisement.
- Circulation concentrated in specific geographic areas.
- Classified sections well organised for easy access by active job seekers.

Disadvantages

- Easy for prospects to ignore considerable competitive clutter.
- Circulation not specialised -you must pay for great amount of unwanted readers.
- Poor printing quality.
- Short shelf life, the 'ad' may be missed

When to use

- When you want to limit recruiting to a specific area
- When sufficient numbers of prospects are clustered in a specific area.
- When enough prospects are reading, "help wanted" and "to fill hiring needs".
- When a short amount of time is available to fill the vacancy

■ **Magazines**

Advantages

- Specialized magazines reach pinpointed occupation categories.
- Advertisements' size flexibility.
- High quality printing.
- Prestigious of editorial environment.
- Long life: prospects keep magazines and reread them.

Disadvantages

- Wide geographic circulation -usually cannot be used to limit recruiting to specific area.
- Long lead time for advertisement placement.
- Not all prospective employees can afford/have access to magazines.

When to use

- When job is specialized.
- When time and geographic limitations are not of utmost importance
- When involved in ongoing recruiting programmes.



EXERCISE

From your experience

1. What type of advertisement do you use?

.....
.....
.....
.....

2. Why?

.....
.....
.....
.....
.....
.....

Continued on the next page...



EXERCISE

From your experience
Continued from the previous page...

3. What are the main problems you face?

4. What are the responses of prospected candidates?

c) Employment agencies

These agencies, normally, conduct initial screening of applicants, and forward only the short-listed candidates to the requesting business. A cash percentage is involved for this service.

d) Education and training establishments

Education and training establishments provide a good source of potential candidates, especially for entry-level positions in a business. The benefits of using an education and training establishment are that the choice and selection opportunities are much bigger, and it is a cheaper way to advertise your business' vacancies. Students and apprentices are normally eager to be employed, and this will probably ensure that the best candidates are attracted. Good apprentices can generate benefits for a business, as they are eager to perform at their best potential in order to learn more from their jobs, they usually have a considerable level of knowledge in their area, and they represent cheaper labour costs in comparison to experienced candidates from the job market.

However, it is important to ensure that your business would follow the regulations of the Jordanian Labour Law as well as to avoid exploitative arrangements for this type of candidates (such as offering unrealistic low salaries or not providing them with the opportunity to obtain enough learning experience for their future careers).

e) Other external sources

Other external sources can include unsolicited applications, casual callers, and recommendations from employees.

The following table depicts job categories that should be considered when you prepare a strategy to attract candidates. These job categories will give some indication of where to look in the labour market.

Job Category	Typical source area
Clerical and secretarial	Private employment agencies
Manual workers	Government employment offices and training centres
Professional staff	Advertisements, professional institutions, employment agencies
Graduates	Universities, business schools, 'E' advertising, job fairs
Managerial staff	Advertisements, consultants

Interested candidates should be invited to submit their applications in writing with a cover letter and (curriculum vitae) CV attached, to allow for a pre-screen of the pool of job applicants. During the pre-screen, you have to find out to what extent the paper qualification of the applicant matches the job description.

3.3. Selecting candidates

In some circumstances, due to an oversupply in the labour market, when a vacancy is advertised, a large number of replies are normally received. There is need for some guiding "tool" or steps to process and sift applications.

A typical process that you can follow is shown on the next page:

A typical process that you can follow							
1. List all the applications on a standard sheet. See the following example.							
Ref. Vacancy							
Media:							
No	Media Ref	Name	Address	Comment	Acknowledge	Interview	Final letter
1.							
2.							
3.							
4.							
2. Send a standard acknowledgement letter to each applicant unless an instant decision can be made to interview or reject.							
3. Compare the applications with the key criteria in the job descriptions. Compare qualifications, training and development, experience, age and location, and sort them initially into three categories:							
a) Possible b) Marginal c) Unsuitable							
4. Screen possible candidates again, to draw up a short list for interview.							
5. Invite the candidates to interview.							
6. Review the remaining possible candidates, and decide if any are to be held in reserve.							

The selected candidates should be instructed to fill an application form to be presented at the first interview. An application form provides standard, concise and easily accessible information about the applicant. When designing an application form, make sure you include information on:

- **Personal background of the applicant** (name, marital status, address, telephone number, e-mail, birth date, citizenship, driving qualification)
- **Educational background** (schools attended, dates of attendance, degrees obtained, additional specialised courses taken, membership of professional or trade association)
- **Work experience** (names and addresses of previous employers, inclusive dates of employment, job titles/positions held, brief description of responsibilities, reasons for leaving, salary at last post).

- **References** (professional/personal recommendations) - names and addresses of previous employers, professors, associates or friends who can be consulted to give more information on the applicant.

You may, also require the applicant to attach a recent photo in the application form and submit a copy of their transcript of records for your reference.

The following is a sample application form.

Sample application form				
POSITION APPLIED FOR 1st Choice: 2nd Choice:				SALARY DESIRED
PERSONAL INFORMATION (Complete all sections below where applicable).				
Last Name		First Name		Middle Name
SEX <input type="checkbox"/> Male <input type="checkbox"/> Female		MARITAL STATUS <input type="checkbox"/> Single <input type="checkbox"/> Widowed <input type="checkbox"/> Married <input type="checkbox"/> Divorced		
EDUCATIONAL QUALIFICATION				
School/College	Inclusive Dates		Degree Obtained	Professional Qualifications
WORK EXPERIENCE (You may use an additional sheet if required).				
Company	Inclusive Dates	Position/s Held	Immediate Superior	Reasons for Leaving
MEMBERSHIP IN ORGANISATIONS/Professional Associations.				
Name of Organisation	Inclusive Dates		Position Held	
Continued on the next page ...				

Sample application form
Continued from the previous page ...

SPECIAL TALENTS/SKILLS:

HOBBIES/INTERESTS:

OTHERS

Have you been convicted of any crime? Yes No

If yes, please explain.

Are you suffering from any contagious disease or health conditions requiring medication? Yes No

If yes, please explain.

Other information you feel may be relevant to your application.

I hereby certify that all information provided herein is accurate (Note to deliberately falsify any information may nullify any contract of employment).

APPLICANT'S SIGNATURE DATE

The personal interview might be complemented by a practical test or aptitude test in order to verify the actual skills of the applicant. Possible tests that may be conducted include:

a) Performance tests

These are used to assess the level of competence of an applicant for a particular task. The applicant may be asked to demonstrate proficiency in the job applied for. Examples are: Typing test for secretaries, lecture-demonstration for trainers and running a machine for machine operators.

b) Intelligence tests

These are used to assess the numerical and verbal ability of an applicant. Studies show that there is a high correlation between intelligence test scores and job performance. When people score highly on intelligence tests they are said to have a good capacity to absorb new information, pick up things quickly and perform well at work.

c) Personality tests

These are used to assess the emotional profile of an applicant. The resulting profile is compared with some standard profile believed to be appropriate or relevant to the job being applied for. Personality has a bearing on the competence of an individual to perform effectively at work. A highly motivated and psychologically well-adjusted employee is of greater value to your business than an employee who is emotionally unstable and not motivated.

d) Psychiatric tests

These are usually required for jobs requiring the use of weapons or firearms to determine whether the applicant is susceptible to fits of insanity.

You may require applicants to undergo medical examination as a pre-requisite for employment. In most countries, the medical examination is mandatory for food handlers for safety reasons. You should therefore check with the authorities in this regard.

It is, also recommended to check on the background of the job applicant, either before or after the interview. To that purpose, you should ask for personal references of the job applicant, i.e. for contact numbers of unrelated persons that are in a position and willing to furnish further information about the candidate.

The table on the next page shows an example of interview candidate record

Candidate Record	
Interviewer name	
Evaluations	
Attitude -motivation -goals	
Poor <input type="checkbox"/> Average <input type="checkbox"/> Good <input type="checkbox"/> Outstanding <input type="checkbox"/>	
(Positives, cooperative, energetic, motivated, successful, goal oriented)	
Comments:	
_____ _____ _____	
Communications skills -personality sales ability	
Poor <input type="checkbox"/> Average <input type="checkbox"/> Good <input type="checkbox"/> Outstanding <input type="checkbox"/>	
(Articulate, listens, enthusiastic, likeable, poised, tactful, accepted, convincing)	
Comments:	
_____ _____ _____	
Executive presence -deal with top people	
Poor <input type="checkbox"/> Average <input type="checkbox"/> Good <input type="checkbox"/> Outstanding <input type="checkbox"/>	
(Impressive, stands out, a winner, remembered, level headed, at ease, aware)	
Comments:	
_____ _____ _____	
Intellectual abilities	
Poor <input type="checkbox"/> Average <input type="checkbox"/> Good <input type="checkbox"/> Outstanding <input type="checkbox"/>	
(Insightful, creative, curious, imaginative, understands, reasons, intelligent, scholarly)	
Comments:	
_____ _____ _____	
Continued on the next page ...	

The final stage in the selection procedure is to prepare and confirm the offer of employment after satisfactory references have been obtained, and the applicant has passed the tests.

The following is a sample job offer

Date:

Dear Mr. /Mrs. /Miss.

Re: Job Offer

Congratulations. We are pleased to inform you that your application to **(name of company)** has been successful.

Please find attached our offer of employment. Should you find the terms and conditions of our offer agreeable, kindly sign both copies of the enclosed offer in the space provided retain one for yourself and return the other to us. Please make ensure that you submit all the necessary documents (list enclosed) required to start your employment with us.

Welcome to the team, and we look forward to a long and fruitful working relationship.

Yours faithfully,

Name Of Authorized Representative
Position of Authorized Representative on behalf of **(Name of Company)**

Signature: _____ Date: _____

* Enclosures

The business case on the next page illustrates the recruitment and selection process at Hana Juice Company.



CASE STUDY

Hana Juice Company (HAJCO) Ltd.

Recruitment and Selection Process at HAJCO

Mr. Jameel was searching for the following positions within his business: a new Production/Quality Control manager, an Environment co-ordinator and a Finance manager. He had already prepared a job description for all these positions containing their main objectives, main responsibilities, tasks and job requirements. Based on this, he prepared advertisements for the vacancy in which he described aspects and requirements of the jobs. He also added information about the organization and the company's address to contact.

Mr. Jameel advertised these vacancies in the nearest city's newspaper, Chamber of Commerce, and at the web page of the regional Internet provider. Candidates were asked to contact Mr. Jameel directly.

When the candidates contacted Mr. Jameel, they were asked to send their *curricula vitae* and to complete an employment application form that would be submitted to them by mail. After he collected all the application forms, he selected the ones that he believed to be the candidates best matching with the different vacancies requirements, and contacted them for an interview.

During the interview, he asked the candidates to give information about their background and experience. Then, Mr. Jameel invited the candidates to participate in some tests to ensure that their personalities and capabilities would fit with the organisational needs.

Mr. Jameel decided that some candidates should not continue in the selection process, because they either did not match the requirements, or did not have good references from former employers. Next, Mr. Jameel interviewed the remaining candidates again. This time, he explained in more details the aspects of the job, organizational rules and procedures, organizational goals, etc., and discussed with them whether they would be interested in and able to perform the tasks.

Finally, he made up his mind about the best candidate for each position and prepared a job offer. In this job offer, he confirmed the offer of employment and asked these candidates to bring all documentation required, including a doctor's certificate declaring a satisfactory health condition. Mr. Jameel informed all other candidates through mail that they did not pass the selection procedure with a brief indication of the reason, thanking them for their expressed interest in the position.

4. The employment contract

An employment contract is prepared for the successful applicant to provide him/her with a sense of job security during the period of his/her employment in your business. This will have an impact on the employee's attitude and motivation at work. The contract specifies details of the job offer (position, starting date, salary, benefits and employment terms) and it should satisfy the provisions of contracts of employment legislation (please refer to Jordanian Labour Law). The employment contract has to be signed by the company's authorised representative and the applicant accepts the offer by affixing his/her signature.

Below is a sample of employment contracts.

Employment Contract
Date:
Dear Mr./Mrs./Miss.:
Re: Contract of Employment for _____ position
It is a pleasure to confirm your appointment with (name of company) under the following terms and conditions:
<u>PERIOD OF PROBATION</u>
Your probationary employment is for a period not to exceed (period of probation), starting on (starting date).
<u>STANDARDS OF EMPLOYMENT</u>
During your probationary period, you will be working on a trial basis. The conversion of your status from probationary to permanent/regular shall depend upon your satisfactory performance, as evaluated by your immediate superior, in accordance with the following factors: (Define the factors for which his/her performance will be based. You can enumerate here the items in your performance appraisal form, if you have one.)
If we find your performance unsatisfactory, your services will be terminated, and you will be entitled only to your salaries up to the close of working hours of your last day of actual service.
<u>HOURS AND PLACE OF WORK</u>
You shall abide by the working hours established by the Company for the position for which you were hired. The Company may at any time during the period of this employment assign you to any work or workstation whenever the service requires such assignment.
<u>COMPENSATION</u>
You shall be paid a monthly basic salary of (amount) per month. Your salary shall be paid on the (date) of each month, subject to mandatory deductions as required by law to be deducted there from. In case of absence(s), a sum equivalent to the daily rate multiplied by the number of day(s) absent shall be deducted accordingly. This probationary employment does not entitle you to vacation and/or sick leaves, or to any other benefit that is now or hereafter may be granted to regular employees except those which the Company, in its discretion, may extend to all employees regardless of status, and those provided by law.
<u>CONFLICT OF INTEREST</u>
You shall refrain, during your employment with the Company and for a period of one year after the termination thereof, from engaging in any activity which is prejudicial to the interests of the Company or which interferes with the performance of your job whether within or outside your working hours, unless you obtain prior written consent from the Company.
Continued on the next page ...

Employment Contract

Continued from the previous page ...

OBLIGATIONS OF THE EMPLOYER

The employer shall provide you work, pay your wages, indemnify you for expenses and liabilities incurred in the course of work, provide a safe and healthy environment for you to perform your duties, treat you with courtesy and respect, and obey the legislation regarding employment provisions.

The Company shall also provide you with information regarding (define here some of the employees' benefits and other arrangements provided by your company, such as social security, leave, overtime work, etc.

CONFIDENTIALITY

You shall hold in strict confidence all classified information, data, documentation, materials and all copies thereof, received by reason of your employment, and shall not disclose the same, at any time during or after your employment, without the prior authorization of the Company.

Upon separation from the company, you are required to surrender to the Company all classified records, documents and materials in your possession.

TERMINATION OF SERVICES

The Company reserves the right to terminate your services under the circumstances and conditions recognised by pertinent laws. Any misrepresentation regarding your previous employment, qualifications, educational attainment or character, and the non-disclosure of medical information that may pose a threat to the health or safety of other employees, shall be valid reasons for termination of your employment.

MISCELLANEOUS

You shall agree to abide by all the company rules and regulations of which you shall assume the duty of knowing immediately upon employment. In the case of any dispute, reference with is made to Jordanian Labour Law.

If you agree with the foregoing, please sign in the space provided below.

Welcome to (company name).

Yours faithfully,

Name Of Authorized Representative

Position of Authorized Representative on behalf of (Name of Company).

Signature: _____ Date: _____

Employee's signature: _____

The probationary contract may contain all or a few of the items as provided in the sample depending on what is applicable to the position for which the applicant is being hired. If the company provides other benefits that the applicant is entitled to even during the probationary period, this should also be spelled out in the contract. After satisfactory completion of the probationary period, a letter should confirm regular employment of concerned employee

Below is a sample of casual employment contracts.

Contract for casual employment	
Date:	
Dear Mr. /Mrs. /Miss..	
Re: Employment Contract	
This is to confirm your appointment as (position) effective (starting date) under the following terms and conditions:	
1. Your employment with (name of company) shall be on contractual basis, which in this case is expected to end on (end date of contract) . Nevertheless, management reserves the right to discharge you without neither notice nor separation pay under any one of the following conditions:	
a) If we find you inefficient, incompetent or not suited for the above position for which you were hired.	
b) If you violate any of the company rules and regulations, (a copy of which is enclosed with this contract).	
c) The company also reserves the right to terminate your services or suspend your employment for a reasonable period of time, if circumstances affecting the interests of the company would warrant.	
2. You will be receiving compensation equivalent to (salary) per month subject to mandatory deductions as provided by law.	
3. The company shall provide you work, pay your wages, indemnify your for expenses and liabilities incurred in the course of work, provide a safe and healthy environment for you to perform your duties, treat you with courtesy and respect, and obey the legislation regarding casual employment.	
4. If you agree with the foregoing terms and conditions, please sign in the space provided below.	
Yours faithfully,	
Name Of Authorized Representative	
Position of Authorised Representative on behalf of Name of Company .	
Signature of Employee: _____ Date _____	



EXERCISE

1. Develop a sample contract of employment specific to your business. Make reference to:
 - Probation period
 - Standards of employment
 - Hours and place of work
 - Compensation
 - Conflict of interest
 - Confidentiality
 - Termination of services
2. Please complete this corresponding section on your growth plan (chapter 10)

5. Induction

Induction or orientation is a programmed introduction of the new employee to the organisation. It is done to reduce the initial anxiety of a new employee to his new environment, thereby facilitating a smooth insider-outsider transition. The formal reception normally includes introducing the new employee to the employees of the business, as well as a tour of the business's premises.

Induction is a programmed introduction of the new employee to the organisation.

The induction is best accomplished when it is done with other staff. Normally, the HR officer will cover the general information about the business, while the Department Manager or Supervisor handles specific department and job-related items including the training that may be required.

Induction should be carefully planned because employees' general impressions about the organisation are heavily influenced by their first day at work. The impressions and reactions they have at the start will have a strong influence on their attitudes and later actions.

A typical induction session can cover the following headings:

- Brief description of the business
- Basic conditions of employment
- Salary and salary scales
- Sickness – notification of absence, certificates, pay
- Leave and absence
- Work rules

- Disciplinary procedures
- Grievance procedure
- Promotion procedure
- Union arrangements
- Education and training facilities/opportunities
- Health and safety arrangements
- Medical and first-aid facilities
- Social and welfare arrangements
- Overtime arrangements
- Canteen arrangements
- Telephone calls and correspondence
- Travelling and subsistence expenses

If your business is not big enough to provide the new employee a printed handbook, the least that can be done is to prepare a typed summary of this information.



CASE STUDY

Hana Juice Company (HAJCO) Ltd.

Induction Programme

Mrs. Hind designed a standard induction programme in order to reduce the anxiety of new employees by informing them how the organization works and what is expected from them.

Mrs. Hind induction programme pointed out steps to be followed in implementing the programme and allocated these responsibilities for the managers of each department.

Guidelines for the Induction Programme

1. Provide employee with a copy of his/her job description and organizational structure.
2. Provide employee with general information how to perform his/her tasks.
3. Provide employee with general information on employment conditions and organizational related-issues (such as business' mission, objectives, stakeholders, etc.)
4. Introduce employee to his/her colleagues, and show employee around on his/hers first day of work.
5. Pair employee with a 'buddy' (i.e. a colleague from the same department) to act as a role model and provide operational advice.
6. Follow-up on employee progress on the subjects mentioned above.

6. Chapter Summary

Recruitment is the process of identifying, locating and attracting prospective applicants for job vacancies in your business. This process is followed by the selection process, which aims to identify the most suitable applicants from the pool of candidates, and convince them to join your business.

For the recruitment and selection process to be effective, it is important that they are preceded by your systematic identification of your human resource requirements. The recruitment and selection process will then, assist you in hiring new employees to fill the skill gap of your staff. This process is very important for the success of your business, as it is through your employees' commitment, skills, performance and creativity that products and services that meet your customers' expectations are produced.

A recruitment policy and procedures is an instrument that ensures that your recruitment practices are systematic, consistent and predictable. This policy establishes the steps that you will follow in filling a vacancy in your business while, at the same time, it helps to make your values clear to prospective employees and other stakeholders. Therefore, you have to develop a recruitment policy and procedures for your own business.

Job descriptions are also very important instruments in facilitating the recruitment process as they define the job that has to be done and the qualifications and competencies a person must possess to be able to do the job.

There are several methods of attracting potentially suitable candidates, these include:

- Internal your business
- External advertisements in the local newspapers, print media radio and trade journals.
- Employment agencies
- Education and training establishments
- Other external sources can include unsolicited letters, casual callers, and recommendations from employees

The selected candidates should be instructed to fill an application form to be presented at the first interview. This form provides standard, concise and easily accessible information about the applicant.

Induction or orientation is the last phase of the recruitment and selection process, and it comprises a programmed introduction of the new employee to the organisation. It is done to reduce the initial anxiety of a new employee to his new environment thereby facilitating a smooth insider-outsider transition. The formal reception normally includes introducing the new employee to the employees of the business, and a tour of the business's premises.

DEVELOPING AND APPRAISING YOUR HUMAN RESOURCES

Developing and appraising human resources in your business is a very important function within the **HRM**. It is concerned with effectively training and developing your staff and yourself in order to obtain the skills and competencies necessary for the successful growth of your business

What you will learn in this chapter ...



After studying this chapter, and completing the exercises in it, and with the guidance of your business trainer, you should be able to:

- **Define the staff training and development.**
- **Conduct the training and development in your business**
- **Assess your staff needs**
- **Conduct performance appraisals**
- **Develop a personal development plan**
- **Assess own leadership skills and capabilities.**
- **Plan and implement training programs**
- **Evaluate training programs**

1. What is staff training and development?

Training is a process of improving performance of individuals through changes in their knowledge, skills and attitudes. The fundamental aim of training is to help the business achieve its purpose by adding value to its key resource – the people it employs. Training means investing in people to enable them to perform better, and empower them to make the best use of their natural abilities. **The particular objectives of training are to:**

Training is a planned and organized activity by which your people acquire the knowledge and skills to do a given job satisfactorily.

- Develop the competencies of employees and improve their performance.
- Help people grow within the business so that as far as possible future needs can be met from within.
- Reduce learning time for employees starting in new jobs on appointment or promotions.

Staff development refers to the process of enabling your employees to develop their work-related skills towards future needs rather than present needs. Unlike training, staff development is more concerned with your employees' career growth than immediate performance improvement. Staff development, also means giving employees the authority to participate in the decision-making process, and to be responsible for their jobs.

Like the staff, you also need to develop your skills to be able to implement your position effectively. As you are the leader of your organization, your skills are leadership skills. The development of your leadership skills is of particular importance for the successful execution of your growth strategy, as the business demands a careful steering and overview during the growth process.

2. How can developing your workforce and yourself help your business to grow?

Staff training and development is particularly important for growth-oriented organizations, because during this phase, organizations face more tasks and a more complex working environment. Accordingly, your employees need enhanced skills to carry out these new tasks to your satisfaction. Staff training and development assists your employees to acquire the skills needed to perform their jobs in a changing work environment.

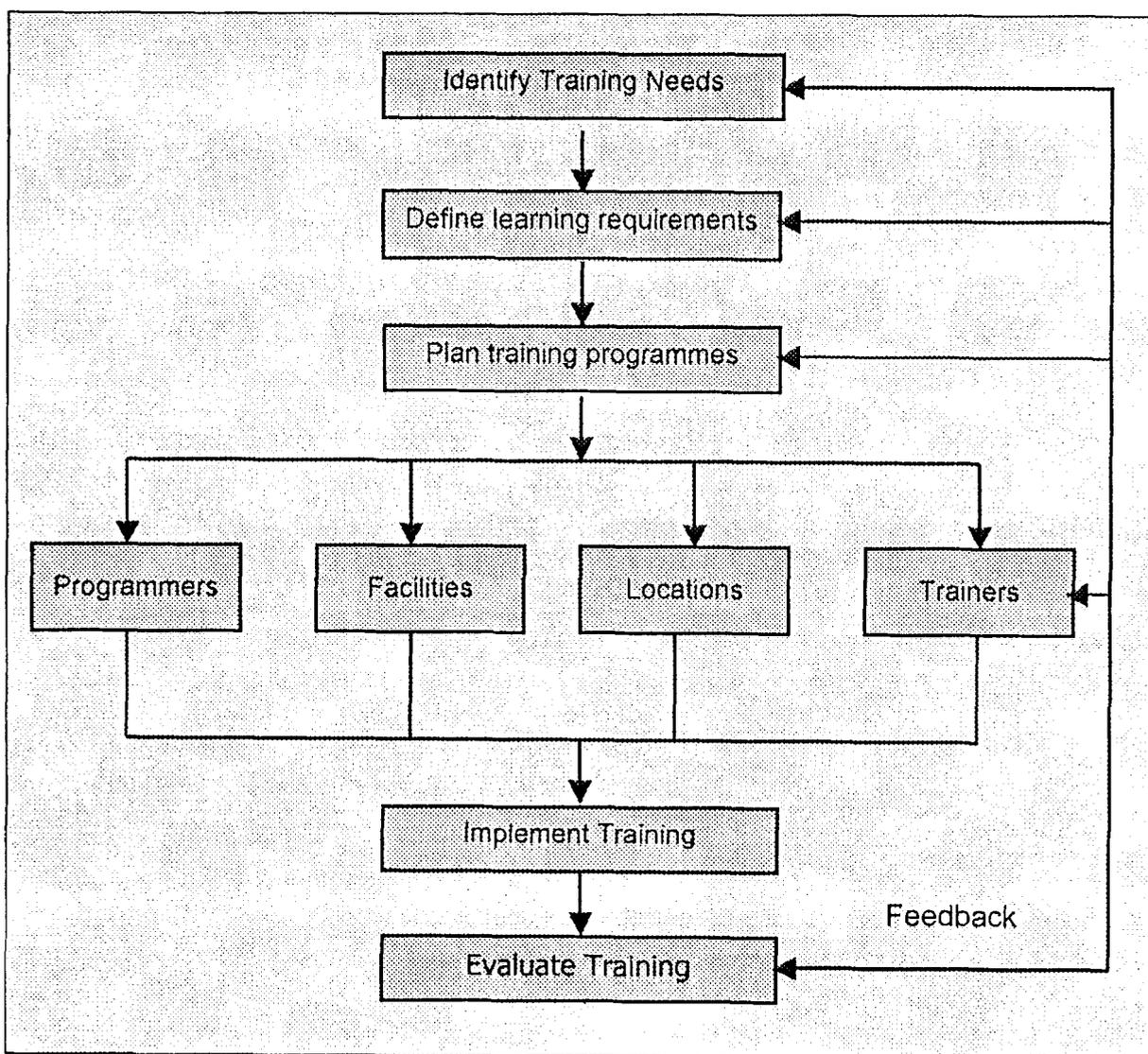
Staff development is also important because, if it is done fairly, unbiased and in accordance with the principle of equal opportunity, your employees become more motivated, productive, efficient and less resistant to changes because they have more job satisfaction. In turn, your business may benefit from their talents and commitment as necessary to become successful.

Staff development, if properly done, also results in staff empowerment. Rather than devising a training programme for your employees in a traditional top-down approach, modern staff development relies on the employees designing their personal development plan together with you. As a result, your employees will feel more involved, and in charge of their personal development, to the benefit of your business.

Developing your skills as the **GOE** is also essential for the success of your business. By developing your own skills, you will be able to improve the performance and productivity of the staff in your business. Developing your skills will also enable you to focus yourself on those tasks that are essential for business success and to have others in the business focus on what they need to do.

3. The training and development process

The following figure illustrates the steps of a training and development process.



3.1 Identifying Training Needs

The identification of training needs (also called training needs analysis) aims to define the gap between employees' current skills and the skills required of them to perform their current or future roles.

The following are the various levels of training needs:

a) Organizational Needs Analysis

The **Organizational Needs** analysis is done by the top management (i.e. the entrepreneur), and aims to identify the major training priorities related to the future direction of the organization. The assessment of organizational needs involves many employees from different departments of the business. For instance, if your organization merges with another company that has a very different culture or produces different products from yours, you may decide to train your employees to better fit in the new context of your organisation, to have better understanding of the new products.

b) Departmental or Functional Needs

Departmental or Functional Needs analysis refers to the identification of training needs of a specific department or function, and the department director or manager performs it. For example, your sales manager may decide to train all employees from his/her department in order to offer them courses on how to improve their motivation.

c) Job Needs analysis

The **Job needs** analysis refers to the assessment of the skills required for employees to perform their current tasks more efficiently and effectively. Managers or supervisors usually do this analysis, as it relates to the need of improving their subordinates' knowledge, understanding or skills associated with their jobs. For instance, your operational manager may decide to offer a training course for some of his/her employees on how to use a newly acquired computerised packing machine.

d) Individual Needs analysis / Performance appraisal

Finally, the **Individual needs** analysis, like the job needs analysis, it relates to the improvement of employees' performance. However, individual needs analysis focuses on the assessment of whether a certain employee is performing according to the desired level of performance, whereas the job needs analysis focuses on the task requirement of the job.

The basis of the individual needs analysis is the individual performance appraisal. Performance appraisal relates to the assessment of your employees, including your managers and supervisors. The outcomes of performance appraisals will provide management with information related to salary, promotion, training and layoff decisions.

The following figure illustrates possible actions that management could take, considering the outcomes of the employees' performance appraisals.

Outcomes Of Performance Appraisal		
End Result Of Appraisal	Employee's Likely Future	Discussion Objective
OUTSTANDING	➔ Promotion	Consider opportunities
	➔ Growth in present position	Suggest training
	➔ Broaden assignment	Review possibility of expanding responsibility
	➔ No change in duties	Attempt to maintain performance levels and make development plan
SATISFACTORY	➔ Promotion	Consider possibilities
	➔ Growth in present assignment	Make development plan
	➔ No change in duties	Attempt to maintain or improve performance
UNSATISFACTORY	➔ Performance correctable	Plan correction, prepare training and gain commitment
	➔ Performance not correctable	Review possible re-assignment or prepare possible termination

Based on the above figure, the outcomes of the performance appraisal may vary from a beneficial increase in salary (promotion) or development for the employee, as well as the possible termination of their employment contract. The latter reason being that those employees who have been proving to be inadequate performers (in terms of work, outputs, behaviour, etc.) will find themselves deemed a cost, rather than an asset for the business

Effective performance appraisal requires the fair and unbiased assessment by the management. Should employees feel they are unfairly treated, it would negatively influence the work relationships within the workplace and decrease employees' commitment towards organizational goals. Therefore, it is essential that employees and management reach a mutual understanding of what needs accomplishing. If expectations or job outputs remain undefined, performance will be difficult to evaluate and employees will perceive the process as unfair. Thus, evaluate performance in measurable terms (to be communicated to the employee) whenever possible.

There are two distinctive ways of appraising employees' performance, the informal and the formal ways. Their managers and supervisors base the informal appraisal on a day-to-day observation of employees' performance and behaviour. In turn, the formal appraisal should be in a systematic and planned way, in which management prepares appraisal forms to evaluate the staff

The following business case illustrates how Mr. Jameel assessed his assistant.



CASE STUDY

Hana Juice Company (HAJCO) Ltd.

Mr. Jameel decided to prepare a performance appraisal for his assistant. He elaborated a very basic, but efficient performance appraisal form, which defines the individual attributes of this employee, followed by a rating scale that varied from excellent to poor.

Following are some extracts of the performance appraisal:

Performance Appraisal				
Name: Mrs. Maram				
Position: Operations Assistant				
Personal Attributes	Rating			
	Excellent	Good	Average	Poor
Self-discipline				
Capability of achieving targets				
Initiative				
Decision-making ability				
Quality of work				
Diligence				
Technical knowledge				
.....				
.....				

Because of the performance appraisal, Mr. Jameel realised that Mrs. Maram lacked some technical knowledge of the company's products and operations. He then decided to offer her an internal basic course administered by the Production/Quality Control manager, who would give her an introduction on the production process and products lines.

As she had been with the company for only 6 months, Mr. Jameel decided to reassess her performance again in 6 months time in order to consider her opportunities for growth, further development or increase in salary.

Another way to appraise the performance of your employees is to set targets and verify whether they have accomplished the expected results. This approach is - **results-oriented performance appraisal** and it is very useful in assessing managerial staff.

An example of the above:

Results-Oriented Appraisal Form - Example			
Managerial Appraisal Form			
Position:			
Name of Manager/Supervisor:			
Department:			
Subject Matter	Targets set for the Semester	Achieved (Y/N)	Source of evidence
1. Delivery Time	Reduce average delivery time by half	No	Customers' complaints
2. Production Time	Reduce production time of product (A) by 25%	Yes	Operational director's report
3.			
4.			
Comments:			
Actions to be taken:			
1.			
2.			
3.			
4.			
5.			
Recommendations:			
Assessed by:		Date:	

3.3 Identifying your own training needs

a) Your leadership skills

In order to identify your own training needs, you have to understand what your roles are, and what the skills necessary to perform these roles are. Then, you will have to verify which tasks to delegate to some of your employees, and finally assess whether you require further technical training to perform your priorities.

Your Leadership Skill analysis is complementary to your job needs analysis relates to the **three distinctive roles** that you perform in your business.

These roles are:

■ Your entrepreneurial role

Your entrepreneurial role comprises the core task of identifying and assessing market opportunities and, consequently, to invest in these opportunities before competitors become aware. This role is essential as it is related to the creation of a competitive edge and the success of the business.

■ Your managerial role

Your managerial role relates to your final responsibility for planning, budgeting, organising, controlling, and managing the employees (deploying and motivating them). The most important issues in the managerial role are result orientation, process orientation and maintaining interpersonal relationships.

■ Your leadership role

Your leadership role relates to the responsibility to drive the entire organisation towards the achievement of goals. This implies that you maintain a continuous process of influence on co-operators. Thus, leading includes elaborating a vision, communicating with organisational members, providing direction, providing affirmation and articulation of values, and motivating employees. The most important elements necessary for a GOE to perform successfully the leadership role are charisma, enthusiasm, honesty and strictness, integrity, commitment, and respect shown to subordinates.

Leadership skills are defined as the ability to persuade others to be engaged in the work behaviours needed to achieve organisational goals. These skills are required for all those who have power within the organization, i.e. the power of getting things done, and getting people to do things.

c) Assessing your capabilities

You, also have to reflect on **your** capabilities to fulfil the three roles of entrepreneur, manager and leader. The following questionnaire is a self-assessment to assist you in checking on your capabilities to perform key tasks under your entrepreneurial, managerial and leadership roles.

Assessment Of My Capabilities As A Leader, Manager And Entrepreneur		
As a leader	YES	NO
I enjoy people looking at me as a model for what is good		
I have set a vision or a mission for the business		
I have translated the mission into organizational goals		
I guide my employees towards the achievement of the vision/mission		
I feel comfortable sharing power and control		
I enjoy social relations and networking		
I share my accomplishment with others		
I express my feelings to others		
I am a confident person		
I implant confidence in the mind of others		
As a manager	YES	NO
I know my own strengths and weaknesses		
I recognise and develop my individual skills		
I listen to the opinion of others without intimidating them		
I try to satisfy my subordinates' needs		
I give explicit instructions about what is to be done and how		
I provide employees with incentives		
I willingly delegate power		
I feel comfortable in conflict		
I like to motivate others		
I am looking for ways to improve		
As an entrepreneur	YES	NO
I seek out and move on new opportunities		
I enjoy deciding how much to invest in new opportunities		
I feel comfortable in uncertain and unusual situations		
I enjoy challenges		
I feel comfortable in making changes		
I recognise that change is often best accomplished by making major changes quickly		
I try new ideas and approaches		
I demonstrate originality		

In addition to the above self-assessment, it is also, recommended to involve the employees in the process of analysing the effectiveness of your leadership skills. This would result in a more unbiased outcome than if the assessment based itself on your own assumptions. Remember that your employees work with you on a daily basis and therefore, they would represent a valuable source of information for this matter. The employees' assessment of your leadership skills may be through an anonymous survey among your employees, encouraging them to describe your leadership skills, as well as, giving you recommendations for improvements.

Based on the assessment of your new job description (elaborated after the delegation process), as well as, the outcomes of the self-assessment checklist and employees' survey, the next step is to assess your skill gaps.

Complete the following matrix to assist you in the skills match analysis.

Self-Assessment Checklist		
My current skills are:	Skills required to effectively steer my business:	Specification of the skill gaps, if any:

3.5 Planning and implementing training programmes

This phase relates to the development of training to meet the needs and objectives of your employees. It comprises the assessment and implementation of training techniques, possible locations for the training, who will provide the training, and who will participate in the training.

The three most common methods of training are:

a) In company on-the-job courses

In company the so-called coaches or on-the-job trainers, who are usually members of the management team or colleagues of the trainees, provide on-the-job courses. In this process, the coaches provide direct guidance to the trainees on how they should perform their tasks. An example could be a supervisor teaching employees on how to use new equipment required in performing their tasks.

b) In company off-the-job courses

In company, off-the-job courses involve one or more members of management, or other professionals training cross-section employees within the business. These courses do not directly relate to the job performed. An example could be a computer expert hired by you in order to train your finance and marketing employees on how to utilize database programmes on their computers.

c) External training courses

External training course suppliers administer external training courses. They can either develop a course for the organisation or offer courses that are available to all the interested public. An example could be you sending one of your managers for a MBA course administered by the local university.

The following table shows other ways of developing your staff:

Other Ways Of Developing Your Staff are:
Tutorship
Tutorship is a technique that involves a more experienced person (tutor or mentor) who will train individuals, and provide guidance in the daily work activities. In this technique, the tutor instils learning on-the-job and develops a relationship with the 'protégés' to help them to develop their careers.
Internships/apprenticeships/secondments
These methods involve individuals getting practical experience in a job, often including both on-the-job and off-the-job training. The individuals earn while they learn, but usually at a lower rate than that paid to full-time employees. In this manner, students observe the application in practice of what they learned previously at school

Counselling
Counselling is the process in which individuals rely on a more senior and experienced person (the counsellor) for practical advice about personal or career related issues. The counsellor performs a psychological role in building the individual's confidence and self-esteem by providing him or her with counselling
Exchange visits
Exchange visits not only trains and exposes employees to a variety of jobs and decision-making situations by moving them from their jobs to different units, departments or even companies. This method involves the assessment of what trainees are required to know, and where they could get the relevant knowledge and experience.
Distance learning
Distance learning is the process of off-the-job learning developed to enable individuals to study from learning materials prepared elsewhere, in their own time and at home. The most common method of distance learning is the correspondence course, in which the student sends his/her evaluation by post and receives it back later, marked by the teacher.
Group dynamics training
This training method takes place through groups focusing on solving problems, making decisions, co-ordinating working, promoting information sharing and building participation. Group dynamics training assists in improving the effectiveness and efficiency in which groups operate, in increasing individual's self-understanding of social processes, and developing interactive skills.

3.6 Evaluation of training programmes

It is very important to evaluate training programmes in order to assess the effectiveness in producing the expected outcomes (as established in the training needs analysis). In addition to this, the evaluation of training programmes enables you to assess whether further improvements or changes are required to the programmes in order to make training even more effective in the future.

The following forms for evaluating training courses are very practical, simple and effective. Use by your business in assessing the effectiveness of your staff training courses.

- **Participants' reaction to the course.** This is the simplest and most widely used form of evaluation. This makes use of simple questionnaires/ comment sheets wherein different indicators are listed down and participants are asked to rate each indicator in terms of how the course met their expectations. Rankings are normally utilised for this form of evaluation (rating each factor from one to five or from strongly agree to strongly disagree, or from outstanding to poor)

A sample evaluation form is shown on the next page:

SAMPLE COURSE EVALUATION					
Part 1: Course Organization					
(Please check the right column for your rating).					
Factors	Excellent (5)	Very Good (4)	Good (3)	Fair (2)	Poor (1)
1. Course Objectives					
• Clear statement					
• Attainment					
2. Course Content					
• Usefulness					
• Coverage					
• Organization					
• Time					
3. Materials					
• Module					
• Handouts					
4. Facilitator					
• Knowledge of subject					
• Teaching method					
• Interaction with participants					
5. Schedule (Duration)					
6. Facilities and Food					
• Room					
• Food					
• Location					
7. Overall conduct of the course					
Part 1: Course Content					
1. What did you like best about the course?					
2. What did you like least about the course?					
3. What additional topics should have been included in the course?					
4. Which topics should have had more time or additional coverage?					
5. What topics should have had less time?					
6. Other comments and suggestions to improve the course?					

- **Learning obtained.** Measures what facts, principles, and techniques learnt through practical tests to determine what skills are assimilated. For example, participants to a Trainers' Training Programme may be asked to design a course; an operator may be asked to operate the machine after job coaching.
- **Change in behaviour.** This technique evaluates whether behaviour has changed as required when employees attending the training programme returned to their jobs. The trainees' direct manager or supervisor does the evaluation of the change in behaviour.
- **Practical tests** to determine what skills were learned. For example, participants to a Trainers' Training Programme may be asked to design a course; an operator may be asked to operate the machine after job coaching; etc.
- **Written tests** to determine theoretical knowledge of participants before and after training.



CASE STUDY

Hana Juice Company (HAJCO) Ltd.

Mr. Jameel's Training Needs Assessment

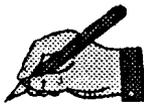
Mr. Jameel decided to assess his skills as a **GOE**. He starts with the assessment of his job description. He then completed a self-assessment form to evaluate his skills as a leader, entrepreneur and manager.

Mr. Jameel also realises that the outcomes of his self-assessment could somehow be biased if it would be done by him only. He then, decided to involve some of his staff (including managers) who closely works under his supervision. He prepared a survey in which he encourages the chosen staff to anonymously analyse his leadership skills, as well as give recommendations on how to improve them.

Based on the outcomes of both his self-assessment and his employees' comments, he realised that there are some important weaknesses to be prioritised. The assessment demonstrated that, even though he is a good entrepreneur and an effective manager, he does not have sufficient leadership skills. He realised that his major weaknesses are a lack of charisma, lack of enthusiasm, low respect to his subordinates and an insufficient ability to guide his employees towards the achievements of organisational goals. Because the leadership roles are very important, he cannot ask others in the business to perform (as they are directly related to the guidance and direction of the business); he decided to develop these skills. Mr. Jameel enrolled for an external leadership course administered by the local university in order to gain knowledge and skills required for guiding and motivating his employees.

After the completion of the course, Mr. Jameel filled his course evaluation form in order to assess whether he accomplished all the objectives of his training need analysis. He realised that this course focused too much on theories instead of the practice of good leadership skills, as he had expected. He then, decided to enrol for a long distance course administered by a different university, and started reading many books related to this topic.

Mr. Jameel, also requested his wife, Mrs. Hind, to continuously observe and give her comments on whether she thinks that his behaviour had improved after he had completed these courses on leadership.



EXERCISE

1. Identify your own training needs by returning to the previous section and complete the following forms:
 - Your leadership self-assessment
 - Your skill gaps matrix
 - Your personal development plan
2. Please complete this corresponding section on your growth plan (Chapter 10)

4. In-house versus external training

Once the training needs are identified, it is time to select and develop the course/s that will answer these needs. Training courses may be run internally or with the use of external help.

Following are some questions you can ask yourself to guide you in deciding what options to take.

a) Questions regarding the availability of resources:

Do you have the resources to address these needs?

Is there an available course design?

Do you have the trainers to run the programme?

If these are not available, do you have the capability and time to design the course, prepare the materials and develop trainers to conduct the training?

If you can answer 'yes' to these questions, then go ahead and do an in-house course.

If you do not have the resources (capability and time) to design or conduct the training programme, it is time to look for external help.

b) Questions regarding the number of participants who need the training:

Do one or few individuals need the course only? If so, look for public seminars/offerings that these workers can attend.

If a larger group requires it, you can invite an external resource person to conduct the training programme for your workers.

c) Questions regarding the continuity of the needed training programme:

Is there a continuing need for such programme? If so, it will be worth developing internal capabilities to do in-house training. You may design the course and develop the trainers and materials for conducting it.

If this is not possible, some consulting firms offering the programme may have licensing agreements wherein they will train your people to conduct the course for your company. You may have to pay a fee to give you the rights to the course and a license fee every time you run it. Some companies even require you to purchase workbooks and course materials from them. Initial cost may be high, but if the demand for the course is big, it will still be cost-effective in the end.

In addition to these considerations, it is often advisable to get external help for special training courses like teambuilding programmes. If this is run internally, participants may feel reluctant to express honestly their feelings for fear of repercussions. An outside person will also be in a better position to assess group interaction since he is detached from the situation and is free of pre- conceptions.

5. Chapter Summary

Staff development refers to the process of enabling your employees to develop their work-related skills, in line with the challenges of a quickly growing business. Staff development, also means giving employees the authority to participate in the decision-making process and to be responsible for their jobs.

The particular objectives of training are to:

- Develop the competencies of employees and improve their performance.
- Help people grow within the business in order that, as far as possible, its future needs can be met from within.
- Reduce learning time for employees starting in new jobs on appointment or promotions.

Staff development is particularly important for growth-oriented organisations, because during this phase, organisations are faced with more tasks and a more complex working environment. Accordingly, staff needs enhanced skills to carry out these new tasks to your satisfaction.

The training process involves the following steps:

- Identification of the training needs at organizational, departmental, job, and individual levels.
- Define learning requirements
- Plan training programmes
- Implement training programmes
- Evaluate training programmes through participants' reaction to the course, measurement of learning obtained and observations on the participants' change of behaviour.

The three most common methods of training are:

- In company on-the-job courses
- In company off-the-job courses
- External training courses

Other ways of developing your staff are tutorship, internship/ apprenticeship/ secondments, counselling, exchange visits, distance learning, group dynamics training, and induction training.

To implement the growth strategy successfully, and in order to maintain control and steering over the business, it is pertinent that, apart from training and developing yourself, you also develop your own skills as the **GOE**.

In your business you are:

- An entrepreneur
- A manager
- A leader

Developing your own leadership skills is particularly essential to the successful growth of your business. To assess your training needs and wants, and to implement your personal development plan, you have to follow basically the same steps as the training process for your staff (i.e. assessing your training needs, defining learning requirements, and planning, implementing and evaluating training programmes).

ENHANCING YOUR HUMAN RESOURCES PERFORMANCE THROUGH MOTIVATION AND PARTICIPATION

Chapter

6

A number of factors affect employees' performance and productivity. These include your leadership style, motivation, communication, and team building. This Chapter will improve your ability to enhance your human resources performance through motivation and participation.

What you will learn in this chapter...



After studying this chapter, and completing the exercises in it, and with the guidance of your business trainer, you should be able to:

- **Define the motivation process.**
- **Identify factors that influence motivation.**
- **Develop a motivation assessment questionnaire to be applied in your business.**
- **Use motivation to enhance your business growth.**

1. What is motivation?

Motivation refers to the forces within a person such as thoughts, feelings, and attitudes, which energise, direct, and maintain behaviour. Motivation affects the enthusiasm with which people carry out activities. It directs their energy towards an outcome, and maintains the desired behaviour even with minimal supervision.

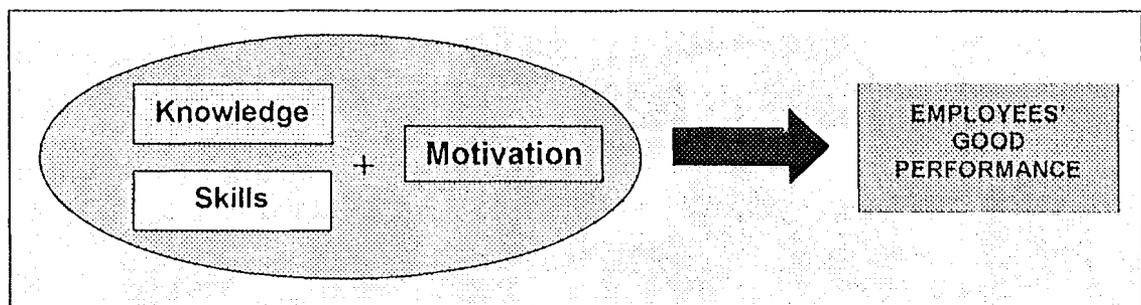
Motivation: refers to the forces within a person such as thoughts, feelings, and attitudes, which energise, direct, and maintain behaviour. Motivation affects the enthusiasm with which people carry out activities.

Employee motivation improves productivity and quality of work, and is far more effective than the carrot-and-stick measures of old management approaches. Thus, human resource management stresses worker motivation, and focuses on creating enriched jobs and greater self-control in an attempt to broaden the scope for employees' self-fulfilment and, consequently their motivation to perform at their best.

2. How can motivated employees help a growing business?

Motivation is important. It raises productivity, efficiency and effectiveness. If people are not motivated, this can lead to adverse effects on a business, tantamount to waste of resources. If people are not motivated, then a business can experience high levels of absenteeism, tardiness, unnecessary work stoppage, challenging of workplace policies, employees' resistance to changes, all of which represent **waste of productive time**. Likewise, workers can pay less attention to quality and speed of work, and ignore instructions thus, leading to **waste of stock materials, waste of assets** (damage to equipment and property) and **poor customer service**.

Indeed, good performance is a product of competence; viz. knowledge and skills, but the degree to which knowledge and skills are properly applied is determined by people's motivational feeling. (See illustration below.)



3. How to motivate your employees

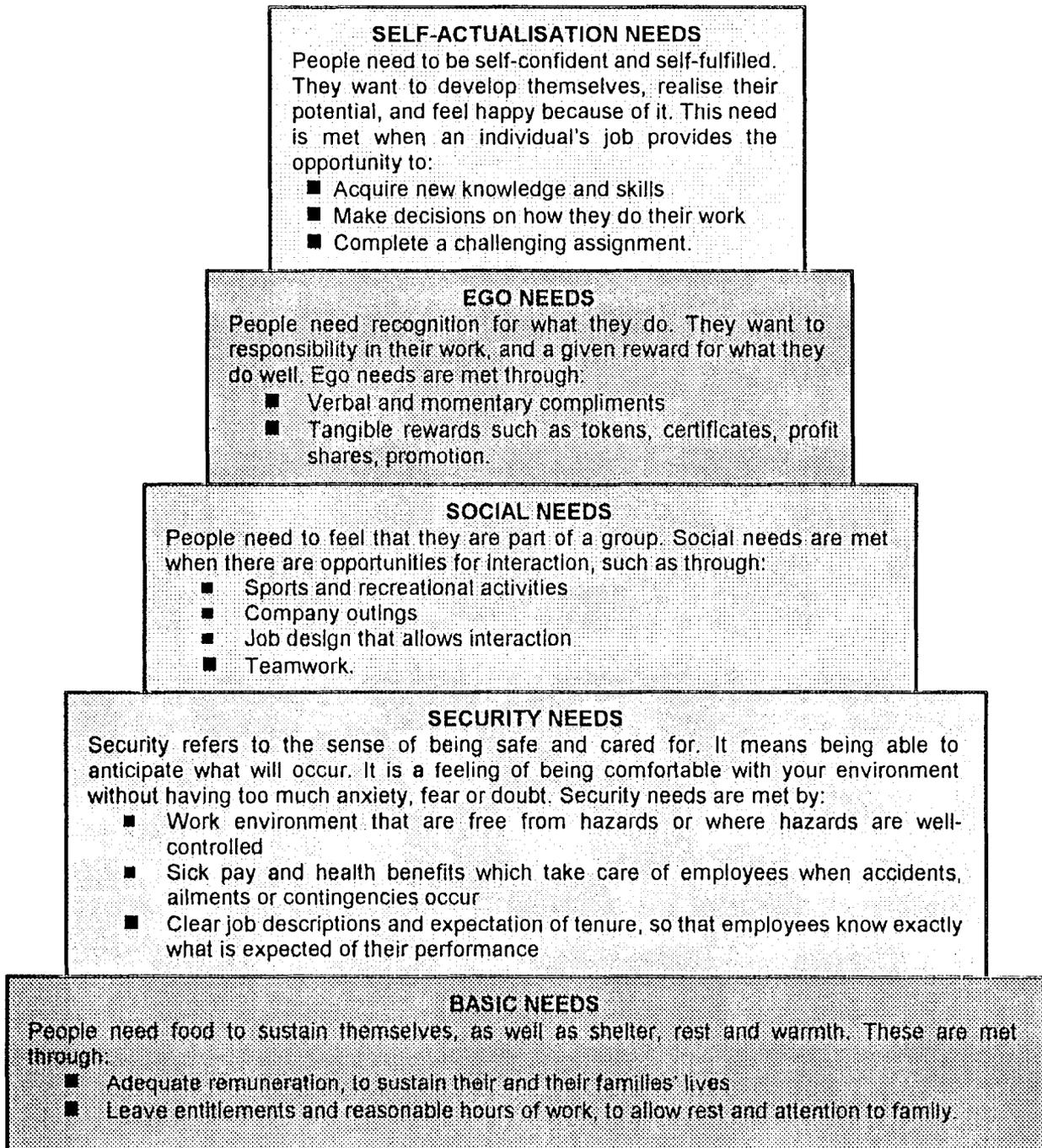
Motivating employees to perform at their best requires that management understands what drives people. Motivation theories say that people are satisfied or motivated by a number of factors, including good salary, financial incentives, and participation in business decisions, career development, and leadership style. A good manager uses a combination of methods to motivate people, and to ensure that they do their tasks well. **The following sections will discuss the factors that influence motivation.**

3.1 Hierarchy of Needs

One popular theory of motivation (Maslow's theory) says that people are motivated when their needs are satisfied. It identifies a hierarchy of needs, which placed basic needs at the lower end (hunger, security, and safety), self-actualisation at the higher end, and ego and social needs in the middle. This theory states that lower needs have to be satisfied first, before higher needs become important.

The hierarchy of needs illustrated below:

Hierarchy of Needs



3.2 Satisfiers and Motivators

Another theory (Frederick Herzberg's theory) says that there has to be a balance among all factors.

It makes a distinction between two sets of factors:

a) SATISFIERS

Factors, which satisfy, are mostly external factors such as salary, pay and working conditions, relationship with peers and supervisors, consistency in company policy and administration (these are **Maslow's basic, security and social needs**).

If workers are satisfied, they will exert effort to produce at the level expected of them. Imagine a worker, who is constantly worried on the job about a troubled family member, as he is unable to take a leave, or a factory that operates in a cramped space or with poor lighting, or one who paid very low wages, or is in constant fear of accidents because of a hazardous work area. These conditions leave a worker dissatisfied with his work and have the effect of lowering productivity and quality. When these conditions are improved, productivity will increase.

However, to make employees perform beyond what is expected of them, the solution is not to further improve lighting and space, or to increase number of leave days, or, at higher levels of remuneration, even to raise pay.¹ Employees need motivation in other ways.

b) MOTIVATORS

Factors, which motivate are mostly internal factors such as recognition, achievement, the work itself (these are **Maslow's ego and self-actualisation needs**). When people are motivated, they perform with greater effort, energy and enthusiasm.

Sample "satisfiers" and "motivators" are listed below.

Satisfiers	Motivators
<ul style="list-style-type: none"> ■ Wages ■ Security in the job ■ Proper working conditions ■ Good relationship with peers and supervisors ■ Consistent and clear policies 	<ul style="list-style-type: none"> ■ Clear sense of their contribution to the organisation ■ Receive feedback on performance ■ Achievement of a challenging task or objective ■ Recognition and reward for job well done ■ Opportunities for growth and advancement ■ Participation in policies and decisions

¹ Pfeffer, 1999.

3.3 Leadership Styles

Leadership: defined as a person's ability to influence others to act voluntarily, usually toward some goal. Influencing people to do what the leader or business owner wants them to do is **leadership**, or **leading**. Your leadership style can have a great impact on how your employees' behave.

Leadership: defined as a person's ability to influence others to act voluntarily, usually toward some goal.

Following are some examples on how leadership styles can affect employees' motivation and performance.

a) Autocratic or directive leader

This business owner **tells people** what he/she wants done and **demand**s obedience. Autocratic (auto=self, crates=governance) business owners manage with stringent directives and assignments, exercising control and threatening with sanctions. When an employee does not act in accordance with the wishes of his/her business owner, this results in a form of punishment e.g. a lower reward, a reprimand, no leave, longer hours of work etc. Autocratic business owners believe that the employee can have direction only in this way towards the business goals and objectives. Subordinates are little involved in the course of the business affairs. Task is very important and therefore, the business owner will strictly manage to the attainment of tasks.

Autocratic leadership style: advantages and disadvantages

Advantages	Disadvantages
<p>This style can increase efficiency, save time and get quick results, especially in a crisis or an emergency. The business owner always remains in control and everybody knows that. Tasks are normally well defined, and employees know what is required from them. Progress measured, which make reporting on job/task progress easy.</p>	<p>This style often results in "false efficiency" since one-way communication without feedback leads to misunderstanding, communication breakdown and costly errors. People perform because of fear and this lead to tension in the business and demotivated employees. Mistakes unwelcome: employees apply little creativity. There is a strong boss/employee relation, which is a problem as the business owner is not always accessible.</p>

b) Diplomatic or Supportive leader

This business owner operates by persuasion and broad scale motivation of people. Challenges are important and therefore, through persuasion he/she will always try to convince subordinates into doing something.

Diplomatic leadership style: advantages and disadvantages

Advantages	Disadvantages
<p>People cooperate and work more enthusiastically because the importance of their tasks is clear to them. This practice is noted as an important compliment, and a show of respect. Employees feel important and that the same level of respect is mutual amongst them.</p>	<p>Unless handled with judgement, skill and sincerity, this style can come through as manipulation and exploitation. Some people interpret the business owner's efforts to persuade them as a sign of weakness, and thus lose respect for the business owner. The business owner must know where the so-called persuasion must end.</p>

c) Participative or Democratic leader

This business owner invites his/her people to participate or share in decision-making, policy-making and problem solving. Business owners with this style avoid imposing his or her will on subordinates. You will normally find highly decentralised authority. Subordinates actively share in decision-making, and enjoy wide latitude in executing tasks. A situation evolves where people motivate themselves to some degree because their work is intrinsically rewarding.

Participative leadership style: advantages and disadvantages

Advantages	Disadvantages
<p>Group discussion surfaces critical issues that improves decision-making and averts disaster. When people help formulate the decision; they work hard to make it work. There is shared responsibility for achieving the business objectives and employees normally share in any profits that the business made.</p>	<p>When use inappropriately, this style can use up a lot of time. This can, also breed resentment when recommendations are ignored or rejected, unless reasons for are explained fully and immediately. It is possible that the "tail can wag the dog" if the business owner allow too much participation.</p>

d) Free-rein or laissez-faire leader

This style is for business owners whose style is opposite to autocracy. Laissez-faire is a French expression meaning “leave it alone” This free-rein business owner does just that. This style of leadership allows subordinates to share power. This business owner does not literally abandon all control. He/she sets a goal and clear parameters for the employees, and **sets them free** to operate without further direction or control unless requested.

Free rein leadership style: advantages and disadvantages

Advantages	Disadvantages
<p>This comprises the essence of full delegation with its benefits of optimum utilisation of time and resources. Employees take full responsibility for achieving business objectives, are able to make decisions.</p>	<p>This style can be disastrous unless the business owner is confident about the competence and integrity of his people, and their ability to handle this kind of freedom. This style can lead to an abdication of responsibilities by the business owner. The role of the business owner is eventually questioned, as he/she seems not to be adding value.</p>

There is no one best leadership style. What works well for one business owner or in one situation may not be appropriate in a different context. Sometimes the business owner allows participation, maybe because the risk is not high. At other times, when the risk is extremely high, the business owner will take a decision in a very autocratic manner. Research, however, indicates that democratic style brings about better quality work because employees’ motivation is stronger when they participate in decision-making and problem solving and in other activities that affect them.



- There is no one best leadership style.
- What works well for one person or in one situation may not be appropriate in a different context.
- You have to exercise the leadership style appropriate to the situation.
- Research, however, indicates that democratic style brings about better quality work because workers' motivation is stronger when they participate in decision-making and problem solving and in other activities that affect them.
- Your leadership style reflects in your decisions making process, and how you respond on day-to-day to operational issues.
- Your workers observe what happens to them and around them, and they draw their conclusions about your organization's priorities.



EXERCISE

1. Do you know your predominant leadership style? Outline the benefits and challenges of your leadership style to motivation.

2. What effect did it have to your staff?

3.4 Delegation

Delegation is different from assigning a job. Job assignment focuses on intended activities and secondarily on results. Delegation focuses on intended results. When you assign work, you simply instruct an employee to complete a particular task in a specific manner. When you do this, do not expect the same results as when you delegate. Assigning jobs does not motivate or develop the skills of the concerned employee, and the assignment may not be time saving.

Delegation is appointing someone else to act on your behalf. It means that you are asking one of your employees to do something that you normally do as part of your responsibility.

In delegation, you should give the following to the employee whom you are delegating:

- Responsibility and accountability for completing the assignment.
- Authority to make necessary decisions and take appropriate action to complete the assignment.
- Freedom to complete the assignment properly.



You have to remember, however, that you never delegate responsibility. What you delegate is the authority to act

Authority to act that normally is delegated in varying degrees as follows:

Level	Explanation
Level 6	Take action -- no further contact with me required
Level 5	Take action -- let me know what you did
Level 4	Look into it -- let me know what you intend to do; do it unless I say no
Level 3	Look into it -- let me know what you intend to do; do not take any action until I approve.
Level 2	Look into it -- let me know possible actions, include pros and cons of each, and recommend one for my approval
Level 1	Look into it - report all the facts to me; I will decide what to do.

The degree of authority you grant to the concerned employee will depend on many factors among which are:

- Complexity and importance of the task.
- Expertise of concerned employee.
- Time constrains.

Therefore, it is essentially important that you focus on your main priorities and delegate tasks to your subordinates.

By delegating tasks to your subordinates, you will:

- Improve your effectiveness by setting priorities and will be able to focus on performing your essential tasks.
- Improve co-ordination and control of activities, because the responsibilities are more effectively allocated
- Improve employees' morale, as the increase of authority and responsibilities are motivational factors for most employees.



It is important to overcome the fear of delegation, and transfer some of the decision-making power and responsibilities to capable subordinates. Usually, these subordinates are the ones at the next lower hierarchical level, i.e. managers or supervisors

There is more scope for delegation when it comes to the managerial tasks, involving the management and control of operational processes. Management of the business is important to ensure efficiency and effectiveness of organizational processes. Many of the tasks involved in monitoring and executing business processes can be delegated to subordinates. By comparison, the **GOE** should prioritise tasks, keep direct control over strategic business issues, and guide the organization towards the achievement of the goals.

Guidelines for delegating managerial tasks

The following guidelines will help you to delegate managerial tasks:

- Carefully choose the subordinate(s) to perform some of your managerial tasks (usually it is a person immediately below you in the hierarchy, i.e. a manager).
- Ensure that this/these person(s) has/have the skills, abilities and knowledge necessary to perform the managerial tasks.
- Establish the authority and responsibilities given to this person in detail (informally and formally based on a relevant job description).
- Ensure that this person has all the resources required to perform the managerial tasks (time, human resources, money, information, and equipment).
- Monitor the progress to check whether the tasks have been accomplished effectively and ensure regular communication at the initiative of both sides.
- Inform the person that you will support the outcomes (regardless if it is positive or negative).



CASE STUDY

Hana Juice Company (HAJCO) Ltd.

Mr. Jameel learns to delegate tasks

Mr. Jameel realises that managerial tasks could, and should, be delegated as much as possible, if he wants to have enough time to stay abreast of opportunities and threats in the market. Mr. Jameel, therefore, decided to delegate some of his managerial responsibilities to his managers and to his assistant. He adjusted their job descriptions to allocate these tasks (and the accompanying responsibilities and authorities). Mr. Jameel delegated these tasks: employee salary payments, salary surveys and increment review of salaries for employees; performance appraisal for all employees (with performance-based salaries for managers and supervisors), assessment of training needs for all employees. Also purchasing of stationary and raw materials, the daily control of the activities of the workforce, the recruitment and dismissal of unskilled workers, and the responsibility for the cleanliness and safety in the workplace.



EXERCISE

1. When was the last time you delegated some duties to your employees?

.....

.....

Continued on the next page...



EXERCISE

Continued from the previous page...

2. How was the experience?

3. What prevents you from delegating more? What present work do you plan to delegate to have more time for more strategic concerns?

3.5 Job Design

Job design also affects the employee's motivation. It is how work is performed and the tasks that it requires. How the design of a job affects an individual's thoughts and feelings about it, or the individual's psychological state vis-à-vis the job, and thus his or her motivation in performing it. This will affect upon the behaviour of the individual and how he / she actually performs the job.

Job design: refers to how work is performed and the tasks that it requires.

The role of job design was referred to earlier in the section on motivational theories. It illustrated how the nature of one's work affects one's self-actualisation needs. An individual is motivated if he or she sees how the job connects to a broader goal or purpose, if he or she exercises some responsibility in the job, and if he or she is able to grow and advance in it.

Even jobs that are typically routine and repetitive in nature, such as assembly line work, will enrich through teamwork. If workers feel part of a work team then they will know how their tasks contribute to a bigger project, and they will contribute to the decision-making within their shop floor.

a) How enriching job design leads to job quality

Jobs can have five characteristics:

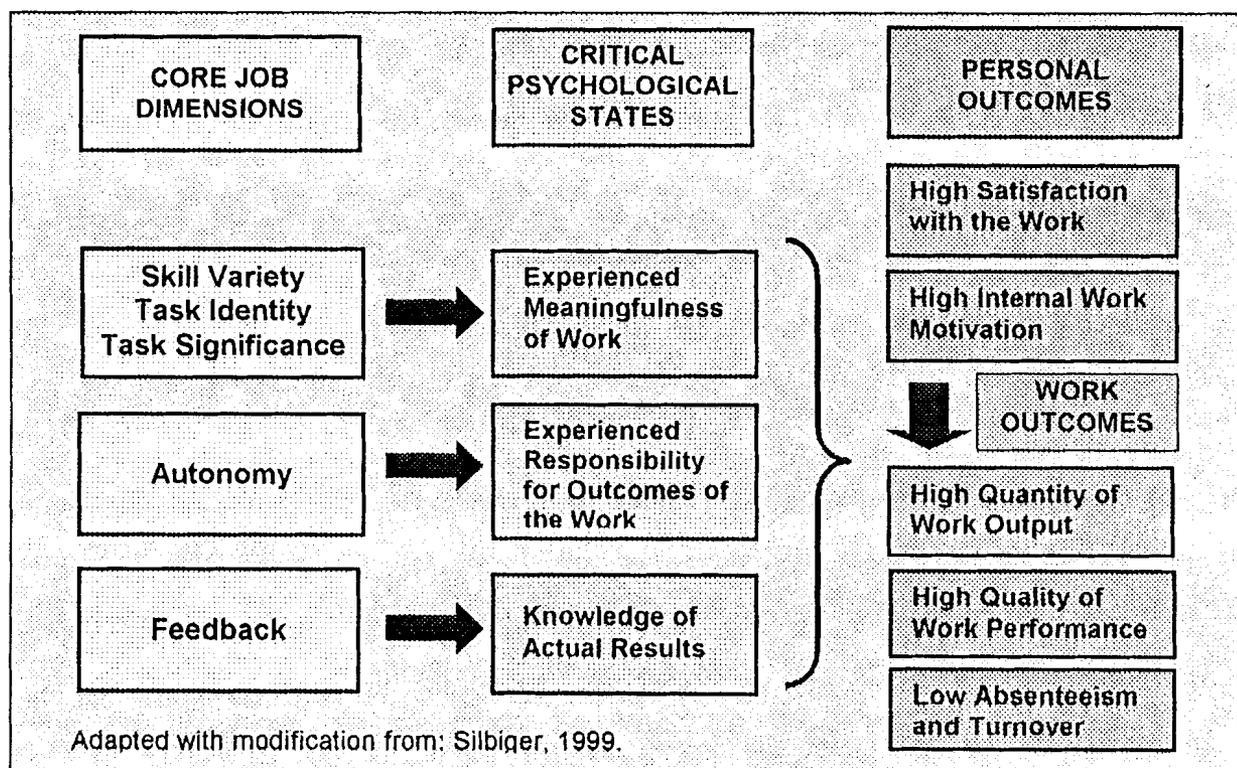
- Skill variety, which is the degree to which a job involves tasks that require a variety of skills
- Task identity, which is the degree to which a job involves completing a bigger piece of work
- Task significance, which is the extent to which a job has an impact on people's lives
- Autonomy, which is the degree to which the job allows the individual to make decisions on how the job is to be carried out
- Feedback, which is the degree to which an individual receives clear information about the effectiveness of his or her performance from the job.

These characteristics affect the thoughts and feelings of an individual; more particularly, in terms of their;

- Experienced meaningfulness of the job,
- Experienced responsibility,
- Knowledge of actual results.

These psychological states, in turn, lead to certain outcomes such as job satisfaction and higher quantity and quality of work.

b) Job Design Model



These findings about the motivational effect of job design have led to such approaches as **job rotation, job enlargement and job enrichment.**

Job Rotation

Job rotation involves switching employees so that they have a chance to perform different tasks. This helps decrease boredom, enhances versatility, and provides ready replacements in case of absences or resignation.

Job Enlargement

Job enlargement involves combining tasks so that an individual takes responsibility for a larger part of a sequence of activities and that they contribute more to the entire process. The claims department of an insurance company for example would have several people in the assembly line; checking different parts of a claim form and, when a problem is found, refer it to a person in charge for handling. This division of tasks, though efficient, results in monotony, low morale, and unhappy employees. These jobs can be enlarged by having each person check all parts of the form, correct errors, and deal with problems.

Job Enrichment

Job enrichment involves redesigning of jobs to include meaningful tasks, including exercising some job-related decisions. This can be done by letting individuals check their own work, or by involving them in planning within their work unit. This approach is found to enhance quality, productivity, and commitment among employees. The next section discusses employee involvement in detail.

3.6 Team-Based Management

Team-based management is used when the business recognises and allows each individual employee to contribute to the business growth at all levels. This approach recognises that knowledge exists at the lower levels of the business. Decision-making is allowed to happen on shop floor level, and all contributions are recognised and valued.

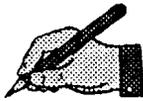
Examples of team-based management structures are **Quality Circles**. A quality circle is made up of about four to twelve people coming from the same work area. The circle meets regularly to discuss, analyse and solve work-related problems. The supervisor does not usually participate, so that workers can discuss openly and candidly about problems and issues. The quality circle presents its solutions to management, and is often, also involved in implementing and monitoring approved recommendations.



Quality Circles are most successful when:

- **Top management supports the idea, members participate voluntarily, and training is provided for facilitators, leaders and members.**
- **They are solution-oriented, when solutions are implemented once they are accepted, and the achievements of quality circles are recognised**

Quality Circles will encourage employees to contribute and take ownership of the business or processes for which they are responsible. Employees feel important, appreciated and valued, and a higher self-esteem among employees results.



EXERCISE

1. Refer back to your organizational structure, and appoint one or more departments in which quality circles could be implemented.

2. Please complete this corresponding section on your growth plan (Chapter 10)

3.7 Employee Involvement

Employee involvement plays an important role in enhancing motivation and performance. Performance management increasingly takes the quality approach, which emphasises, among others, that managers and employees work together to prevent errors, solve performance problems and even participate in the decision making process of the organization. Managers, peers and customers, within an atmosphere of co-operation, initiative, and effective communication, provide feedback on employee performance.



Employee involvement is based on two principles, namely:

- People who actually perform the work know most about the inner functioning of an operation.
- People who are actively involved in developing a product are more likely to help ensure that it is carried out correctly.

Therefore, employee involvement can be very valuable in the decision making process of an organization.

Under this approach, employees become “partners” of the business and not merely employees. They participate in setting key outputs/ targets and are allowed to make the necessary decisions in order to reach the aforementioned. They participate in analysing performance problems and identifying solutions.

Benefits of employee involvement

- Employee involvement provides greater fulfilment of psychological needs, and therefore, it provides greater employee satisfaction.
- Employees who have a say in the decision-making and planning practices of the businesses have a greater understanding of the businesses' strategic objectives, and simultaneously improve their commitment in achieving those objectives.
- Employee involvement can capitalise on the increased social pressure other members will place on fellow employees to comply with the decisions the group made as a whole.
- Employee involvement provides greater team and business identity, which is shown through greater cooperation and coordination among members at all levels.
- When conflict does arise under employee involvement situations, the people involved are better able to constructively deal with it.
- Employee involvement produces more informed recommendations based on their presence in the different divisions and levels of a business, which may be hidden from the owner's or the supervisor's view.
- Employee involvement becomes more critical when adopting a strategy of differentiation to the extent that emphasis is made on innovation, and individual contribution in the development of new markets and new or differentiated products.

How can you involve your employees?

The business owner must seek the best opportunities in the business to get employees involved. You need to introduce techniques and create opportunities that will encourage employees to participate. These opportunities and techniques can include:

- Inviting some employees to participate in planning, designing, budgeting and other important activities.
- Initiate a suggestions scheme, and possibly link it to some form of reward. It does not have always to be in the form of a financial reward.
- Mount notice boards and display business-related information e.g. productivity targets vs. actual performance, injury frequency rates, etc.
- Invite involvement from across the entire spectrum of employees.
- Invite involvement in all areas of the business, e.g. not necessarily only in production, but also administration, sales, marketing, distribution, etc.
- Keep employees informed on all aspects of the business e.g. sales, targets, new business, customer feedback, good results, etc.
- Recognise and reward good initiatives simultaneously. Acknowledge good suggestions, and do not patronise or insincerely praise unremarkable ones. This will encourage employees to continue submitting ideas.

4. Implications of the motivation factors and theories on the entrepreneur or manager

The task of the entrepreneur or manager is to provide proper conditions of employment, which would improve the factors that “satisfy” while at the same time maximising the factors, which “motivate.” These theories can be viewed together in the **first and second columns** of the table below. The **third column** shows how these factors correspond to **job quality aspects**, implying that job quality essentially means meeting the needs of a company’s most valuable resources – its people – in order motivate to them to perform their best. Job quality therefore, translates into higher productivity, efficiency and effectiveness.

These needs and job quality issues are terms as **specific conditions of employment**, found on the **fourth column**.

Theories of motivation, job quality, and employment conditions

Column 1 Need (Maslow)	Column 2 Factors (Hertzberg)		Column 3 Job quality aspects	Column 4 Employment conditions
Basic needs	Salary Working conditions	SATISFIERS	Remuneration Freely chosen employment	Adequate pay & conditions Wages, benefits, bonuses Leave entitlement Reasonable hours of work No bonded and child labour
Security needs	Security		Social protection Safety and health concerns Job security	Employee security Social security Workmen compensation Occupational safety and health Clear job description & Work contract
Affiliation needs	Relationship with peers, supervisors & leaders Company policies & administration		Management & organisation	Interpersonal relationships Communication, consultation groups, teamwork, recreation, company outings
Recognition needs	Achievement Recognition	MOTIVATORS	Management & organisation	Tangible and intangible recognition/rewards
Self-actualisation needs	Nature of work itself Responsibility Advancement Growth		Human resources development	Opportunity for learning Training, mentoring, participation in decision-making, job design, challenging assignments



- In Chapter 4, you were assisted in preparing proper job descriptions and contracts, which contribute to job security.
- Read more about, the growing significance of effective working relations for a growing business in Chapter 8



CASE STUDY

Hana Juice Company (HAJCO) Ltd.

Part A: How Mr. Jameel assessed the motivation of his employees

Mr. Jameel has realised that many of his organization's internal problems were related to low employees' motivation. He has been observing how his employees have been performing and it seems that demodulation was affecting most of his employees. Mr. Jameel observed that employees were usually not enthusiastic about their work and they were not seeking greater responsibility. They often arrived late, or are absent altogether. Many employees also seemed very bored when performing their tasks. Mr. Jameel also observed that there was no initiative from his employees in creating a more pleasant working atmosphere.

Mr. Jameel decided to investigate further the real causes of his employees' demodulation. Mr. Jameel's first step was to prepare a basic questionnaire to be filled by each employee. This questionnaire aimed to assess what employees' needs and expectations were, and, based on the results, to find out which factors would motivate them.

The questionnaire contained questions on diverse topics related to employees' motivation. Mr. Jameel included questions related to employees' needs, satisfiers, and motivators, his leadership style, employees' involvement, and the job itself. Following is an extract from Mr. Jameel's questionnaire:

Extract)		
Employees' Motivation Assessment Questionnaire		
Please answer to the following questions by indicating the appropriate answer:		
	YES	NO
Are you generally happy about your job?		
Is your salary enough to fulfil your basic requirements in life, such as food, drink, rent, etc.?		
Are you happy about your working hours?		
Are you often afraid of loosing your job?		
Do you think your job is safe for your health and free of accidents?		
Do you have good relationship with your colleagues?		
Do you have good relationship with your managers/supervisors?		
Do you receive compliments from your managers/supervisors when you successfully perform a task?		
Does your boss encourage your suggestions and participation?		
Do you feel appreciated by your boss?		
Do you think your boss cares about your satisfaction and well-being?		
Do you feel free and relaxed when your boss is around you?		
Do you feel bored while performing your job?		
Do you feel physically very tired when finishing your work?		
Please describe how you think your motivation could be enhanced:		

Continued on the next page ...



CASE STUDY

Hana Juice Company (HAJCO) Ltd.

Part A: How Mr. Jameel assessed the motivation of his employees

Continued from the previous page ...

Before handing the questionnaires to his employees, Mr. Jameel realised that it contained some questions that may intimidate his employees, and they may decide not to answer them. He then, attempted to gain their trust and make them comfortable in answering the questionnaire by preparing a meeting with all of them and explaining the purpose of the questionnaire. He mentioned that this first questionnaire had only the intention to assess what are the factors that motivate and demotivate them.

Initially, they seemed intimidated and not very keen on answering the questionnaire. However, when Mr. Jameel mentioned that the questionnaire was confidential and anonymous,, they decided to fill up the forms without hesitation. For those who were unable to read, Mr. Jameel suggested that a colleague would assist them in filling the form after an oral response.

All employees filled their questionnaires. After Mr. Jameel had collected and analysed the answers, relevant information related to different motivational factors came up. Employees were definitely not satisfied about many issues related to their work.

The most relevant findings include:

About 95% of the employees mentioned that their salaries were not enough to fulfil their basic needs. Mr. Jameel was surprised by the high incidence of the same complaint. As mentioned in the introductory business case (please refer to the Strategic Management module), Mr. Jameel was probably one of the only employers in that area, and he thought that his employees would be happy in having a job in his company, even if their salaries were low, as they could then avoid the hard life of farming. He then, realised that low salaries could be one of the reasons for the high incidence of employees' turnover within his company. He also associated employees' discontent about low salaries as the possible main cause for the high incidence of theft in his business.

More than 85% of the employees mentioned that they were often afraid of loosing their jobs. This finding made Mr. Jameel realise that in many instances, he and his wife had dismissed employees for very small mistakes. That was the cause of insecurity amongst the remaining employees.

About 95% of the employees revealed their discontent about their working hours and around 80 complained of exhaustive work. Mr. Jameel has never cared about their long working hours, because he always thought that employees would rather work long hours for him than work at the farms.

About 85% of the employees demonstrated some discontent with the management and leadership style at HAJCO. They often mentioned that they do not feel appreciated by theirs superiors nor feel comfortable when theirs superiors are around. Most of these employees also revealed that they do not receive compliments from their superiors.

More than 90% of the employees stated that they are not encouraged to participate or to give suggestions on their work.

About 80% of the employees revealed that they feel bored when performing their tasks.

Continued on the next page ...



CASE STUDY

Hana Juice Company (HAJCO) Ltd.

Part B: How Mr. Jameel attempted to improve his employees' motivation

Continued from the previous page ...

After the assessment, Mr. Jameel realised that his business faced a high risk of not achieving the growth plans if nothing was done to improve employees' motivation. He recognised that immediate action had to be taken involving various aspects of the working conditions, management and leadership styles, and job quality. In fact, these actions would result in a completely different organizational culture, in which employees would become much more respected and appreciated. There is a major focus on satisfying employees' basic needs and increasing their involvement.

Following are some of the actions taken by Mr. Jameel in attempting to improve employees' motivation.

1. Regarding employees' basic needs

This was Mr. Jameel's first priority. He knew that satisfying of his employees' basic needs was the most important action to be considered. He realised that, in order to satisfy their physiological and safety needs, he had to increase their salaries, decrease their working hours, and offer them more job security.

Salary increase

Mr. Jameel knew that he had to take some immediate action regarding the remuneration of his employees. He asked his assistant to carry out a salary survey to find out how much similar juice producers have been paying their employees (accomplishing therefore one of his short-term objectives). This assessment was very comprehensive and required information on salaries paid for all positions at HAJCO. The findings of the survey demonstrated that salaries paid by HAJCO were indeed very low comparing to other businesses. For instance, the average salary paid for production workers in other companies was about 50 JED higher than the salary paid monthly to HAJCO's workers.

After making some calculations, Mr. Jameel realised that it was possible to offer them a higher salary without any threat to his business' finance. As he had identified his employees' low salaries as the main cause of theft in his company, he expected that the increase in salary would also result in reducing the costs associated with theft (during the past years, Mr. Jameel estimated an average loss of about 1600JD per year due to employee theft!). He had two options:

- He could hire an additional guard for which he will pay 150 JD per month (or 1800 JD a year)
- He could increase the workers salaries to be (JD 200) per worker month, which would amount to 5000 JD per month for the 25 workers. The total amount of the salary increase will be JD 2400 per year.

However, at slightly higher cost, Mr. Jameel tried the second option. He decided that, even if the theft would not be decreased by the higher salaries paid, his business would at least be benefited from higher employee's performance and higher organisational productivity. After some time, Mr. Jameel found that gradually theft was reduced. Workers apparently appreciated the gesture Mr. Jameel made, were going home with little more cash during weekends to spend for the family, and felt that they were cared for.

Continued on the next page ...



CASE STUDY

Hana Juice Company (HAJCO) Ltd.

Part B: How Mr. Jameel attempted to improve his employees' motivation

Continued from the previous page ...

The news of the increase in their salaries resulted in immediate positive response from their employees. Employees seemed more loyal to the business and more motivated in performing their tasks and more candidates have been applying for positions at HAJCO.

Mr. Jameel also realised that a de-motivated sales-force could harm his business dramatically. Obviously, all the income originating from his business is derived from the sales of its products. If the total sales are low, the business will fail. He understood that demotivated employees would not be willing to work hard in promoting and selling the products, especially if they are not happy about their salaries. Therefore, Mr. Jameel decided to reward his sales force with both, a basic salary plus an extra performance related reward (as a percentage of the total sales of each employee). Consequently, those employees who would sell more products would receive a higher salary and would become more motivated in selling even more.

Working hours

Mr. Jameel decided to decrease the number of working hours from 9 to 8 hours per day. He realised that employees would not feel satisfied when working so hard for so many hours. Mr. Jameel assessed his finances and recognised that his business could, and should, hire some extra employees either permanently or on a casual basis. In addition to this, Mr. Jameel is also complying with the local legislation of only 8 hours of work per day, therefore avoiding possible expenditure due to overtime changes. Mr. Jameel also decided to establish meals intervals for his staff, by allowing a half-hour lunch break, and a fifteen minutes tea break during the afternoon.

Job security

Mr. Jameel realised that the problem related to job security could be solved through two different ways. First, he should communicate to his employees that those who are committed to their work and performing well would not be dismissed easily, unless they commit a major misconduct or crime, such as theft or sexual harassment. He promised his employees that he would adopt a disciplinary policy describing how employees should behave and what would happen to them in case they would not respect the organizational rules (the disciplinary policy will be dealt in details in Chapter 8).

2. Regarding leadership style

Mr. Jameel has always been aware that he was an autocratic leader. He recalls that, in many occasions in the past, he noticed some defects in the products and, as a result, he blasted the employees and fired some of them immediately, without giving them the right to be heard. Realizing that his actions affected his employees' motivation, Mr. Jameel is attempting to demonstrate a change in his autocratic behaviour through the following actions:

- Increasing communication with his employees (communication will be dealt on Chapter 7 of this module).

Continued on the next page ...



CASE STUDY

Hana Juice Company (HAJCO) Ltd.

Part B: How Mr. Jameel attempted to improve his employees' motivation

Continued from the previous page ...

- Developing a closer relationship with each of his employees individually, and address them by their name.
- Demonstrating more appreciation for each employee, making him/her feel more important.
- Stimulating their creativity and encouraging them to become more participative.

3. Regarding employees' involvement

Mr. Jameel realised that it is essential that his employees become more involved with their work. The differentiation strategy chosen by HAJCO requires a very committed and involved workforce to accomplish its goals. He realized that, in order to increase employees' involvement, a special focus should be given to the improvement of both formal and informal communication within the workplace.

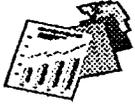
Mr. Jameel is now considering developing some methods of improving employees' involvement. These include encouraging them to give their suggestions on how to improve their jobs and working conditions (which could be communicated directly to him or put into suggestion boxes at the workplace), nominating the employee of the month (for those who exceed the expected performance), encouraging feedback, and giving employees more autonomy when performing their tasks. (Most of these topics will be discussed in the Chapter 7).

Mr. Jameel also began forming quality circles. Around half of the employees volunteered at the start. During the first six months, there was a flow of suggestions from the employees. Apparently, they had these insights for some time, but were afraid of sharing them with management. The following improvements were suggested and implemented:

- They suggested that wheels be installed on the shelves, which held empty cartons in order to minimise the time, and labour wasted in carrying them.
- They investigated the causes of back-related problems, and proposed correct lifting procedures through a health and safety at work course.
- They suggested proper mountings for several machines that have caused excessive noise as well as ear protection devices for workers using those machines at close quarters.
- They instituted a new cleaning procedure, which involved everyone.
- They traced raw material losses to the poor inventory and storage system, and suggested ways on how it may be improved.

Around 70 percent of the suggestions were implemented and this led to a higher sense of participation among the employees. Employees are now taking responsibility for the success of the company.

Continued on the next page...



CASE STUDY

Hana Juice Company (HAJCO) Ltd.

Part B: How Mr. Jameel attempted to improve his employees' motivation

Continued from the previous page ...

4. Regarding job design

Mr. Jameel acknowledged that the issue related to job design was very complex and that it required further examination. He decided to analyse how each operational task has been performed. This assessment required both his individual observation and assessment, and the participation of his employees in pointing out how the tasks could become more meaningful, and how to reduce boredom. Mr. Jameel began his assessment with employees from the bottle-filling sector, which involves two groups: the workers responsible for carrying and packing bottles and the workers responsible for washing and filling machines. The previous group complained of backaches from performing their tasks and the later complained of continuous high levels of noise that came from the machines. Employees from both groups mentioned that their tasks were monotonous, caused discomfort, and thus affected efficiency and productivity.

Mr. Jameel, together with a number of employees, discussed this situation and came up with the idea of rotating jobs every hour. Two relief workers were also added in order to allow short breaks of 5 minutes after each had an hour of work. All workers took turns in doing the machine operation, carton inspection, packing and, afterwards, resting.

Following the introduction of this rotation procedure, the process slowed down because everyone had to get accustomed to the new tasks. However, after gaining familiarity with the new processes, the production speeded up and the quality of work improved. Workers also expressed satisfaction with the new arrangements and safety systems (security needs). It gave them relief and work variety (skill variety), as well as allowing them to take part in the entire process (task identity).

Because of the recognised key role of employee motivation, theories have been propounded on what motivates workers. One of the most popular ones is Maslow's theory, which states that people are motivated when their needs are fulfilled. It identifies a hierarchy of needs placing basic and security needs at the lower end (which equal basic pay, sick pay, safe and healthy workplace conditions), ego and social needs in the middle (which are equal to teamwork, social interaction, company outings), and self-actualisation needs at the highest end, (represented by enriching jobs, challenging assignments, opportunities for learning and growth).

Another important theory is that of Herzberg. It distinguishes the satisfiers – the factors that enable a worker to produce a reasonable amount of effort, and the motivators, those, which push workers to perform with much greater effort and enthusiasm. Factors, which satisfy, are mostly external factors such as salary, pay and working conditions, relationship with peers and supervisors (Maslow's basic, security and social needs). On the other hand, factors, which motivate, are mostly internal factors such as recognition, achievement, the work itself (Maslow's ego and self-actualisation needs). When people are motivated, they perform with greater effort, energy and enthusiasm. The task of the entrepreneur or manager is to provide proper conditions of employment, which would improve the factors that "satisfy", while at the same time maximising the factors that "motivate."

Job Design plays an important role in motivating workers. As discussed, job design affects the extent to which employees experience meaningfulness and self-actualisation in their work. **Job design** is said to have five characteristics:

- **Skill variety**, which is the degree to which a job involves tasks that require a variety of skills
- **Task identity**, which is the degree to which a job involves completing a bigger piece of work
- **Task significance**, which is the extent to which a job has an impact on people's lives
- **Autonomy**, which is the degree to which the job allows the individual to make decisions on how the job is to be carried out
- **Feedback**, which is the degree to which an individual receives clear information about the effectiveness of his or her performance from the job.

Motivation is also enhanced through employee involvement. Employee involvement is based on the belief that:

- People who actually perform the work know most about the inner functioning of the operation.
- People who are actively involved in developing a product are more likely to help ensure that the job is carried out correctly.

Motivation is greatly affected by the entrepreneur's leadership style. Leadership style can range from an autocratic to a diplomatic, participative and free rein type. While the style may vary from situation to situation, and from one strategic choice to another, in general, it is the participative type of leadership, which can produce a more, motivated and empowered workforce.

COMMUNICATING WITH YOUR HUMAN RESOURCES

A number of factors affect employees' performance and productivity. These include your leadership style, motivation, communication, and team building. This chapter will enhance your ability to communicate with your human resources.

What you will learn in this chapter...



After studying this chapter, and completing the exercises in it, and with the guidance of your business trainer, you should be able to:

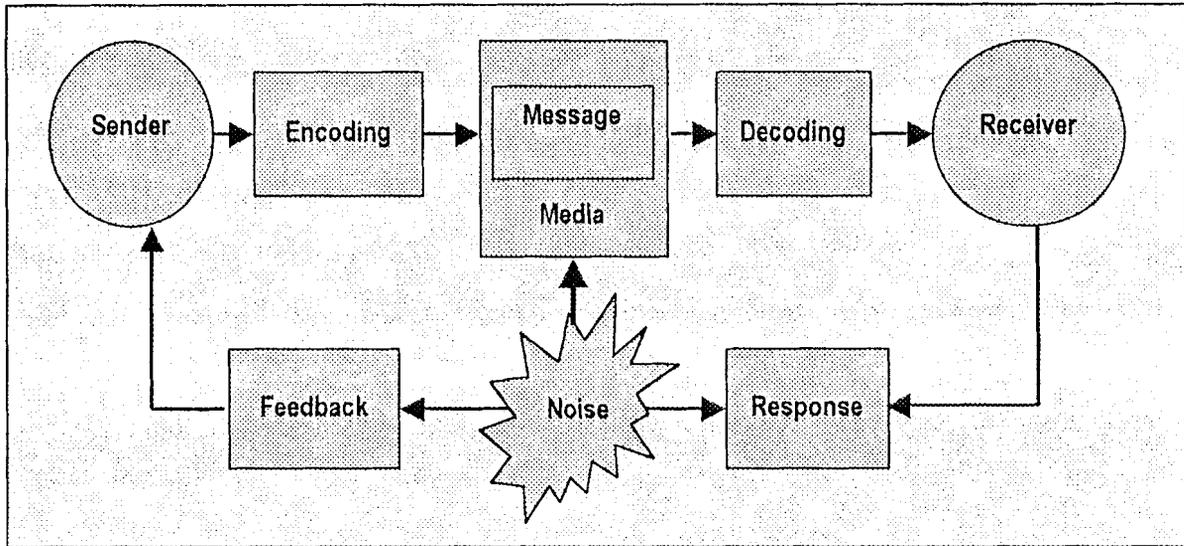
- **Define the meaning of effective communication.**
- **Explain how to communicate effectively in the business.**
- **Explain the flow of communication within the business.**
- **Draw a communication diagram.**
- **Assess the current communication system.**
- **Develop your communication system for more effective communication**

1. What is effective communication

Communication is the exchange of messages between people to achieve common understanding.

Communication is the exchange of messages between people to achieve common understanding.

A typical communication model represented below



The figure shown above illustrates that communication involves the following:

- At least one sender and a receiver
- Encoding of the message, the use of words or non-verbal communication to transmit the message
- A message itself, the result of the encoding process, which consists of oral or written words and non-verbal communication
- A medium, the method to convey the message (a memo, a telephone call, graphics, slides, gestures, face-to-face meeting, etc.)
- Decoding of the message, the process of translating the message by the receiver
- Noise, any factor that interferes with the exchange of messages such as physical noise, interruptions, but also receiver fatigue reducing the ability to decode the message correctly.
- Feedback, the response of the receiver who now becomes the sender. Without this feedback, communication is one-way communication. With feedback, it is two-way communication.



Effective communication means that people fully understand the messages exchanged between them.

2. How can effective communication help the growth of your business?

There are various ways how effective communication helps your business growth. Effective communication will:

- a) **Enhance** the participation and commitment of employees towards business goals. By informing and involving employees in strategy implementation, the business builds employees' understanding and support, thus leading to higher productivity and efficiency of the staff.
- b) **Reduce** resistance to necessary changes. It will increase the ability of employees to be flexible and to work in changing conditions for the achievement of the agreed goals. A business with ambitious growth objectives will change continuously, new departments may be added, new opportunities will occur in the market, new problems will arise during the growth process, and these affect people and their work. Employees will only be committed if they know the reasons and the implications of all changes on their work. Constant communication through regular meetings and team building will provide a sense of security and a sense of purpose amidst the change process.
- c) **Facilitate** the availability of important information at the workplace. By communicating the strategy plans and critical business information to employees, they will have the information available to understand what exactly needs doing. Having information on the aspects of the strategy relevant to their job, means that employees are best prepared to perform their tasks and responsibilities within their authority. In this way, employees will be able to set priorities and organise their work, such that they can effectively contribute to strategy implementation.
- d) **Assist** in co-ordinating and controlling processes and employee performance. This includes clearly communicating lines of accountability within the organization, its policies and procedures, the expectations from one's job, including compensation and reward systems. Effective communication connects employees to the **GOE** and managers, dispels misunderstanding and issues of subjectivity, and ensures smooth functioning of all operations because employees are informed about how to do their work.
- e) **Satisfy** the needs of employees for social interaction at the workplace. All human beings need social interaction with others in order to feel part of a group and to have a feeling of belongingness. Effective communication helps create a positive group atmosphere, which will also lead to effective co-ordination of tasks between the employees, and among departments, so that the tasks work with coherence.

3. How to communicate effectively in the business

3.1 Assess the communication system in your business

To assess the communication system in your business, you can develop a **Communication Diagram**. A communication diagram shows the flow of communication within a business. As you will see, a communication diagram is not the same as an organizational chart of your business. Some communication will flow along the lines of the organizational chart, but more communication will flow through different, and sometimes invisible or informal channels.

To be able to draw a communication diagram, you need to know about the different ways of how communication can flow in an organization.

Communication can flow through:

- Formal and informal communication channels
- Vertical and horizontal communication channels
- Wheel-type, chain-type or all-channel type communication networks.

a) Formal communication versus informal communication

Formal communication follows the line of hierarchy, and established formal regulations. This is for example, the case if a manager instructs his employee orally or in writing to do something, or if the employee reports to the manager on the job, he performed.

Formal communication also takes place between persons at the same or different levels to ensure co-ordination of activities. Plan meetings between managers to ensure that production and sales activities are well co-ordinated, is an example of such horizontal formal communication.

Informal communication is all other communication that takes place between employees in the business. It can be both work-related and not work-related.

- **Work-related** informal communication can ensure co-ordination between employees. It can, also help address emerging problems that need immediate attention. For example, if a production worker experiences an error in production, he may walk into the office of the production engineer and explain his observations. This allows the production engineer to fix the problem promptly. To wait for formal communication, such as the next staff meeting, will delay the needed response.

- **Informal non-work related** communication is also conducive to effective communication, as long as it does not interfere with the normal performance of work. It satisfies people's need to share information and values, and to build up a feeling of belonging to a group. As a result, it contributes to improved motivation and commitment to the work.

b) Vertical and horizontal communication

Vertical communication is communication across organizational levels. Vertical communication has downward and upward communication.

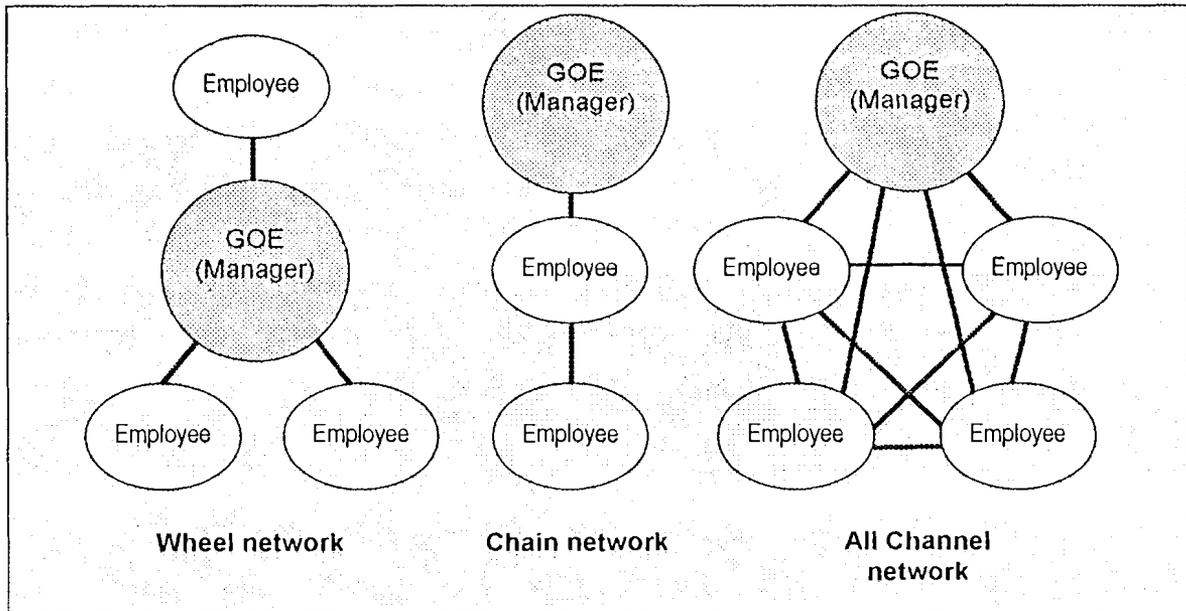
- **Downward communication** is the communication flow from a higher level to a lower level of the organizational hierarchy. In Mr. Jameel's company, downward communication would happen, whenever Mr. Jameel communicates with his employees, because his position is at the higher level of the hierarchy. Downward communication can take many forms, for instance by meetings, newsletters, memos, telephone conversations and face-to-face communication.
- **Upward communication** concerns the communication flow from the lower level to a higher level of the hierarchy. Upward communication would take place when Mr. Jameel's employees communicate to him. Forms of upward communication include face-to-face meetings, telephone conversation, employee surveys, suggestion boxes, and memos.

Horizontal (lateral) communication involves communication between employees on the same organizational level. Horizontal communication can take many forms, including telephone conversations, meetings, reports, memos and face-to-face discussions. For example, horizontal communication would take place when the accounting manager would communicate with the marketing manager, or when employees who work at the marketing department communicate with each other.

c) Wheel-type, chain-type and all-channel type communication networks

When managers need to communicate tasks to for completion by groups of employees, then managers must decide on how to communicate to these groups. A **communication network** is the way information is spread by the manager among a group of employees.

The most common communication networks are the **wheel** communication network, the **chain-type** communication network and the **all-channel** type communication network, as shown below:



- The **wheel network** is the most rigid form of communication whereby all the information flows through one particular individual. An example might be the **GOE** who communicates with the employees yet the employees do not communicate amongst themselves.
- The **chain network** is also a rigid form of communication. In the chain network, employees can communicate between each other; however, the individual from the centre of the chain tends to control the message. This could for example be the **GOE** instructing the managers of various departments. These managers then, communicate further to the staff in their department.
- The **all-channel network** is the most decentralised network. An all-channel network allows its members to communicate with one another.

For small business, centralized networks such as the wheel and chain networks can work very well, because information disseminates quickly and accurately while you retain full control.

When the business grows, and the number and complexity of tasks on hand increases, all-channel type communication networks can (but not necessarily do) work better, because they promote the free exchange of information on and across the various organizational levels.

In addition, all-channel communication networks often result in a better group morale and commitment. On the other hand, the accuracy of the communication transfer can easily suffer if many people communicate at the same time.



CASE STUDY

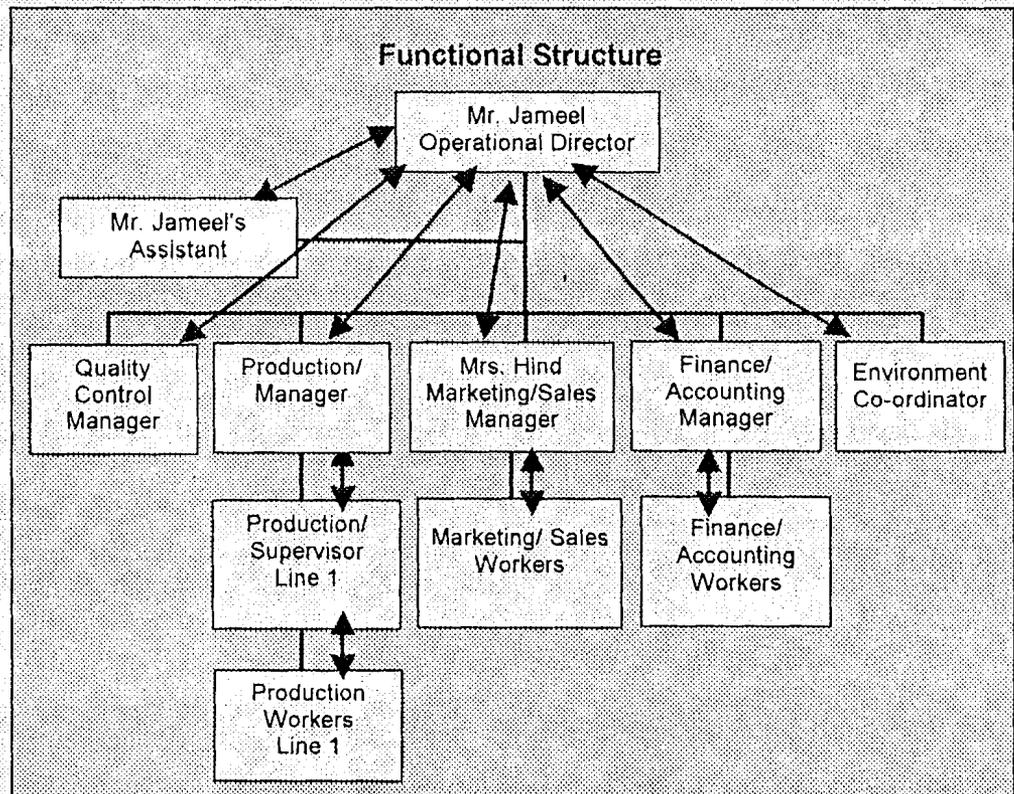
Communication in Hana Juice Company (HAJCO) Ltd.

Mr. Jameel is preparing a communication diagram for his organization. He starts the process by referring back to the organizational chart of his business. Looking at the organizational chart, he analysed how communication currently flows between the various boxes. He found out that his basic communication network is the chain network system because:

- He communicates with his assistant and the managers from Production /Quality Control, Marketing, Sales, Finance, and Environment Departments, and they provide feedback on the performance of their departments.
- These managers likewise communicate with their teams.
- These departments do not communicate with each other. When managers need cross-departmental information, they request it from Mr. Jameel, who, in turn, will contact the other department to collect the information.

Mr. Jameel does not formally communicate with the employees (other than managerial) at the departments. That is the role for the supervisors in the chain network system. Managers and Supervisors give instructions to their employees and get feedback from them.

Mr. Jameel, also found out that employees do not have horizontal formal and work-related communication with each other. Therefore, there are no formal horizontal or lateral communication lines. Of course, there is informal communication, but this is not included when preparing a communication diagram. Based on the existing communication structure, the communication diagram looks as follows:



3.2 Optimise the communication system for more effective communication

Once you have mapped the existing communication diagram of your business, the next step is to revise the flow of communication for better effectiveness.

Effective communication, as indicated earlier, is a cornerstone for successful growth of any business. How exactly an effective communication system should look like will vary from business to business and from growth strategy to growth strategy.

Follow the general guidelines in the following table to optimise the communication process in any type of business, and notwithstanding the growth strategy pursued.

General Guidelines In Communicating Effectively	
SENDER	RECEIVER
<p>When encoding or preparing the message, the sender uses symbols such as words and gestures. The sender should choose words and gestures taking into account:</p> <ul style="list-style-type: none"> ■ The receiver's ability to understand the words and gestures employed. ■ Appropriate use of words plus gestures, includes past experience, job status of the receiver, education level, and emotional state at the time of communication. ■ Words plus gestures used relevant to the understanding and educational level of the receiver. ■ Communication in a clear, concise and straightforward manner. ■ Sufficient time available to convey the message. ■ Use of the right medium to convey the message. ■ Not ending communication process before the receiver has fully understood the message and has had the chance to respond (feedback). 	<p>The receiver should be able to decode the message effectively. In order to do so, the sender should ensure that the receiver:</p> <ul style="list-style-type: none"> ■ Feels comfortable in a situation of mutual respect and not feels intimidated regardless of the sender's hierarchical position. ■ Is in emotional state to receive and decode the message effectively. ■ Can make time available from current duties to concentrate and decode the message. ■ Feels comfortable to ask questions and/or to provide feedback to verify that the message is comprehended

Continued on the next page ...

General Guidelines In Communicating Effectively Continued from the previous page ...	
NOISE	FEEDBACK
<p>Noise takes place during encoding, transmitting and decoding messages. To minimise noise that interferes with exchanging messages and achieving common meaning, it is important to:</p> <ul style="list-style-type: none"> ■ Choose adequate media or means to exchange messages. ■ Ensure the message is not interrupted or suppressed. ■ Utilise adequate location when communicating with employees. The communication should be done in a location with pleasant conditions (such as good illumination and temperature) to avoid fatigue, and be free of physical noise to allow a better reception of the message. ■ Ensure enough time to compensate for possible effects of noise. 	<p>To encourage feedback as a tool to measure progress within the organization, the sender / GOE should:</p> <ul style="list-style-type: none"> ■ Accept and welcome all ideas from employees, especially those that are constructive and, in case of rejection, clearly explain the reasons. ■ Listen actively to what other people have to say, even if the sender thinks that their information or views are wrong or irrelevant. Be patient while listening and try to avoid interrupting or suppressing the message. ■ Postpone making any judgement before all information has been transmitted. ■ Avoid making the conversation too formal or authoritative. ■ Reward and praise employees as deserved to improve their confidence and motivation.
COMMUNICATION MEDIUM / VEHICLE	
<p>The growing enterprise needs to select the communication medium that fits the message, and promotes a two-way communication. To do so, various means of communication media are available:</p> <ul style="list-style-type: none"> ■ Telephone and face-to-face meetings. These vehicles are very efficient in enabling a fast, two-way flow of communication, and allow immediate feedback. Appropriate encoding is required to prevent intimidation due to differences of status or levels in the hierarchy. ■ Formal meetings. These are effective means of communication if one wishes to involve a larger number of receivers at the same time. They can be used to inform employees what management is planning to do, and the effect of the changes on their work. During towards the end of these meetings, it is important to allow employees to participate actively, ask questions, and raise issues related to the topics discussed to ensure two-way communication, understanding, and feedback. ■ Newsletters, bulletins, and circulars. These means are very efficient in disseminating information quickly, and are useful for communicating company's updates and other general information, such as issues affecting employees, Business strategy, etc. In order to ensure that they are used effectively, they should allow for two-way communication by inviting readers to write contributions or comments, such as 'letters to the editor'. 	
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General Guidelines In Communicating Effectively
Continued from the previous page ...

COMMUNICATION MEDIUM / VEHICLE

- **Electronic media such as e-mails and videoconference.** These means can be used if employees have access to computer facilities. They provide for immediate, cheap, easy, and a very efficient way of exchanging information, including feedback, in the workplace without the use of paper.
- **Internet.** Internet is a powerful communication tool in which organizations utilise 'in-company internet' to inform employees, customers and other authorised personnel about issues related to the organization, such as Business performance, employees' databases, etc.
- **Suggestion boxes.** These are upward communication tools that provide means for employees to participate in Business matters. These boxes can be valuable communication tools if used effectively. Employees can make suggestions on how to improve processes and/or working conditions, thereby improving the operational company efficiency. Suggestion boxes also assist in improving employee motivation because of increased involvement.

For these reasons, entrepreneurs and managers should continuously promote the use of suggestion boxes by employees, and evaluate all ideas. Adequate feedback should be given to employees on their ideas and the reasons for either implementing or rejecting their suggestions. In the case of accepting the suggestion, recognition should be given to the employee, and in case of rejection, the reasons why should be clearly explained, so that the employee is not discouraged to express his ideas in the future.

INFORMAL COMMUNICATION

To encourage work-related information communication between employees, the GOE should:

- Encourage the staff to find colleagues to work with closely.
- Encourage the formation of teamwork. People working in teams share their views and knowledge with their colleagues about work-related issues resulting in increased informal work-related communication, and higher effectiveness in the workplace.

To control non-work related communication between colleagues, which interferes with their productivity when performing their tasks, the GOE should:

- Ensure that managers are aware of the amount of spoken and written communication of their subordinates with each other, e.g., by observation and by having regular contact at the workplace.
- By having, clear instructions and guidelines communicated to the employees on communication during work.
- By providing sufficient mechanisms for informal non-work related communication through shared breaks (lunch, coffee breaks).

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General Guidelines In Communicating Effectively
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COMMUNICATION NETWORKS

When the business grows in size and complexity, there is an increasing need for decentralised communication networks such as the 'all channel network'. The **GOE** may, gradually, move from 'wheel' and 'chain' networks to 'all channel' networks for complex tasks by:

- Establishing more autonomous teams / departments to handle specific tasks or projects with / without the **GOE** as participant in the group (but in any case without hierarchical powers). These projects could, for example, be a market research project or the regular work of a department such as R&D, for instance in case of the development and implementation of a new product. In the latter case, the R&D department could work as a team with production and marketing & sales to ensure the adequate design and production planning in line with customer needs.
- Blending the 'all channel network' with the 'chain network' by having one person responsible for reporting to the **GOE**. This could be the case if the R&D manager is responsible for the reporting on the new product development.
- Blending the 'all channel network' with the 'wheel network'. This would be the case if various managers each working in an all channel network environment, would report to the **GOE** as the focal point.

The **GOE**, should not make the mistake to implement the changes to the communication system in a top-down approach; but should make the process participatory and transparent to involve and win the employees for the new system.

To that purpose,

- Communicate the basic strategic goals to all employees, and explain the need for continuous change and flexibility in the business to achieve ambitious goals. Inform changes in employment conditions to staff and how this may affect them.
- Communicate the values, aims and achievements of the organisation in order to instigate employees to be involved and committed.
- Ensure operational systems are in place, such as adequate structures (Chapter 2), job descriptions plus performance feedback mechanisms (Chapter 3 and 4), compensation and reward system (Chapter 5). These systems facilitate smooth communication and efficient operations.

The above guidelines concern the communication process in any kind of business regardless of the growth strategy.



CASE STUDY

New Communication Channels at Hana Juice Company (HAJCO) Ltd.

Mr. Jameel decided to increase business efficiency by making changes in the existing communication diagram, in line with the new differentiation strategy.

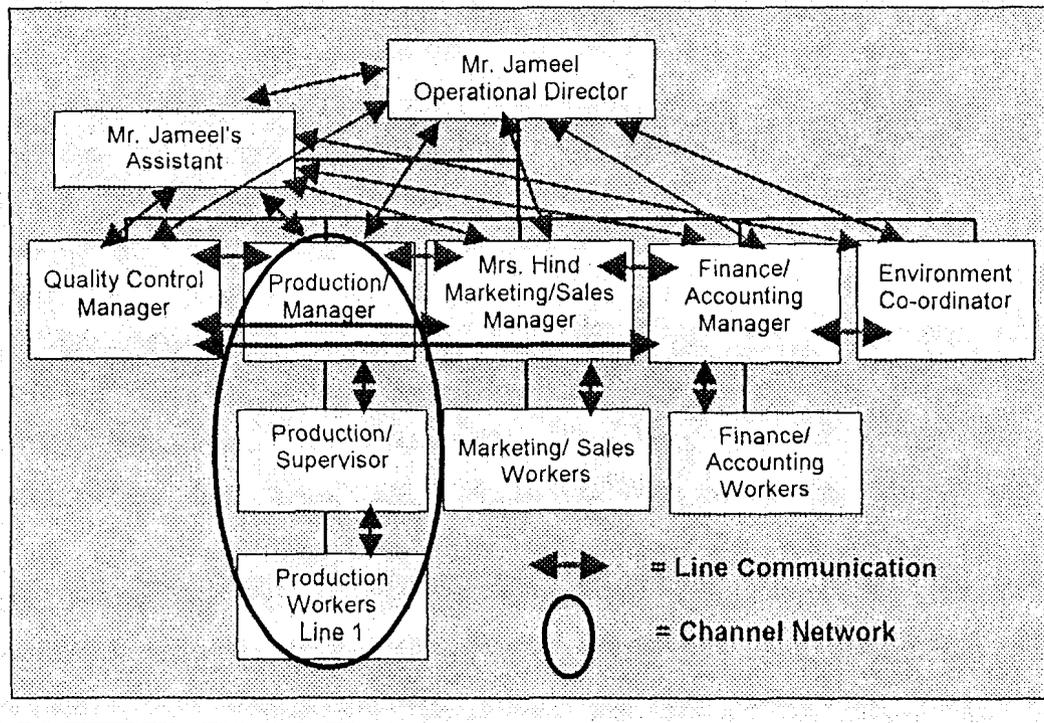
The Production/Quality Control department now counts on an experienced manager who is in charge of production and new products' development. Mr. Jameel realised that this department needs further flexibility and more communication between its employees in order to cope with the envisaged development and production of new products. To achieve this, Mr. Jameel decided that this department should be organized on a channel network system.

Mr. Jameel recognised that his business would become much more efficient if the managers of the Finance, Production and Marketing/Sales departments would communicate with each other directly. The reason is that, before this, all the communication between departments would be done via Mr. Jameel. For instance, if the Production/Quality Control manager would need information related to Finance, he would request Mr. Jameel to provide this information. This system would not only increase Business efficiency, but also reduce Mr. Jameel's workload dramatically.

Mr. Jameel also decided that each department should have work teams (presently only production line 1 employees maintain work teams) so that they collaborate and can assist each other where necessary.

Finally, the managers and supervisors of each department have been directed by Mr. Jameel not to contact Mr. Jameel's assistance for minor operational issues. His assistant was empowered to make many decisions within the organization and, in this way, Mr. Jameel would have much more time to handle major strategic issues.

Based on the new structure, Mr. Jameel then, redesigned the communication diagram as follows.



4. Chapter Summary

Communication is the exchange of messages between people to achieve common understanding. Effective communication means that people fully understand the messages exchanged between them.

In your business, effective communication requires:

- Clearly formulated messages on tasks, functions and decisions,
- Clearly defined responsibilities and authorities,
- Participation of the employees and two-way communication,
- The right words, timing and medium in formal and informal communication
- Good listening and feedback skills.

Effective communication will help you to grow your business since it:

- Enhances the participation and commitment of employees towards business goals;
- Reduces the resistance to change and increase flexibility;
- Facilitates the access of important information at the workplace;
- Facilitates the co-ordination and control of the employees and processes;
- Satisfies employees' needs for social interactions at work.

To assess the communication system in your business, you can develop a communication diagram. A communication diagram shows the formal flow of communication in your business, both vertically and horizontally (where applicable). The communication diagram also shows the type of communication network applied, i.e. 'wheel-type communication' networks, 'chain-type' communication networks and 'all-channel' type communication networks.

Once you have mapped the existing communication diagram of your business, the next step is to revise the flow of communication for better effectiveness.

Follow these general guidelines to optimise the communication process in your business for growth:

- Ensure messages are sent taking the ability of the receiver to understand the message as the starting point, and adjust the communication accordingly;
- Ensure the receiver of communication is treated respectfully, and feels comfortable to provide feedback and ask questions;
- Use adequate communication means depending on the message, such as telephone, face-to-face meetings, formal meetings, newsletters, electronic mail, internet, and suggestion boxes;
- Minimise noise that interferes with communication through adequate locations with adequate conditions
- Ensure the achievement of common understanding through feedback and sufficient communication loops
- Have adequate arrangements in place to promote work related informal communication and reduce non-work related informal communication
- Promote the use of 'all channel' communication networks for complex tasks

Don't do the mistake of implementing the changes to the communication system in a top-down approach; make the process participatory, and transparent to involve and win over your employees for the new system.

ESTABLISHING EFFECTIVE WORK RELATIONSHIPS WITH YOUR HUMAN RESOURCES

Chapter

8

The aim of this Chapter is to assist the growth-oriented entrepreneur to create and maintain effective and harmonious work relations at the workplace, through a framework of rules and policies based on fair conduct in dealing with organisational employees.

What you will learn in this chapter ...



After studying this chapter, and completing the exercises in it, and with the guidance of your business trainer, you should be able to:

- **Define the meaning of work relationships and their importance.**
- **Adopt basic conditions of employment, respecting employees' rights, and providing employment contracts to the employees.**
- **Formulate a health and safety policy for your business.**
- **Develop possible alternative employment opportunities for ailing employees.**
- **Define grievance and disciplinary procedures.**
- **Formulate grievance and disciplinary procedures for their own business.**

1. What are effective work relationships?

Work relationships refer to both formal and informal interrelationships between the management represented by its managers, directors and business owner, and the employees. The topic work relations is very broad and comprise many topics already discussed in this module, such as contractual obligations between employer and employee, communication systems, employees' participation in the decision making-process, and employee development.

This Chapter will explain how you can establish effective work relation in your Business by:

- Adopting basic conditions of employment and respecting employees' rights.
- improving safety and health in the workplace
- Introducing disciplinary and grievance procedures

2. How can effective work relationships help your business to grow?

This module has been consistently informing the entrepreneur, on the importance of their workforce to achieve business growth. The quality of work relations is therefore, very important as it determines the extent to which your employees are sufficiently motivated and committed to perform to required standards.

The development and maintenance of effective work relations benefits both the business and its employees.

The advantages of effective work relations to the business are that:

- It achieves high levels of efficiency
- It is a method that creates and maintain employee motivation
- It establishes more effective communications at the workplace
- It obtains commitment and participation from employees
- It creates rules and policies that help management to solve conflicts in the workplace, while, at the same time, it promotes fairness, consistency, and justice when dealing with employees.

All previous advantages are crucial for growth-oriented enterprises. The reason is that these businesses often operate in very turbulent environment, which requires management to pay attention to market in order to exploit their external opportunities before competitors do while, at the same time, it is preparing the business internally to support growth. Time is therefore a major issue for management. Effective work relations are therefore, very beneficial to the business, as it establishes control mechanisms comprised of consistent, and fair rules and policies that regulate employees' related matters. **In this way, management will rationalise their time in:**

- Analysing their dealings with the individual work-related issues of the employees (as established policies and rules will be guiding managers in what to do in certain circumstances), and
- Communicating business rules and expected results behaviours to their employees' (as employees will have access to written statements that control their behaviours).

Effective work relations, also depend on the maintenance of a health and safe environment. The negligence in providing a highly health and safe environment can be catastrophic for the business. The occurrence of hazardous and accidents in the workplace will not only affect the business financially in terms of absenteeism, suffering, payment of legal claims, medical bills, and other physical damages, but it will also affect your business' social image. Therefore, creating in the society the impression that your business is not in accordance with principles of social development.

Obviously, employees, also benefit whenever there are effective work related practices and policies in the workplace. Firstly, effective work relations involve very valuable methods that assist management to improve employees' motivation and commitment towards their work. The reason lies on the fact that, if done properly, it will result on harmonious relationships at work and fair rules and procedures. Additionally, effective work relations, also improve employees' involvement with their work, as they will be able to exchange their ideas with management and communicate their complaints whenever necessary.

3. Adopting basic conditions of employment and respecting employees rights

Chapter 5 discussed the importance of motivation in the workplace and how to motivate your employees. This section, however, will discuss the basic conditions of employment and basic employees rights, which do not only assist you in motivating your employees through the creation of effective work relations, but you must obey them, as they are obliged by law (at least in most countries). As the basic conditions of employment differ from country to country, it is therefore essential that you familiarise yourself with the legal employment-related requirements. The Ministry of should be able to help you by providing the necessary advice and information on this issue.

Some of the most basic conditions that you have to offer to all your employees are:

- The provision of written employment contract to each of your employees, which should include:
 - Hours of work
 - Meal intervals
 - Working on weekends and public holidays
 - The minimum period of notice (except for temporary/casual contracts).
- The provision of health and safety conditions
- The provision of equal employment and training opportunities
- The provision of equal treatment at the workplace
- The provision of other employees' benefits, obliged or not by law, such as maternity rights, right not be unfairly dismissed, right to organise and engage in collective bargaining, right to social security, etc.

It is, also very important that you and your managers recognise and respect employees' rights imposed by their trade unions. **Trade Unions** are collective employee organizations established to protect employees from arbitrary actions by employers in matters of wages and working conditions. Respected in the society, playing a role in the political life of the country, they are able, should needs arise to employ a wide range of sanctions against employers who do not follow their rules. Therefore, it is wise to recognise and respect their demands in order to develop good relationships with them.

3.1 Employment Contract

Law obliges the provision of written employment contract to each of your employees. The employment contract establishes a relationship that binds both employees and employer. In principle, it aims to protect employees against arbitrary use of power by their employer. However, it also benefits the employer as it defines the obligation of the employees for the right to their remuneration, and improves the business image as a socially responsible employer.

Some of the areas covered in legislation and regulations include hours of work, meal intervals, rest periods, working on weekends and public holidays, maternity leave and breast-feeding periods, discrimination, equal opportunities and freedom of association.

You are also encouraged to provide fringe benefits such as pension and medical aid. It is important that you view the benefits, wages or salaries you pay your employees as an investment and not a cost. When you pay your employees reasonably well, you can retain their knowledge and skills, reap the dividends of institutional memory, and attract the best from the market place.

3.2 The provision of health and safety conditions

It is very important that your business provide a health and safe workplace to your employees. Health and safety programmes aim to protect not only your employees, but also any other person affected by what your company produces and does, against the hazards arising from their work or their links with the company.

Despite the fact that the provision of health and safety is the responsibility of everyone employed in your business, it is you, as an employer who has the onus to achieve high health and safety standards. The reason is that you, the employer, are the one who has the legal duty to provide a safe workplace for your employees, and you are liable for accidents encountered by your employees in the course of their employment.

As a conclusion, the establishment of health and safety policies in your business is extremely important for any business. It not only assist you in controlling the health and safety in your business and decrease your costs, but it also results in effective work relations with your employees, as you are demonstrating that your business is concerned about their protection and their well-being. If done properly, these written policies will emphasise that:

- You and your business are very concerned about the health and safety of your employees and any other party.
- The provision of a health and safe workplace is of paramount importance.
- Your business is committed to make efforts towards the involvement of all business members in the process of improving health and safety practices at the workplace.
- Your business will not only obey the law that regulates health and safety, but it will go beyond that in an attempt to achieve the highest level of health and safety.

Implementing and monitoring health and safety policies at the workplace

As mentioned previously, it is important that all members of your business concentrate their efforts on establishing and maintaining a healthy and safe workplace. Therefore, to implement health and safe policies at your business, you, with the participation of your employees, have to take immediate action on:

- Assessing and eliminating hazards though improvement or change of current processes.
- Substitute hazardous materials with less hazardous materials.
- Restrict access to hazardous areas.
- Use of warning systems, such as signs, instructions, procedures and labels.
- Employees' utilisation of protective clothing and equipment.

The implementation of health and safety policies, also requires that management ensure that employees are aware of health and safety hazards and do not take risks. A continuous programme of education and training on safe working habits safety drills and methods of avoiding accidents are highly recommended for this purpose.

It is essential that you and your managers continuously monitor the effectiveness of the above actions in eliminating hazards or at least reducing it to a safer level. If managers realise that the policies are instigated effectively, they have to take corrective action immediately.



CASE STUDY

(Extract)

Hana Juice Company (HAJCO)

HEALTH AND SAFETY POLICY¹

General statement

HAJCO's overall intention is to achieve the highest possible standards of awareness of, and attention to, matters of safety, health and welfare at all levels.

HAJCO will endeavour at all times to achieve standards that will exceed the minimum legal requirements.

Safety Business

1. HAJCO will establish and maintain a structure of responsibility for safety and health matters throughout the Business premises.
2. HAJCO will appoint the Production/Quality control manager to act as co-ordinator of safety and health matters.
3. The Production/Quality Control manager will provide all employees with procedures for an efficient and safe working environment.
4. HAJCO will provide all necessary information, training and supervision in safety and health matters to all employees.
5. HAJCO's management will encourage the work of employee's safety representatives.
6. HAJCO will provide health and safety equipment and clothing.

Individual responsibility

HAJCO will stress on every employee the need to be aware of his or her individual responsibility for taking due care at work, and of cooperating with the management in the implementation of this policy.

Review Procedure

The Operational Director will review this policy at least annually, and any changes will be notified to all employees.

¹ Adapted from Cole, G.A.

3.3. Grievance and disciplinary policies and procedures

a) Grievance Procedures

You have learned throughout this module how to establish effective working relationships, and how to motivate your employees through techniques, such as encouraging open-communication, involving your employees in the decision making process, offering them good working conditions, etc.

A grievance is a frustration, real or perceived, felt by your employee with regard to conditions of employment.

The grievance procedures are a set of rules that offer the employees the possibility to raise their grievances at the highest possible level of the business hierarchy. However, efforts need making towards the settlement of these issues with their immediate superiors, in order to promote the efficiency of this tool, and to strengthen the authority of those directly in charge. In the event that the employee is still dissatisfied, believing that their grievances were not fairly handled, they should be allowed to inform their grievance to the next higher authority.



Grievance procedures aim is:

- **To inform employees of their rights in the matter of grievances.**
- **To assist management in solving individual disputes between an employee and his/her superior or employer at the earliest possible.**

b) How to develop grievance procedures

The grievance procedure is composed of the establishment of a grievance policy, and the procedures followed, whenever an employee raises a grievance.

The grievance policy describes the rights given to employees for a fair hearing, and their right to appeal to other superiors. The grievance procedures establish the main stages in which grievances are raised. Effective grievance procedures include time limits for each stage of the process. This encourages a timely resolution of grievance and promotes effective relations by improving communication in your business.

Following is an example of how HAJCO established a Grievance Policy and Procedure.



CASE STUDY

Hana Juice Company (HAJCO) Ltd.

GRIEVANCE POLICY AND PROCEDURE

1. Grievance Policy

This policy guarantees that the employees of Hana Juice Company have the right to:

- 1.1 A fair hearing by their immediate supervisor or manager concerning any grievances they may wish to raise.
- 1.2 Have the right to appeal to a higher authority against a decision made by their immediate supervisor or manager.

2. Grievance Procedure

This procedure aims to settle the grievance, as nearly as possible, to its point of origin. The grievance handling steps to be followed by the employee are:

- 2.1. Raise the matter with his/her immediate supervisor or manager, who will have three working days to hear the employee (from the time of the notice of the grievance).
- 2.2. In case the employee is not satisfied with the decision, he/she can request a meeting with the next authority of the businesses hierarchy, who is more senior than the authority who first attempted to settle the grievance. The grievance should be heard within five working days from the request of the employee.
- 2.3. If the employee still believes that his grievance was not fairly handled, he/she can inform the HRM officer, which will have up to three working days to hear the grievance from the request of the employee. Finally, if the employee is still not satisfied with the decision, he/she may appeal to the managing director. The managing director is given five working days to settle a meeting to handle this case. The final decision results in a written document and a copy of the resolution should be given to all concerned.



CASE STUDY

Hana Juice Company (HAJCO) Ltd.

Example of Grievance Form

Name of employee:

Department/Section:

Position:

Nature of complaint:

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Supervisor's decision (to be made within----- working days from date of receiving complaint).

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Managers' decision (to be made within working days from date of receiving a complaint)

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HRM Representative's decision (if there is one to be made within working days from date of receiving complaint)

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CEO or GM decision (to be made within working days of receiving complaint)

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c) Disciplinary Procedures

Disciplinary procedures are sets of rules that govern employees' behaviour in your business. These procedures set out ways in which certain actions of your employees will be executed by the management, describing precisely the steps that management should take to solve particular issues related to employees. This is a very effective tool to assist your business in establishing discipline at the workplace, as it clearly defines what every employee should expect from their inadequate behaviour and how management should deal with these issues and its possible recurrence.

Whereas the employee initiates grievances procedures, the management initiates the disciplinary procedures. Disciplinary procedures help the management to establish effective working relationships because they provide fair and consistent means of enforcing discipline. This means that employees will not be arbitrarily punished by their inadequate behaviour, but they will have the right to a fair and unbiased procedure to discipline them.

To be effective, disciplinary procedures should be a product of joint effort by you and your employees. As a result, it would increase employees' collective ownership of this tool. In some countries, it is a requirement of the legislation that the code be jointly authored and registered by the relevant authorities before it is used for disciplinary purposes. You must therefore, check with your local labour office what the position is exactly.

Some of the benefits that a disciplinary code of conduct offers to your business are:

- The uniformity and consistency in treatment of cases of a similar nature and hence removal of arbitrariness.
- The provision for certainty. Employees will know in advance the consequences of infringing the rules of the code.
- The collective ownership of the tool by the employees when they have participated in its creation.
- The creation of a common set of values and priorities within the business.

Additionally, the disciplinary procedure is also a very effective tool in assisting the management in controlling employees' behaviour. It saves a lot of the management time in dealing with disciplinary issues of its employees.

Developing disciplinary procedures includes:

- Disciplinary rules to be observed and definitions of acts of commission or omission constituting misconduct.
- Procedure to be followed when the code is violated, with time limits for processing of disputes.

- Sanctions attached to violation of the provision.
- Duration of warnings
- Enforcement authority, e.g. individual or committee.
- Notification of employee alleged to have violated the code of the alleged violation and commencement of proceedings.
- Right of your employee alleged to have violated the code to be heard before a decision is arrived at.
- Right of appeal.
- Written summary record of proceedings and the decisions taken.

The options available to businesses to discipline their employees usually follow the steps:

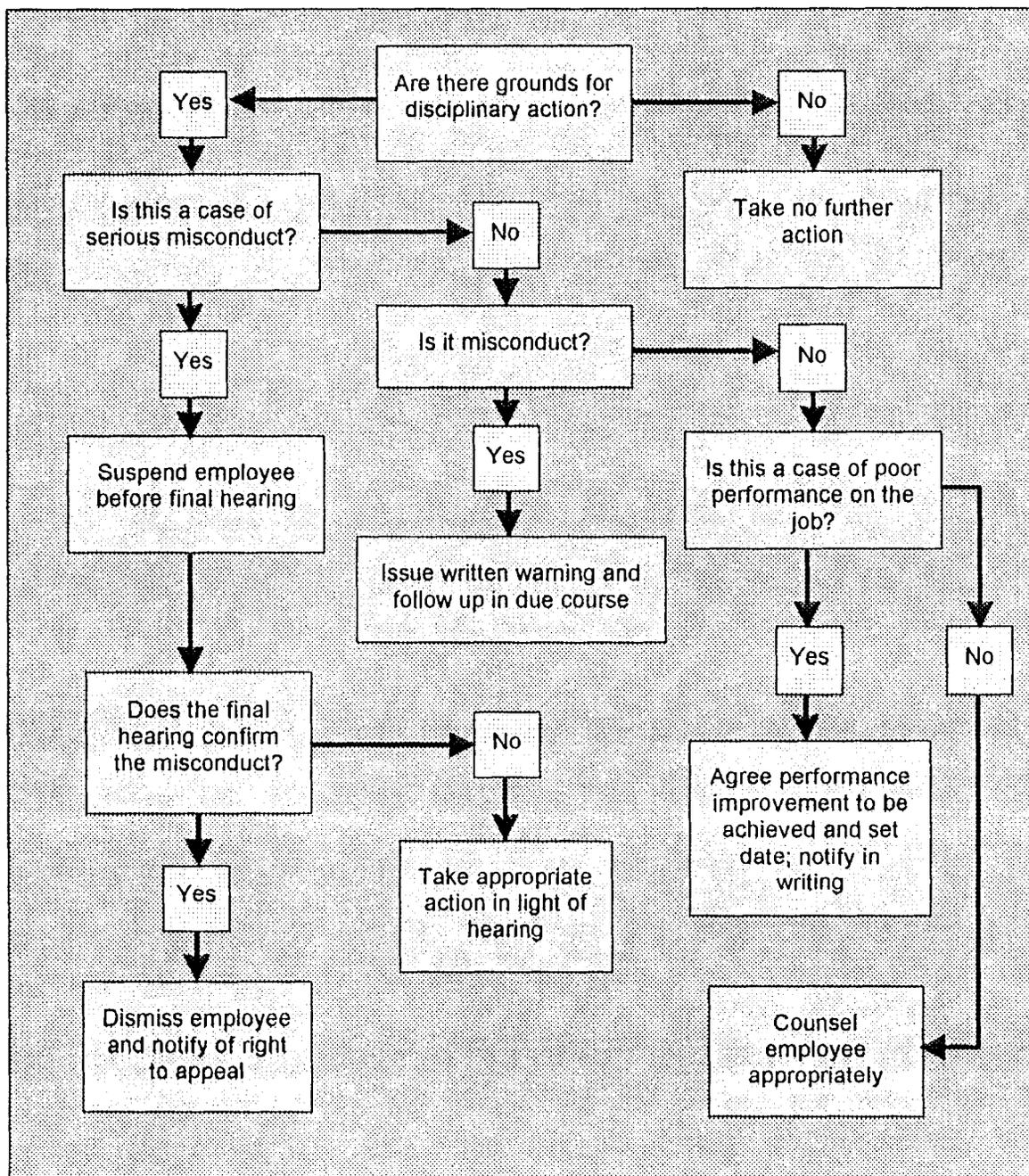
- Oral warning to employee
- First written warning
- Second or final written warning
- Suspension of employee with pay
- Suspension of employee without pay
- Dismissal

However, the above guidelines will depend on the gravity of the employee's misconduct. For example, an employee late for the first time is unlikely to be discharged from duty. On the other hand, an employee who commits theft even, for the first time is likely to be discharged from duty. If absenteeism from duty exceeds a certain stipulated period as stated in your registered code with reasonable excuse, the employee may be lawfully discharged. Usually however, lateness and absenteeism are dealt with based on a graduating set of sanctions or penalties.

Fraud, drunkenness at work or drinking intoxicating liquor at work normally attracts a discharge, as is the refusal to follow a lawful instruction. Violation of safety and health can constitute a serious offence. However, this will depend on the nature of the offence and the nature of business operations. For instance, smoking a cigarette at a petrol station is likely to be a serious offence, and the employee may be dismissed. This is not likely to be the case if the smoking is done in a business operation where smoking may be a less sensitive matter. Offences are normally handled according to a graduating scale of sanctions, unless the offence is serious enough to warrant a discharge, even if it is a first time offence.

A discipline flow chart is shown on the next page.

Discipline flowchart²



The following business case illustrates extract of HAJCO's disciplinary procedure. As you can see, Mr. Jameel dealt with major disciplinary issues in his business, such as theft and poor performance.

² Cole, G.A.



CASE STUDY

Extract From HAJCO's Disciplinary Procedure

1. POLICY

The purpose of this procedure is to ensure fair treatment to all employees who become liable to disciplinary action, because of failure to meet satisfactory standards with regard to conduct, job performance, attendance, etc.

The following procedure shall take place only when:

- Employees are aware of the standards that are expected of them or the rules, which they are required to conform.
- Good reason and clear evidence exist.
- The procedure has been demonstrably fair and consistent with previous action in similar situation.

2. PROCEDURE

It is the responsibility of management to ensure that the rules and standards are fair, reasonable, and clearly communicated to all employees.

Employees' actions will be related to poor performance, misconduct or gross misconduct.

Poor performance is related to consistent failure to perform work to a reasonable and acceptable standard, and the negligence to the requirements of the job.

Misconduct is related to:

- Breaches or infringements of any of the general business rules or specific working rules, such as poor attendance, bad time-keeping, etc.
- Failure to obey the lawful and reasonable instruction of a supervisor.
- Threatened violence against a colleague or member of the public whilst at work.
- (...)

Gross misconduct is related to the behaviour, which, subject to investigation, warrants immediate dismissal. Instances could be:

- Theft of any kind.
- Sexual misconduct in work (sexual harassment).
- (...)

In cases other than instant dismissal, the following procedure will apply:

- Stage I - Oral warning to employee
- Stage II – One or more written warnings
- Stage III – Suspension of employee with pay
- Stage IV - Suspension of employee without pay
- Stage VI – Dismissal

3. Right of appeal

In event of any dispute arising on this agreement, the employee shall have the right of appeal to a higher level of management.

4. Chapter Summary

Work relationships refer to both formal and informal interrelationships between the management represented by its managers, directors and business owner and the employees. The quality of these work relations is very important, as it determines the extent to which your employees are sufficiently motivated and committed to perform to required standards.

The main advantages of the development and maintenance of effective work relations are:

- It assists in achieving high levels of business efficiency.
- It is a method that creates and maintain employee motivation
- It assists to establish more effective communications at the workplace
- It assists to obtain commitment and participation from employees
- It creates rules and policies that help management to solve conflicts in the workplace, while, at the same time, it promotes fairness, consistency, and justice when dealing with employees.

Some of the most basic conditions that you have to offer to all your employees in order to establish effective work relations are:

- The provision of written employment contract to each of your employees, which should include:
 - Hours of work, meal intervals.
 - Working on weekends and public holidays
 - The minimum period of notice, except for temporary/casual contracts.
- The provision of health and safety.
- The provision of equal employment opportunities
- The provision of equal treatment at the workplace
- Provision to be in line with Jordanian Labour Law.

It is very important that you and your managers recognise and respect employees' rights imposed by their trade unions. Trade unions are collective employee businesses established to protect employees from arbitrary actions by employers in matters of wages and workings conditions.

HUMAN RESOURCES RECORDS & INFORMATION SYSTEMS

Many enterprises are choosing non-traditional structures, designing work to break down barriers among employees, and using a variety of techniques to ensure workforce flexibility. While these strategies are very impotent for increasing enterprise effectiveness, fortunately, computer hardware and software have made keeping track of human resources much easier.

What you will learn in this chapter...



After studying this chapter, and completing the exercises in it, and with the guidance of your business trainer, you should be able to:

- **Define the importance of human resources records and administration to the business.**
- **Identify the requirements of an effective human resources record system.**
- **Identify the main considerations in designing and implementing the human resources record system.**
- **Utilise the most important employees-related records in your business.**
- **Develop and apply human resources information system**

1. Human Resources Records and Administration

1.1 What are Human Resources records and administration?

Human Resources records consist of data pertaining to the employees of the business, such as their ages, level of education and experience, remuneration and performance details.

Human Resources records are classified into two broad categories, namely **Individual** data and **Collective** or **Statistical** data.

Examples of individual data are:

- The application form, giving personal particulars;
- Interview and test record;
- Job history after joining the firm, including details of transfers, promotions and changes in occupation;
- Current pay details and changes in salary or pay;
- Education and training record with details of courses attended and results obtained.

Collective information may include:

- Numbers, grades and occupations of employees;
- Absenteeism, labour turnover and lateness statistics;
- Age and length of service distributions;
- Total wage and salary bill;
- Training records.

The administration of these records involves the recording, up dating, analysis and security of the information. Some of this information can be of a very confidential nature, such as individual salary or health details.

1.2 How human resources records and administration can help your business growth.

Business owners and managers, who are primarily concerned with different activities related to business growth, such as production, marketing, sales, etc, often neglect the design, development, implementation and maintenance of an employee records administration system. However, business owners and management must understand that information about employees is an essential requirement for the successful operation of an organisation. As explained throughout this module, human resources are the organisation's most valuable source of competitive advantage; therefore, it is important that management have access to information related to them.

Human Resources records system is used for internal purposes such as planning, monitoring, appraising, and developing employees. In fact, it assists managers with information related to diverse areas of human resources management, such as recruitment and selection, promotion, transfers, disciplinary procedures, termination and redundancy. It can meet external requirements, such as the provision of data for returns to government departments and agencies.

A comprehensive and well-designed employee administration system will assist management in accessing both individual and collective data and information related to the employees. Such information can be very important during the decision-making process of many issues related to organisational growth, such as:

- Current size of the workforce
- Their distribution in terms of age or gender
- Their level of education and experience
- Training needs
- General performance levels.

1.3 Developing Human Resources Records for a growing Business

a) Requirements of an effective human resources record system

Effective Human Resources records fulfil the following requisites:

- **They are accurate.** Accuracy is essential to any record system in an organisation. Inaccurate data can lead to inadequate decisions and the results can be dramatic to the business. Therefore, all the information related to the employees must be accurate and cannot overlap.
- **They are easy to maintain.** Human Resources records should be easy to maintain and self-explanatory with minimum guidance required, in order making the work more efficient and less costly.
- **They are comprehensive, and relevant to the needs of the business.** Comprehensive and relevant information also facilitates the utilisation of information, and reduces cost and time related to the collection of useless information.
- **They are easily accessible.** The information is readily accessed, as management may require immediate access to employee s records in order to make major decisions.

b) Designing the system

The type and complexity of the employee administrative record and information system depend upon the business and its needs. Small businesses may require only a basic card index system for individual employees and a simple set of forms for recording information on numbers employed, labour turnover and absenteeism. Larger or growth-oriented businesses will require a more complex system, as they require more input of information and many more decisions.

Human Resources records can be on manual or computerised systems. Manual systems are cheap and relatively easier to develop and maintain. They are however less efficient in accessing, compiling, changing and analysing files. In turn, despite the disadvantages of computerised system being more costly to develop and requires trained employees for its use, a computerised system offers the following benefits:

- Higher speed of accessing, compiling, amending and changing data and information
- Ability to analyse and make comparative studies
- Ability to maintain a large amount of information
- Ability to incorporate different systems, and applications such as payroll and databases.

When designing the information system, the business owner and management have to decide whether to maintain the storage of records centralised or decentralised. The advantages of centralising the information are that there is less expenditure on space and equipment. Business statistical analysis can more easily be prepared and duplication avoided. The disadvantages are that local departments or units may not have ready access to the information they need, while there may be delays in obtaining the data required from central records.

In turn, 'decentralisation of employees' related information has the advantages of easier accessibility (the departments have the information they need on the spot), and delays in transmitting data are reduced. The disadvantages are additional costs because of space requirements and duplicated efforts, and possible loss in effectiveness due to possible discrepancy and inconsistency of information when accessing the records.

Finally, the business owner and management have also to decide on the procedures for confidentiality and dissemination of employees' related information. As most of the data is intrinsically personal, they can be of confidential nature; therefore, the business owner and management have to impose limitation related to the access and dissemination of such information. This could be done through a computerised record system.

c) Types of Records

The most important and common types of employees-related records for growth-oriented businesses are:

- Personal history records, which contain details of employees' personal background, address, job and career history.
- Application forms, which contain relevant information about candidates for employment (please refer to the corresponding sample form in Chapter 4).
- Job descriptions for use in recruitment, training, development and evaluation of employees (please refer to the corresponding sample form in Chapter 3).
- Personal development plans (please refer to the corresponding sample form in Chapter 5).
- Performance appraisal records (please refer to the corresponding sample form in Chapter 5).



You should ensure that your personnel files are properly stored.

A sample of: A Human Resources Record

PERSONAL RECORD CARD									
SURNAME			INITIALS			SEX <input type="checkbox"/> M <input type="checkbox"/> F			
ADDRESS:									
BASIC WEEKLY HOURS			SOCIAL SECURITY NUMBER			MARITAL STATUS			
DATE OF BIRTH			DATE OF JOINING			DATE OF LEAVING			
DAY	MONTH	YEAR	DAY	MONTH	YEAR	DAY	MONTH	YEAR	
DEPARTMENT		DATE JOINED	JOB TITLE		PAY		ABSENCE DETAILS		
EDUCATIONAL BACKGROUND					PREVIOUS EXPERIENCE				
TRAINING					REASON FOR LEAVING				

2. Human Resources Information System

Human Resources Information Systems (**HRIS**) are systems used to collect, record, retain, analyse, and retrieve data concerning the enterprise's human resources. Most of today's **HRIS** are on computer, so we will focus on these. Although it is beyond the scope of this module to discuss the technical details of the **HRIS**, it is worth it to explore two relevant issues: the applications of **HRIS** and the management of security and privacy issues related to **HRIS**.

2.1 HRIS Applications

A computerised **HRIS** contains computer hardware and software applications that work together to help managers make **HR** decisions. The hardware is a moderate personal computer. The software may be a custom-designed programme. **HR** software applications are currently available.

HRIS applications provide:

a) Employee information

An employee information programme sets up a database that provides basic employee information: name, gender, address, phone number, date of birth, race, marital status, job title, and salary. Other applications programme can access the data in the employee information database for more specialised **HR** uses.

b) Applicant tracking

An applicant-tracking programme can automate some of the labour-intensive activities associated with recruiting job applicants. These activities include storing job applicant information so that multiple users can access it and evaluate the applicant, scheduling interviews with different managers, updating the status of the job applicant such as whether the applicant has received other job offers or has special personal circumstances, generating correspondence for example, a job offer or a rejection letter.

c) Skills inventory

A skills inventory keeps track of the supply of job skills in the employer's work force, and searches for matches between skill supply and the enterprise's demand for job skills. The skills inventory is to support an enterprise's policy of promotion from and within.

d) Payroll

A payroll applications programme computes gross pay, governmental taxes, social security, other taxes, and net pay. It can also be programmed to make other deductions from the pay cheque for such items as employee contributions to health insurance.



CASE STUDY

(Extract)

Hana Juice Company. (HAJCO) Human Resources Information System

Mr Jameel decided to assess HAJCO's requirements from information system to implement the major functions of human resources as follows:

Employee information

This function will include the employee's name, number, tax number, social security number, and date of birth, location. etc.

Payroll

This function will include the basic salary of the employee, additions, and deductions resulting from tax and social security.

Employee Promotion Policy

The Operational Director will review this policy at least annually; changes duly notified to all employees.

2.2 HRIS Security and Privacy

The **HR** department must develop policies and guidelines to protect the integrity and security of the **HRIS**.

To maintain the security and privacy of HRIS records, the enterprise should:

- Limit access to the **HRIS** by controlling access to the computer and its data files.
- Secure the areas that house computers and sensitive databases.
- Use codenames or codes in staff records.
- Permit access to different portions of the database with the use of passwords and special codes. For example, a manager may receive authorization and a special code to tap into the skills inventory database, but not be granted permission to access sensitive medical information in the benefits database.
- Grant permission to access employee information only, on a need-to-know basis.
- Develop policies and guidelines that govern the utilization of employee information, and notify employees and how these policies work.
- Allow employees to examine their personal records to verify their accuracy, and make corrections if necessary.

2.3 How can you purchase HRIS?

Human resources software will enhance your capabilities in managing employees. This will help you in planning and following the employees' vacations, files, experience, qualifications, training, wages and salaries. You can invest some money in this software to achieve your objectives.

You can evaluate the software according to the following criteria:

a) Human Resources Specific Data

Does the HRIS support the following?

- Multiple addresses.
- Phone numbers.
- Multiple telephone extensions.
- Previous employee history.
- Provides succession and career planning which supports:
 - Career development
 - Career profiles
 - Career planning
 - Replacement planning
- Provides an applicant tracking system records:
 - Qualifications, Education, Training, Skills, Languages
 - Professional licenses, Language information.
- Provides applicant cost tracking by category, position, department, or user definable criteria.
- Supports occupational health and safety regulatory compliance.
- Supports termination/severance administration.

b) General Data Processing

The HRIS should manage the general data processing of your employees as follows:

- Supports headcount administration and reports.
- Supports leave/disability, absence/ vacation administration.
- Generates applicant correspondence in professional formats.
- Supports distributing and coordinating an internal interview schedule.
- Supports applicant tracking and progress and prepares signoff letters as appropriate.

c) Payroll

The HRIS should manage the general data of your employees' salaries as follows:

- Provides updates on regulatory changes.
- Provides updates on tax changes.



Contact Information Technology (IT) house to get offer about human resources management information system.

3. Chapter Summary

Human Resources records consist of data pertaining to the employees of the business, such as their ages, level of education and experience, remuneration and performance details.

Human Resources records are classified into two broad categories, namely individual data and collective or statistical data.

Examples of individual data are:

- The application form, giving personal particulars;
- Interview and test record;
- Job history after joining the firm, including details of transfers, promotions and changes in occupation;
- Current pay details and changes in salary or pay;
- Education and training record with details of courses attended and results obtained.

Human Resources records system is used for internal purposes like planning, monitoring, appraising, and developing employees. It also assists managers with information related to diverse areas of human resource management, such as recruitment and selection, promotion, transfers, disciplinary procedures applied, termination and redundancy. Finally, used to meet external requirements, such as the provision of data for returns to government departments and agencies.

A comprehensive and well-designed employee administrative system will assist management in accessing information that can be very important during the decision-making process of many issues related to organisational growth, such as:

- Current size of the workforce
- Their distribution in terms of age or gender
- Their level of education and experience
- Training needs
- General performance levels.

FROM STRATEGY TO ACTION: RE-ALIGNING THE HRM PLAN

An HRM plan is a very important document and it must evolve thoroughly. This plan will assist you to organize and mobilise your human resources to support organizational changes, growth and the implementation of the strategy.

What you will learn in this chapter...



After completing the exercises in this chapter, and with the guidance of your business trainer, you should be able to complete the Strategic HRM Plan which includes:

- Organizational structure and the communication diagram to support growth.
- Job descriptions for the positions in your business.
- Number of employees required for your business Strategic HRM Plan
- Assessment of your business current staff skills against the required by the new job descriptions.
- Recruitment policy, plan and advertisements
- Employment contracts.
- Induction, training and development plan.
- Performance appraisal forms for staff members and managers of your business.
- Delegation and personal development plans for you and your managers.
- Where to implement Quality Circles.
- Action plan to improve employee motivation.
- Health and safety policy.
- Grievance and disciplinary procedures.
- Human resources records and information system.

1. What is a Strategic Human Resources Management plan?

A Strategic HRM Plan is a document that provides your business a strategic approach to the achievement of its missions, strategies, and goals through an effective management of its members.

The contents of a Strategic HRM Plan covered in the previous chapters of this module. An HRM plan describes the:

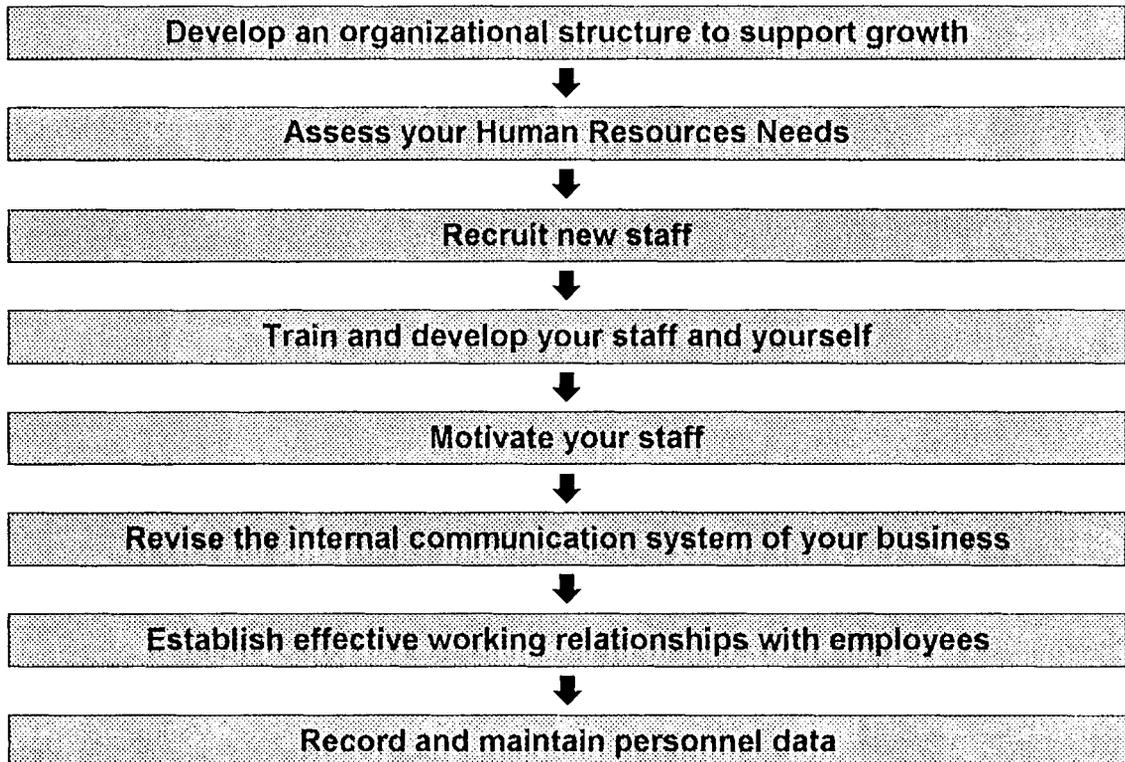
- Organisational structure of your business and its communication systems
- The quantity and the quality of people required in your business
- Recruitment and selection plans
- Staff development plans, including the plans for your self-development.
- Assessment of employees' motivation and actions to be taken to increase motivation in the workplace
- Principles, policies and procedures that assists in establishing working relationships with your employees

2. How can a HRM plan help to better manage the growing business?

An HRM plan is a very important document and it needs to be thoroughly prepared. This plan will assist you to organize and mobilize your human resources to support organizational changes, growth and the implementation of the strategy.

3. How to re-align your HRM plan to match the chosen strategy

Follow these steps to re-align your HRM plan:



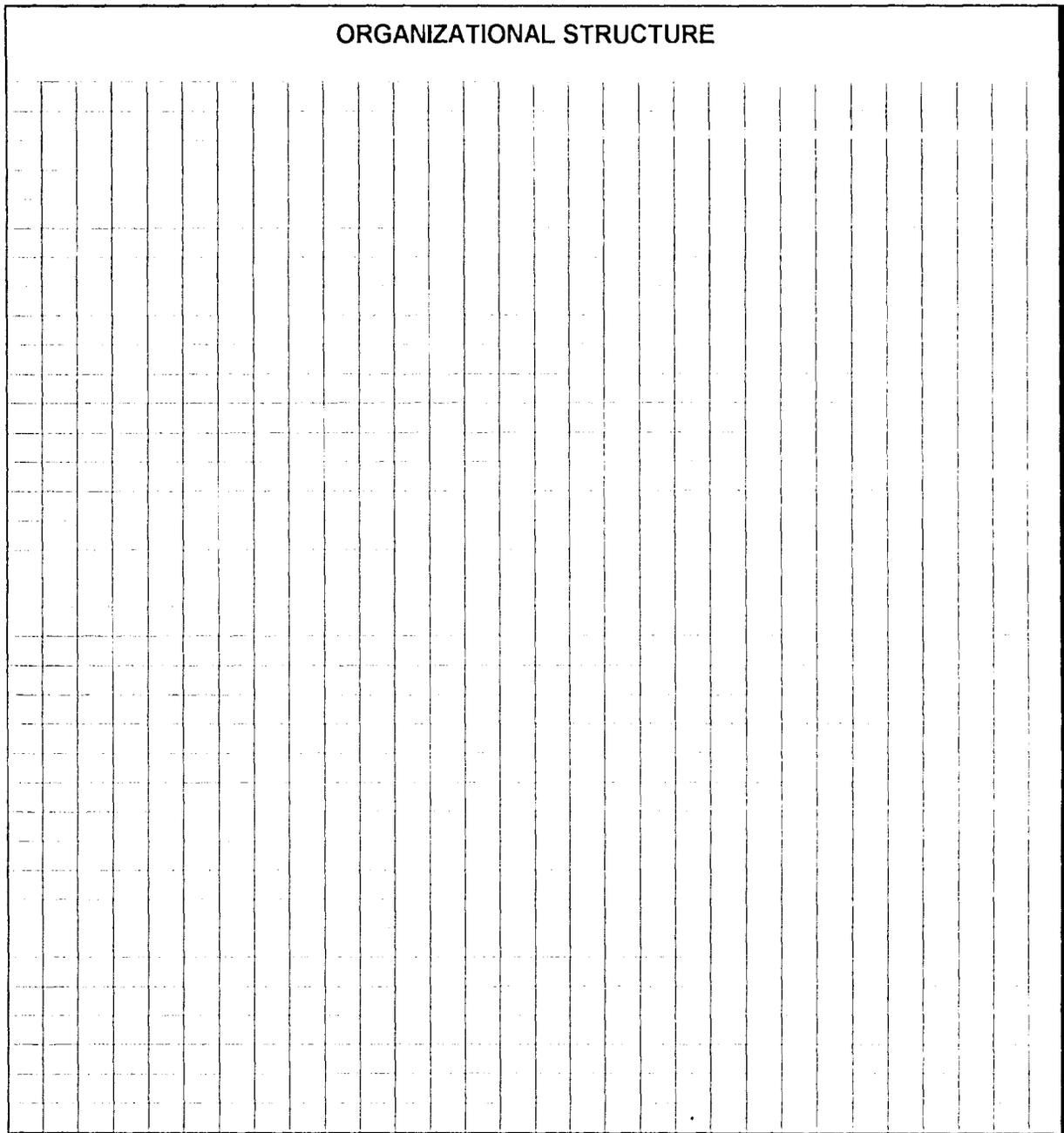
3.1 Develop an organizational structure to support growth

Now it is time for you to realign your organizational plan in line with the growth strategy chosen earlier. **Your design has to ensure that:**

- The structure is flexible and supports further growth;
- The structure is flat and simple;
- The decision-making process is optimally decentralised;
- The structure is cost effective;
- All the functions have been allocated;
- The structure is coherent with both organization and employees' requirements;
- The structure is coherent with the organizational culture;
- The structure facilitates co-ordination;
- The structure will enable communication between organizational members; and
- The chain of command is clear to all employees.

Draw the Organization Structure for your business in the following space:

ORGANIZATIONAL STRUCTURE



3.2 Assess your human resources needs

Chapter 3 “Planning and Analysing Your Human Resources” explained why it is so important to ensure that your business has the right number of skilled employees in order to implement your growth strategy. You also learned the importance of developing a job description for each of your employees.

On the next pages a blank job description form. Use it to prepare job descriptions for the positions required within each department of your organizational structure.

JOB DESCRIPTION

Job Title:

Section:

Reports to (supervisor):

Reporting to job holder (line manager):

Main objectives:

Areas of responsibility and main tasks:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.
- 11.
- 12.
- 13.
- 14.
- 15.

Job requirements (specifics):

3.3 Recruiting new staff

During this phase, you will first, develop a Recruitment Policy, which will establish the principles and steps that you will follow in filling a vacancy in your business while, at the same time, it helps to make your values clear to prospective employees and other stakeholders.

Recruitment Policy

The following step is to prepare advertisement for each vacant post, send them to the sources in which you believe that is most suitable to attract the candidates. Complete the following form when vacancies arise.

JOB VACANCY	
Position:	
Information about the organization:	
Nature and main tasks and areas of responsibilities:	
Qualifications required:	
Experience required:	
Benefits provided:	
How and when to contact the organization:	

The following space is for a draft employment contract, which should be issued to each of your new employees.

Employment Contract

The following space provides space for you to elaborate performance appraisals for your managerial staff; they need to be reviewed periodically in order to verify whether they have met their targeted goals.

Managerial Appraisal Form

Position:

Name of manager/supervisor:

Department:

Subject Matter	Targets set for the Semester	Achieved (Y/N)	Source of Evidence

Comments:

Actions to be taken:

- 1.
- 2.
- 3.
- 4.
- 5.

Recommendations:

Assessed by:

Date:

3.6 Revise the internal communication system

Chapter 7 discussed in details the importance and application of effective communication systems within your organization. Now it is time for you to re-organize and optimise the organization's internal communication in order to support the growth strategy chosen.

Use the following space to draw the communication diagram.

Communication Diagram

The diagram area is a large rectangle with a grid pattern. The grid consists of 20 vertical lines and 20 horizontal lines, creating a grid of 19 columns and 19 rows. The title 'Communication Diagram' is centered at the top of this area.

The following box provides space for you to draft a Grievance Procedure for your business.

Grievance Procedure

The form consists of a large rectangular area with a dotted background and a solid black border. At the top center of this area, the words "Grievance Procedure" are printed in a bold, sans-serif font. Below the title, the area is filled with horizontal lines, providing a space for the user to draft their grievance procedure.

The following box provides space for you to draft a Disciplinary Procedure for your business.

Disciplinary Procedure

The form consists of a large rectangular area with a dotted background and a solid black border. At the top center of this area, the text "Disciplinary Procedure" is written in a bold, sans-serif font. Below this text, the area is filled with horizontal lines, providing a space for drafting a disciplinary procedure.

GLOSSARY OF MANAGEMENT TERMS USED IN THIS MODULE

Term	Meaning
Climate	The emotional state of the members of the organization.
Communication	Is the exchange of messages between people to achieve common understanding.
Culture	The combination of beliefs, thoughts, behaviour and symbols that are conveyed to people throughout an organization.
Decentralization	Is transferring responsibility and decision-making authority from a central office to people and locations closer to the situation that demands attention
Delegation	Is appointing someone else to act on your behalf. It means that you are asking one of your employees to do something that you normally do as part of your responsibility
Differentiation Strategy	Is directed to the offer of distinctive products or services
Diversity	Is an increasingly evident characteristic of the relationships between employee, clients and suppliers from different countries.
Focus Strategy	Is strategy directed to the provision of goods and services for a market niche.
Globalisation	Is an increase in the international trade relationships, and flow of funds among countries.
Induction	Is a programmed introduction of the new employee to the organization.
Job analysis	Is the systematic gathering and analysing of information concerning the job.
Job Description	Is defined a written statement of what an employee does, how it is done, and under what conditions the job is performed.
Job design	Refers to how work is performed and the tasks that it requires.
Leadership	Is defined a person's ability to influence others to act voluntarily, usually toward some goal.
Low Cost Strategy	Low Cost Strategy is a strategy that involves a focus on lowering costs and increasing efficiency.

Term	Meaning
Motivation	Refers to the forces within a person such as thoughts, feelings, and attitudes, which energise, direct, and maintain behaviour. Motivation affects the enthusiasm with which people carry out activities.
Outsourcing	Is the process of sub-contracting expertise through other enterprises to perform specific tasks on a certain area of expertise on a temporary basis.
Policies	Are rules that are often captured in a handbook.
Procedures	Are observable ways of transacting and may not be written down
Recruitment	Is the process of identifying, locating and attracting prospective applicants for job
Selection	Follows the recruitment and it aims to identify the most suitable applicants from the pool and convince them to join your business.
Strategy	A plan (implicit or explicit) for gaining a competitive edge in the market.
Structures	A diagram that illustrates levels of hierarchy and accountability in an organization.
Succession planning	Is the process of ensuring suitable supply of successors for current and future senior or key jobs within the enterprise, so that the careers of individuals can be planned and managed to optimise the enterprises needs, and the individual's aspirations.
Systems	The means by which people (and other resources) are allocated, controlled, and monitored. Also includes the manner by which information is gathered and distributed.
Training	Is a planned and organized activity by which your people acquire the knowledge and skills to do a given job satisfactorily.

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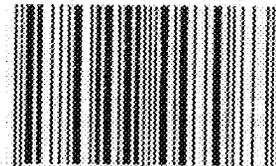
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The American Chamber
of Commerce in Jordan

AmCham Jordan

ISBN 9957-447-08-4



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