Lecture 2

More about SHRM

Today's Plan

Lecture

- HRM Key concepts
- HRM Strategy
- HRM Theories,
- Policies,
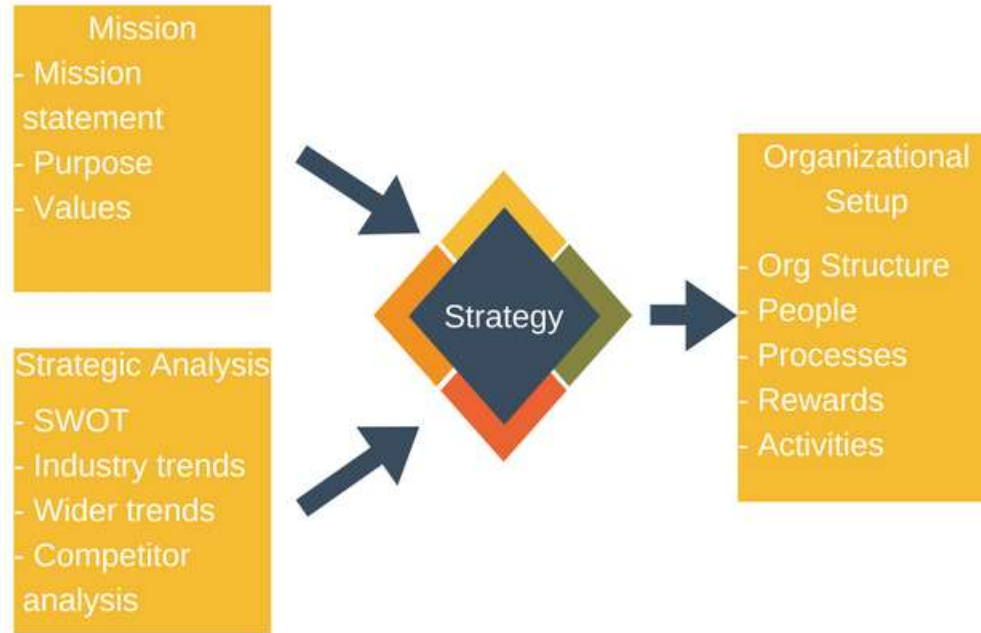- Procedures & Tools

Activities

- Case Studies
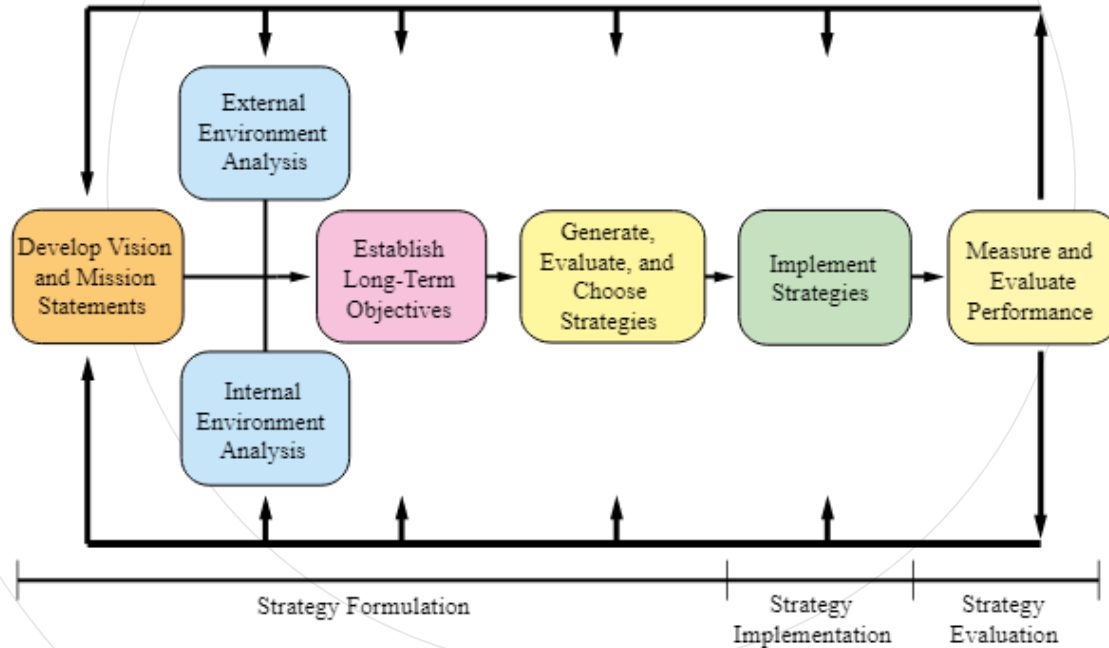- Research Review
- Managing classroom learning environment

STRATEGY

Strategy in Context

Mission
- Mission statement
- Purpose
- Values

Strategic Analysis
- SWOT
- Industry trends
- Wider trends
- Competitor analysis

Strategy

Organizational Setup
- Org Structure
- People
- Processes
- Rewards
- Activities

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In the 1980s, a Harvard Business School professor called **Theodore Levitt**, developed strategic management process.

Model of the Strategic Management Process

External Environment Analysis

Develop Vision and Mission Statements

Internal Environment Analysis

Establish Long-Term Objectives

Generate, Evaluate, and Choose Strategies

Implement Strategies

Measure and Evaluate Performance

Strategy Formulation | Strategy Implementation | Strategy Evaluation

HR STRATEGIES

HR strategies indicate what the organization wants to do about its human resource management policies and practices and how they should be integrated with the business strategy and each other

CRITERIA FOR AN EFFECTIVE HR STRATEGY

An effective HR strategy is one that works in the sense that it achieves what it sets out to achieve.

FORMULATING HR STRATEGY

Two approaches (Wright et al, 2004):

1. Inside-out

2. Outside-in

IMPLEMENTING HR STRATEGY

'There is no great strategy, only great execution'

Lynda Gratton (2000)

Theories in HRM

Maslow's Hierarchy of Needs

a theory of motivation which states that five categories of human needs dictate an individual's behavior.

Proposed by American Abraham Maslow in his 1943 paper "A Theory of Human Motivation" in the journal Psychological Review.

Self-actualization
desire to become the most that one can be

Esteem
respect, self-esteem, status, recognition, strength, freedom

Love and belonging
friendship, intimacy, family, sense of connection

Safety needs
personal security, employment, resources, health, property

Physiological needs
air, water, food, shelter, sleep, clothing, reproduction

Frederick Herzberg's Motivation-Hygiene Theory

Table 1. Motivators and Hygiene Factors

Motivators	Hygiene Factors
Achievement	Policy and administration
Recognition	Micromanagement
Advancement	Relationships (Supervisor, Peers, & Subordinates)
The work itself	Job security
Responsibility	Personal life
Potential for promotion	Work conditions
Potential for personal growth	Status
Salary	

Herzberg's Two Factor Theory

Poor Hygiene Factors decrease employee job satisfaction

Motivating Factors increase employee job satisfaction

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Adams' Equity Theory

John Stacey Adams proposed **job motivation theory** in 1963.

INPUT

OUTPUT

Time, effort, loyalty, integrity, commitment, personal sacrifice etc.

Base pay, incentives, benefits, job security, recognition, career development, fulfillment, enjoyment etc.
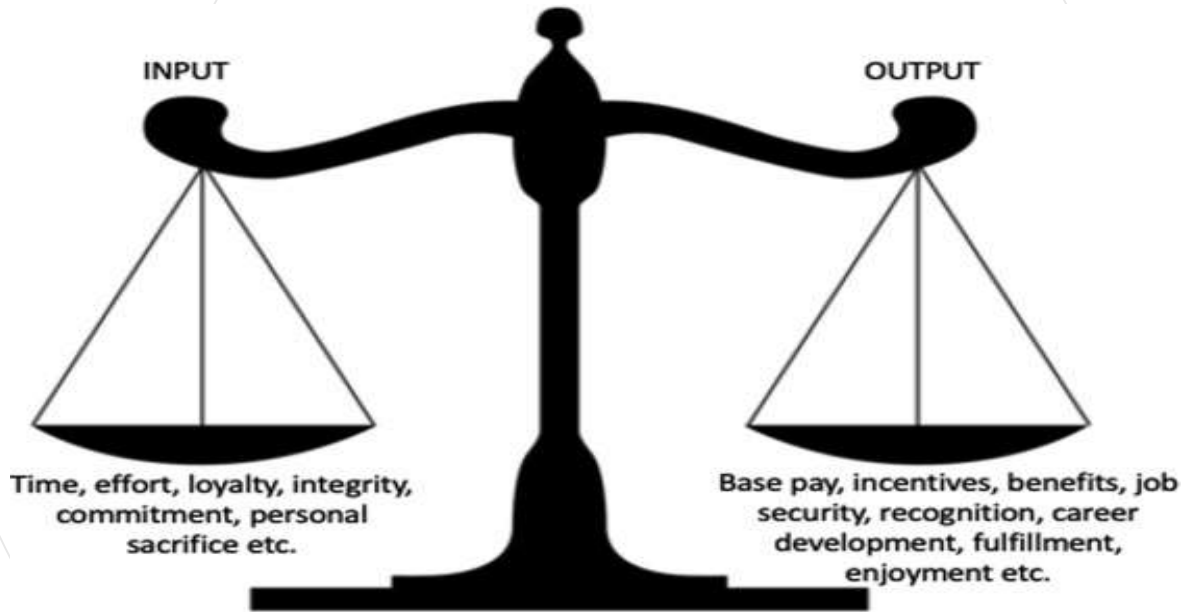
Demotivation, decreased input, and faculty turnover ensues when there is a feeling of not being fairly-rewarded, based on existing market norms.

Expectancy theory

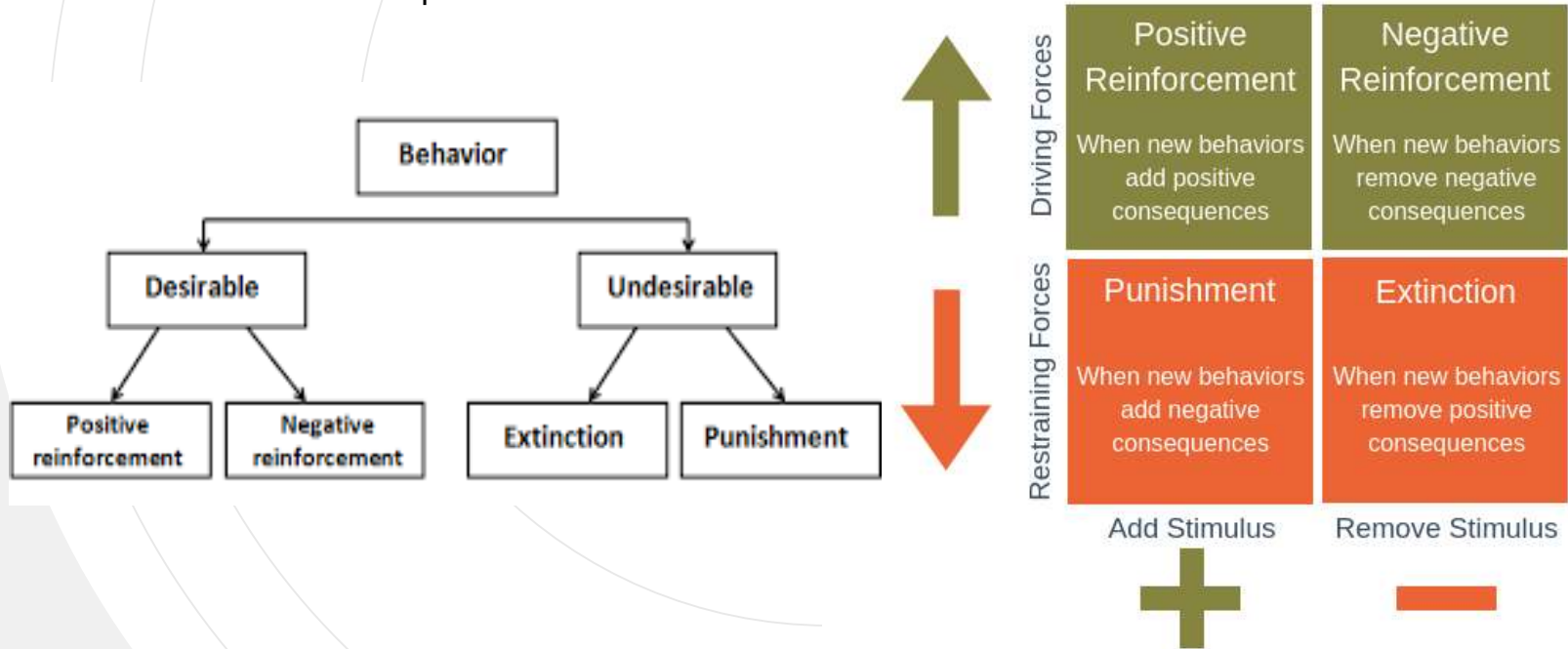Victor Vroom introduced the **expectancy theory**

It says that an employee will be motivated to exert a high level of effort when he or she believes that:

○   Effort will lead to a good performance appraisal.

○   A good appraisal will lead to organizational rewards.

○   The organizational rewards will satisfy his or her personal goals.
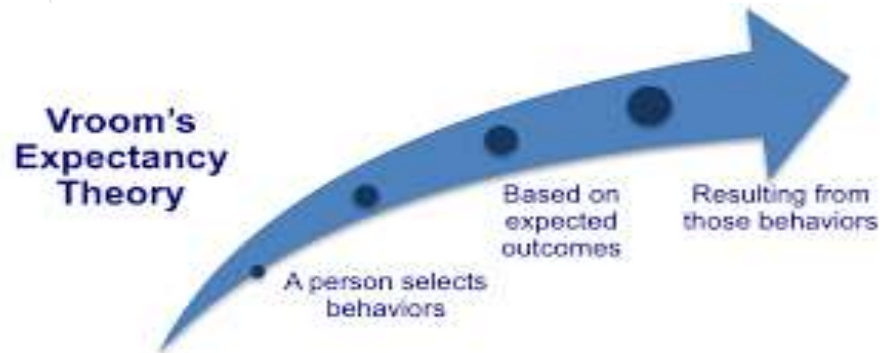
Reinforcement theory

This theory focuses on modifying an employee's on-the-job behavior through the appropriate use of one of the following four techniques:

	Add Stimulus	Remove Stimulus
Driving Forces	**Positive Reinforcement** When new behaviors add positive consequences	**Negative Reinforcement** When new behaviors remove negative consequences
Restraining Forces	**Punishment** When new behaviors add negative consequences	**Extinction** When new behaviors remove positive consequences

Seat belt reminders in cars

While seat belts in cars have been mandatory since 1960, it was initially difficult to ensure that the mandate was being followed.6 After years of figuring out the best way to enforce the rule, the seat belt reminder sound found its way into most cars. When the driver and passengers have not buckled up and the car starts moving, the car beeps loudly and relentlessly, until the seat belts are finally clicked. This annoying beeper is a classic example of **negative reinforcement**: after the target action is performed, the negative stimuli is removed. To avoid this annoyance in the future, we're encouraged to put on the seat belt as early as possible next time we get in the car.

Examining the effect of positive reinforcement and punishment on cigarette use

When it comes to smoking, our experience with our first cigarette often dictates if we develop a dependence later on. In a 2018 study, researchers surveyed respondents on their feelings, reactions, and symptoms during the first few times they smoked. It was found that if our first cigarette was a positive experience, we tended to get hooked later on. This finding strongly suggests that reinforcement could be a key driver of habitual smoking, as we have come to associate it with positive feelings. On the other hand, they found that an unpleasant first experience, which acts as a positive punishment, did not significantly decrease the smoking frequency later in life. Accordingly, positive initiation experiences could predict cigarette use with some accuracy, whereas negative experiences could not.

Goal Setting Theory

Edwin Locke in the late 1960s

proposed that intentions to work toward a goal are a major source of work motivation.

Goals, in essence, tell employees what needs to be done and how much effort should be expanded.

In general, the more difficult the goal, the higher the level of performance expected.

Goal Setting Theory

If the goal-setting theory is followed, managers need to work with their employees in determining goal objectives in order to provide targets for motivation. In addition, the goals that are established should be specific rather than general in nature, and managers must provide feedback on performance.

Clarity
Goals should be clear and specific

Challenge
Goals should be challenging enough to be motivating

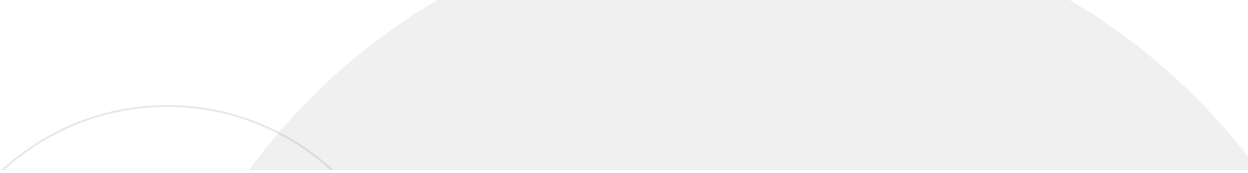## Commitment
Everybody must be committed to the Goal happening.

Feedback
Feedback on the Goals should be considered
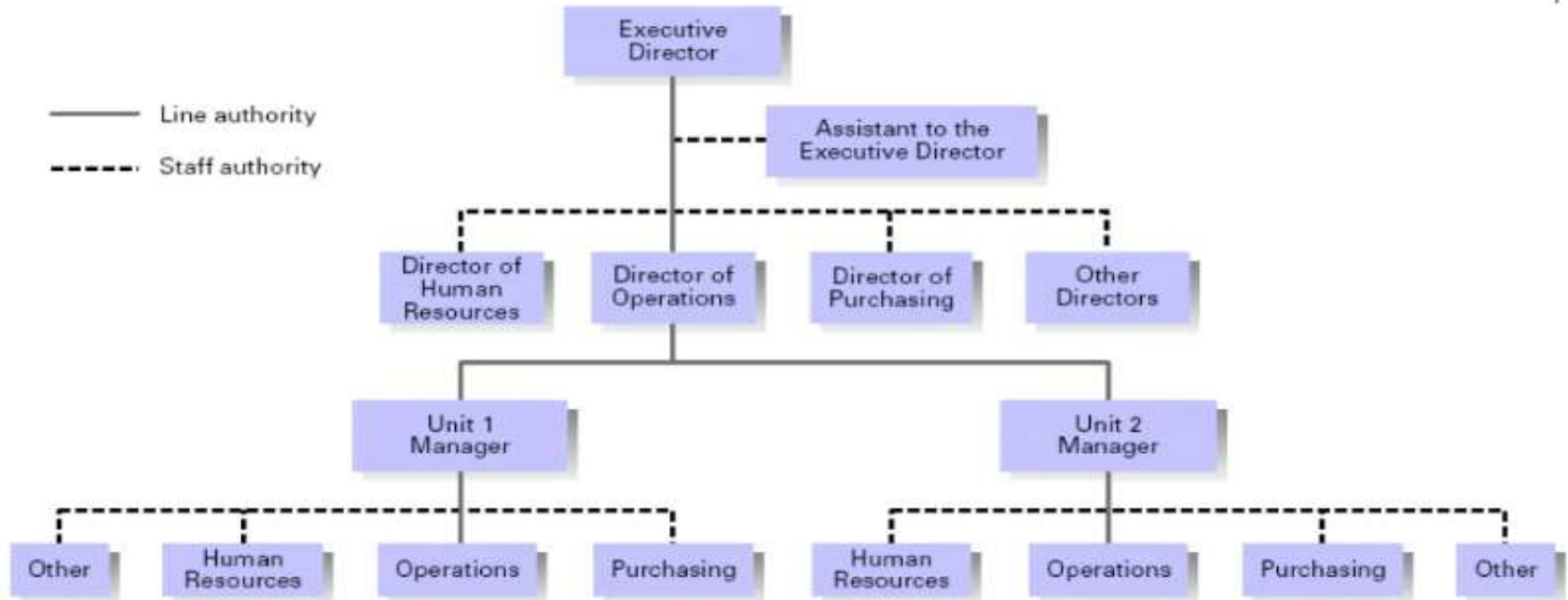
Complexity
Goals must be achievable

Manager: A person who is in charge of other and for responsible for timely and correct execution of action that promote his or her units success.

Line Employee: An employee involved directly in producing the company's goods and services.

Staff Employee: An employee who support line employee.

Line Versus Staff Authority

Executive Director

Assistant to the Executive Director

Line authority

Staff authority

Director of Human Resources

Director of Operations

Director of Purchasing

Other Directors

Unit 1 Manager

Unit 2 Manager

Other

Human Resources

Operations

Purchasing

Human Resources

Operations

Purchasing

Other

HR Policies, Procedures and Tools

HR policies cover a variety of different aspects of human resource management, such as:

• Recruitment

• Dress code

• Overtime compensation

• Vacation

• Sick days and personal leave

• Performance evaluation

• Termination

Employee Handbooks and Policy Manuals

- Most handbooks cover:
  - Statement of welcome and handbooks purpose
  - History of company/info on products & services
  - Mission or vision
  - Policy statements on harassment etc.
  - Info on recruitment, promotion, termination & rehire
  - Compensation information
  - Workplace conduct rules & how to resolve issues
  - Info on paid time off, LOA, holidays and vacations
  - Summary plan descriptions of benefits
  - Opportunities for training
  - Disclaimer that the handbook is for informational purposes only & is not a legal binding document

HR Policies, Procedures

HR policies and procedures give guidance on a range of employment issues for employees, managers and others with responsibility for people. They play an important role in practically and effectively implementing an organisation's HR strategy. They also provide consistency and transparency for employees and managers, helping to enhance the psychological contract and create a positive organizational culture.

CIPD

https://www.cipd.co.uk/knowledge/fundamentals/people/hr/policies-factsheet#gref

On this page

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🔗 What are HR policies?

🔗 Who develops HR policies?

🔗 What HR policies should organisations have?

🔗 Sourcing information for HR policies

🔗 Introducing and reviewing HR policies

🔗 Useful contacts and further reading

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Introduction

HR policies and procedures give guidance on a range of employment issues for employees, managers and others with responsibility for people. They play an important role in practically and effectively implementing an organisation's HR strategy. They also provide consistency and transparency for employees and managers, helping to enhance the psychological contract and create a positive organisational culture.

This factsheet looks at how organisations can benefit from introducing HR policies, the people responsible for developing policies in different-sized organisations, and the types of policies. It provides guidance on implementing HR policies, from auditing to benchmarking, consultation and drafting of new policies, to ongoing review. Finally, the factsheet offers advice on writing and communicating policies.

See the full A-Z list of all CIPD factsheets.

Case Study:

- It was 9:30 am, Sohan was late and he had to complete the project by the end of the day. As the day passed, he was not doing any productive work until the last few hours before submission, in a hurry to submit he finished the project without much effort or interest.

- He was going to his manager to submit the project, when he overheard his colleague Ramya's conversation. Ramya was saying "I am very happy and satisfied that my hard work and the effort that I put into my project is being appreciated and reviewed well by my manager and the company, I even heard the manager talking to the senior managers about rewarding me".

- Hearing this conversation Sohan wanted to be appreciated and recognized for his work but he knew that his project was not up to the mark. So, instead of submitting the project report, he requested his manager for an extended time of two days to complete his project. Seeing his will power and interest for the project, the manager gave him an extended time.

- Next day, the receptionist and other employees were surprised to see Sohan in the office before any other employee. For the next two days, Sohan showed dedication for his work. He even stayed late work hours to make his project to the best.

- After a day of submitting his project, Sohan was called into the manger's cabin. The manager started by saying "Sohan you have done an amazing job on your project and am sure it will bring value to this company and if you keeping working hard I am confident that you will have a good future".

- On hearing such positive feedback and getting recognized for his effort, he wanted to continue working hard. After Sohan gave few more successful projects and presentations, the company raised his salary and started awarding him bonuses for each of his best project.

- As Sohan realized his potential to go forward in his career, he put more effort and takes initiative to do new projects. Because of his good work he was getting reward well and even got a promotion. By which he was able to buy a nice car, buy himself branded clothes and other personal goals.

V = reaching targets   E = performance related pay agreement   F = efficient working
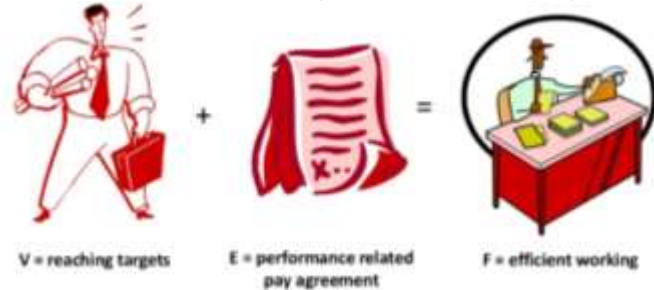
Conclusion:

- In the following case study, we can find that how an employee efforts lead to good performance appraisal and that will lead to organizational rewards that further lead the employee in planning for his personal goals