

Human Resources Issues



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Introduction

- The term 'human resources' emphasizes the fact that the people who work for organization are an indispensable part of the organization's resources and, very often, the important part.
- The organization will try to ensure that it always has available the appropriate skilled, qualified and experienced staff that it needs in order to exploit its other assets.

- Many organizations want to behave as ‘good ‘ employers and will therefore try to follow the best of current employment practice.
- Any organization that employs staff will be faced with the need to handle administrative issues relating to their employment.
- The number of employees reaches around 30, a full-time personal officer or human resources manager will be required.

- The managers cannot hand over all responsibility for personal matters to specialists.
- This is especially the case in the information systems industry, where staff have high expectations and staff turnover is particularly high.

The Legal Context

- Human resources management is practiced in an environment beset by legislation.

- It is an area in which it is often difficult to legislate clearly, the practical effect of much of the legislation can only be assessed in the context of subsequent decisions by the courts and by tribunals.
- Throughout the 20th century, up to the end of the 1970s, industrial relations in the UK were based on collective bargaining and were conceived very much in terms of relations between trade unions and employees. In particular, the rights of the trade unions received much more prominence than the rights of the individual employees

- The situation could be characterized by the following features.
 - Industrial disputes leading to damaging strikes were common
 - Such strikes were often instigated by politically motivated left-wing members of the trade unions, against the wishes of the majority of members
 - Strikes were supported by aggressive picketing, that is, by large numbers of strikers gathering outside workplace to ‘persuade’ other employees to join the strike
 - Secondary action was common, so that companies that had nothing to do with a dispute could find themselves subject to strike action or intimidator picketing

- The closed-shop meant that expulsion from the trade union would cause the employee to lose his job. This meant that trade unions could discipline their members very effectively and made workers very reluctant to disobey their union's instructions, whatever their feeling
- Nearly all trade unions imposed a 'political levy' on all their members which was passed on the labour party, whatever the political views of the individual members
- Elections for trade union officials were often rigged
- Over-manning was preventing British industry from taking advantage of modern equipment, because trade unions insisted that the same number of people continue to be employed to carry out a task, whether or not they were required
- Trade unions were effectively immune from legal action

- The greater attention paid to the rights of individual employees and the need to comply with anti-discrimination legislation have very considerably increased the workload of human resources departments in the U.K.
- The following list is the summary of the task they are expected to undertake within the overall aim of ensuring that the organization has the workforce that it needs:
 - Ensuring that recruitment, selection and promotion procedures comply with anti-discrimination legislation;

- Staff training and development
- Setting up and monitoring remuneration policy;
- Setting up and monitoring appraisal procedures;
- Administrating dismissal and redundancy procedures
- Dealing with contracts of employments;
- Workforce planning;
- Administering grievance procedures;
- Being aware of new legislation affecting employment rights and advising management of what the organization must do to comply with it;
- Dealing with health and safety;
- Administering consultative committees.

Recruitment and selection

- Human resources managers often make a distinction between the two terms recruitment and selection, using recruitment to mean soliciting applications and selection to mean selecting the applicants to whom offers will be made. Increasingly, the two are seen as separate activities and recruitment, particularly at professional level , is being outsourced to specialized agencies. Such agencies handle the advertising and, often, carry out initial screening of applicants, before presenting their clients with a shortlist of suitable applicants

- Selection is kept in the hands of the employer, although a member of the recruitment agency staff may sometimes be invited to advise. A wide range of selection techniques is available and is used in making professional appointments;
 - A series of one-to-one interviews with senior management and senior technical staff
 - Interview by a panel
 - Assessment of references
 - Psychometric tests
 - Situational assessments
 - Task assessment

Staff Training and Development

- In the USA, employers commonly encourage staff to undertake part-time masters degrees by paying the fees and buying the books needed for the course –and most importantly, by not promoting people who don't have masters degrees
- Such behaviour is rare in the UK

- Successive British governments and industry organizations have been well aware of this problem and there are a number of initiatives that provide positive encouragement and support to firms to invest in staff training .
- Some of these, such as the Modern Apprenticeships programme, are intended to give young employees the opportunity to acquire skills and obtain qualifications.
- Staff training and development are of particular importance in high technology companies, where failure in this respect can threaten the company's raison d'être. It is unfortunate that , when money is tight, it is often the first thing to be cut

Remuneration Policies and Job Evaluation

- One of the main source of discord and staff dissatisfaction in organizations both large and small is perceived disparities in remuneration
- It is the difficult task of human resources management to provide a framework for fixing remuneration that will avoid giving rise to such disparities.
- In the public services , this is achieved by using fixed scales that employees move up by annual increments.

- Job evaluation is a technique that is often used for comparing the relative worth of jobs and allocating jobs to specific grades.
- Job evaluation must always involve an element of individual judgment, but the aim is to be as objective as possible.
- Anti-discrimination legislation has led to the need for organizations to be able to demonstrate that they comply with the doctrine of 'equal pay for work of equal value'.

- Job evaluation has a valuable role to play here.
- In the private sector, mergers and acquisitions of one company by another lead to a need to harmonize remuneration policy and job evaluation is a valuable tool in these circumstances.

Appraisal Schemes

- It is astonishing and contrary to all common sense that people should be able to spend 30 years in a professional job without anyone, colleague or superior, giving them any indication of how well they are doing the job or how they might improve.

- It falls to human resources management to design procedures to avoid this undesirable situation
- Appraisal schemes are the usual formal way of doing this.

Redundancy, Dismissal and Grievance Procedure

- It normally falls to the human resources department to ensure that, when staff are made redundant or are dismissed, the proper procedures are followed.

- Failure to follow the proper procedures can lead to the organization facing the embarrassment of actions for unfair dismissal in an industrial tribunal .
- Unless the dismissal or redundancies are seen to be fair as well as lawful, the effect on the morale of the remaining staff will be bad.

Unfair dismissal

- In order for a dismissal to be fair, the reason for the dismissal must be a fair one and the dismissal procedure itself must have been carried out fairly

- If the tribunal finds in favour of the employee, it will usually order the employer to pay compensation to the employee who has been unfairly dismissed.
- The law accepts a wide variety of reasons as justifying dismissal. Specifically , it accepts;
 - Lack of capability
 - Misconduct
 - Breach of the law- not by the employee but that the employer would be in breach of the law if he continued to employ the employee
 - redundancy

Redundancy

- Essentially , dismissal because of redundancy occurs when employees are dismissed because the employer no longer needs people to do their jobs.
- In these circumstances, most employees will be entitled to compensation based on their age, salary and years of service.
- The law lays down a minimum level of compensation that must be paid. In practice, many employers pay more than this

Constructive Dismissal

It sometimes happens that an employer behaves towards an employee in such a way that the employee feels that they have no option but to resign.

- If the employer's behaviour amounts to a substantial breach of the contract of employment, the law may regard the employer's behaviour as tantamount to dismissal
- This situation is known as constructive dismissal and can be the subject of unfair dismissal proceedings, although the fact that it is constructive dismissal does not automatically make it unfair dismissal.

Wrongful Dismissal

- This is significantly different from unfair dismissal.
- An action for wrongful dismissal is an action for damages brought by an employee against an employer for breach of the contract of employment.
- It is an action under the common law and for this reason is not subject to the maxima laid down by statute for unfair dismissal

Contracts of employment

- Under the British law, every employee has a contract of employment, whether or not it is written down.
- What this means is that the agreement between an employee and their employer can be enforced in a court of law.
- The law requires that, if the contract is not written down, the employer must provide the employee with a statement of the major conditions of the employment, including grievance procedure.

Human Resource Planning

- If the human resources department is to ensure that the organization always have the staff it needs, it must be able to forecast the needs some time a head.
- This is extremely difficult, particularly in software companies.
- As we move through the spectrum of organizations, from software house through , banking , manufacturing and retailing to policing, health care and the operation of lighthouses, the uncertainty, although always present, is reduced and it becomes possible to predict staff needs much more precisely.

Job designing

- Setting up an organizational structure implies designing jobs
- As soon as a one-person organization becomes a two-person organization, it has to decide who does what; in other words it has to design jobs.