

**MUNI
ECON**

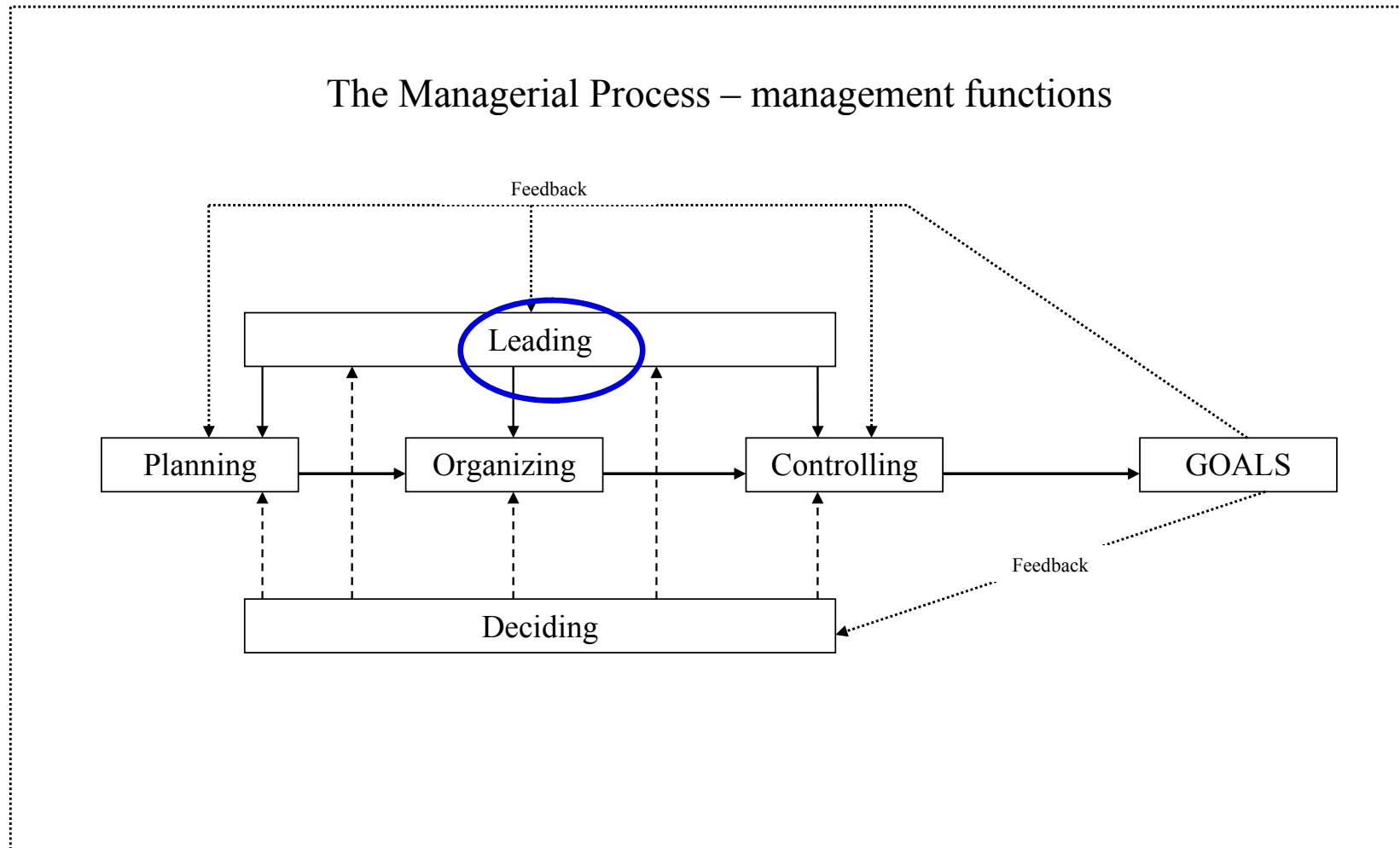
Human Resource Management Understanding Individual Behavior

Lecture 6

Agenda for today

- Human Resource Management
 - HRM Process
 - Identifying and selecting employees
 - Providing employees with knowledge and skills
 - Retaining competent and high-performing employees
 - Current Issues in HRM
- Understanding individual behavior
 - Behavior defined
 - (Psychological) factors affecting behavior
 - Shaping behavior

Where are we?



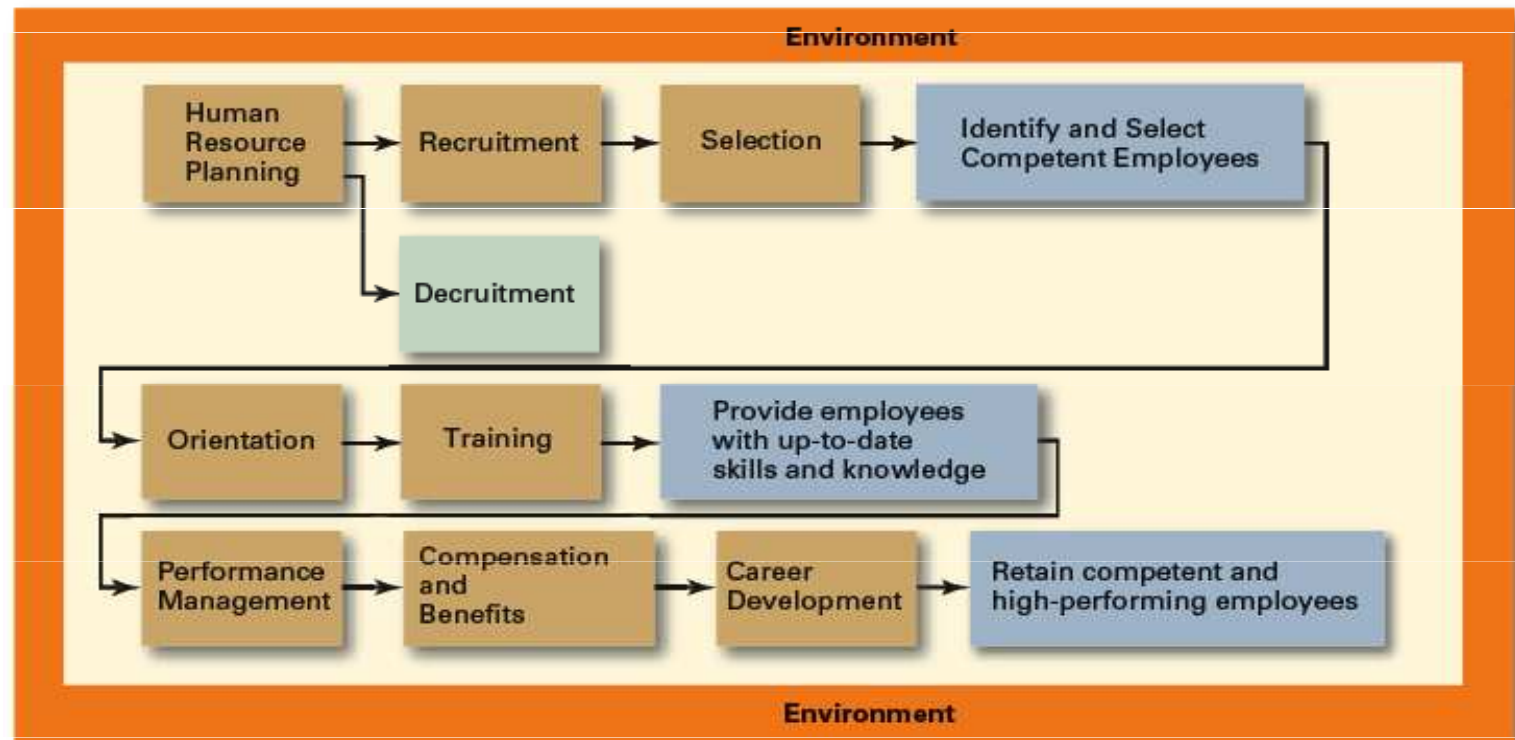
Importance of Human Resource Management

- As a necessary part of the organizing function of management
 - Selecting, training, and evaluating the work force
- As an important strategic tool
 - HRM helps establish an organization's sustainable competitive advantage.
- Adds value to the firm
 - High performance work practices lead to both high individual and high organizational performance.

The HRM Process

■ Functions of the HRM Process

- Ensuring that competent employees are identified and selected.
- Providing employees with up-to-date knowledge and skills to do their jobs.
- Ensuring that the organization retains competent and high-performing employees who are capable of high performance.



Identifying and selecting employees (step 1)

Human Resource (HR) Planning

The process by which managers ensure that they have the right number and kinds of people in the right places, and at the right times, who are capable of effectively and efficiently performing their tasks.

Helps avoid sudden talent shortages and surpluses.

Steps in HR planning:

- Assessing current human resources

- Assessing future needs for human resources

- Developing a program to meet those future needs

Job Analysis

An assessment that defines a job and the behaviors necessary to perform the job

Knowledge, skills, and abilities (KSAs)

Requires conducting interviews, engaging in direct observation, and collecting the self-reports of employees and their managers.

Job Description

A written statement of what the job holder does, how it is done, and why it is done.

Job Specification

A written statement of the minimum qualifications that a person must possess to perform a given job successfully.

Identifying and selecting employees (step 2)

Recruitment

The process of locating, identifying, and attracting capable applicants to an organization

E-recruiting

Recruitment of employees through the Internet

- Organizational web sites
- Online recruiters

Decruitment

The process of reducing a surplus of employees in the workforce of an organization

Option	Description
Firing	Permanent involuntary termination
Layoffs	Temporary involuntary termination; may last only a few days or extend to years
Attrition	Not filling openings created by voluntary resignations or normal retirements
Transfers	Moving employees either laterally or downward; usually does not reduce costs but can reduce intraorganizational supply-demand imbalances
Reduced workweeks	Having employees work fewer hours per week, share jobs, or perform their jobs on a part-time basis
Early retirements	Providing incentives to older and more senior employees for retiring before their normal retirement date
Job sharing	Having employees share one full-time position

Identifying and selecting employees (step 3)

Selection Process

The process of screening job applicants to ensure that the most appropriate candidates are hired.

What is Selection?

An exercise in predicting which applicants, if hired, will be (or will not be) successful in performing well on the criteria the organization uses to evaluate performance.

Selection errors:

- Reject errors for potentially successful applicants
- Accept errors for ultimately poor performers

Realistic Job Preview (RJP)

The process of relating to an applicant both the positive and the negative aspects of the job.

Encourages mismatched applicants to withdraw.

Aligns successful applicants' expectations with actual job conditions; reducing turnover.

		Selection Decision	
		Accept	Reject
Later Job Performance	Successful	Correct decision	Reject error
	Unsuccessful	Accept error	Correct decision

Providing employees with knowledge and skills

Orientation

Transitioning a new employee into the organization.

- Work-unit orientation
 - Familiarizes new employee with work-unit goals
 - Clarifies how his or her job contributes to unit goals
 - Introduces he or she to his or her coworkers
- Organization orientation
 - Informs new employee about the organization's objectives, history, philosophy, procedures, and rules.
 - Includes a tour of the entire facility

Training

Type	Includes
General	Communication skills, computer systems application and programming, customer service, executive development, management skills and development, personal growth, sales, supervisory skills, and technological skills and knowledge
Specific	Basic life/work skills, creativity, customer education, diversity/cultural awareness, remedial writing, managing change, leadership, product knowledge, public speaking/presentation skills, safety, ethics, sexual harassment, team building, wellness, and others

Training Methods

On-the-job

Job rotation

Mentoring and coaching

Experiential exercises

Workbooks/manuals

Classroom lectures

E-learning

Retaining competent and high-performing employees

Employee Performance Management

Performance Management System

A process of establishing performance standards and appraising employee performance in order to arrive at objective HR decisions and to provide documentation in support of those decisions.

Compensation and Benefits

- Fair, Effective, and Appropriate
 - Helps attract and retain high-performance employees
 - Impacts on the strategic performance of the firm
- Types of Compensation
 - Base wage or salary
 - Wage and salary add-ons
 - Incentive payments
 - Skill-based pay
 - Variable pay

Current Issues in HRM

■ Managing Downsizing

- The planned elimination of jobs in an organization
 - Provide open and honest communication.
 - Provide assistance to employees being downsized.
 - Reassure and counseling to surviving employees.

■ Managing Work Force Diversity

- Widen the recruitment net for diversity
- Ensure selection without discrimination
- Provide orientation and training that is effective

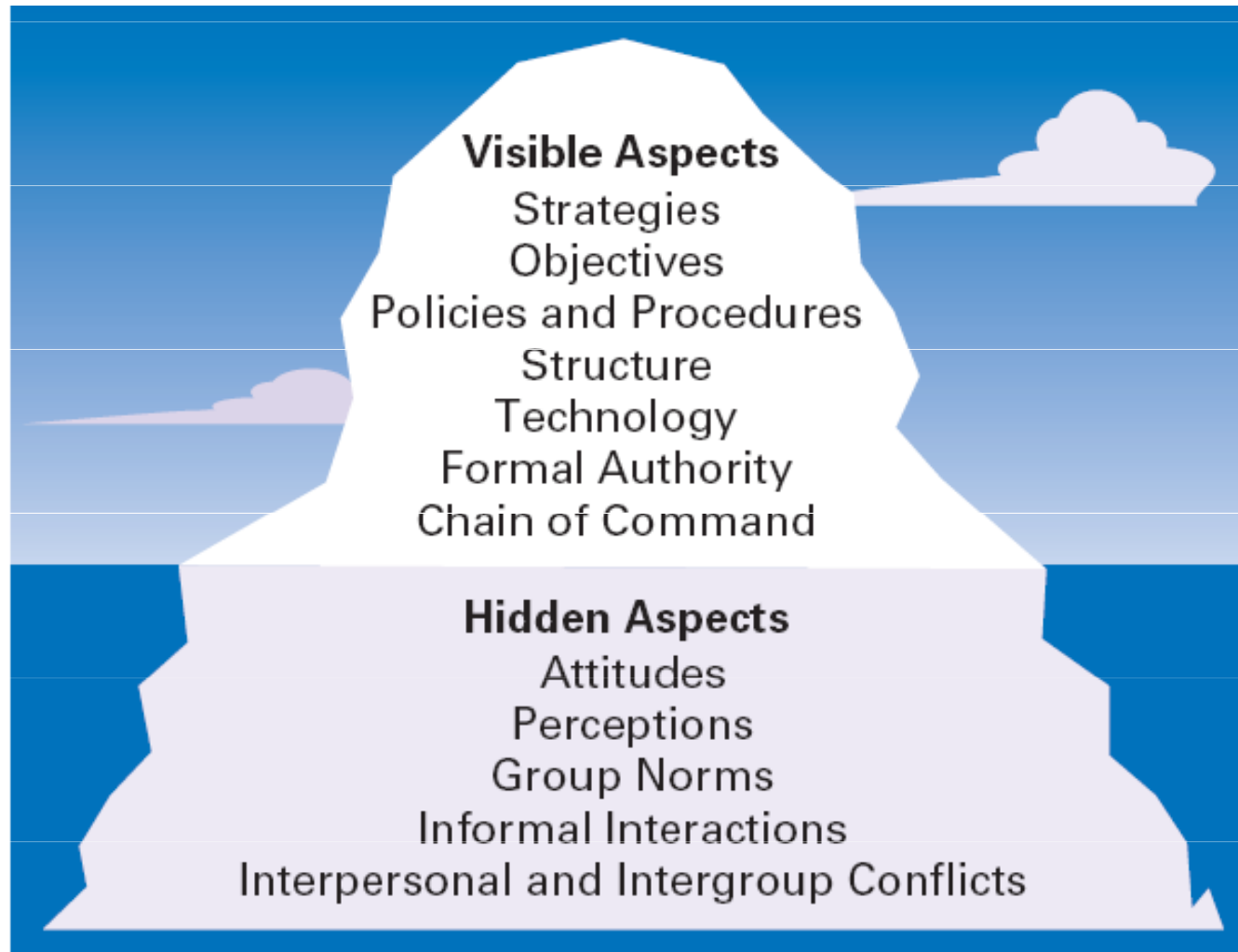
■ Work-Life Balance

- Employees have personal lives that they don't leave behind when they come to work.
- Organizations have become more attuned to their employees by offering **family-friendly benefits**:
 - On-site child care
 - Summer day camps
 - Flextime
 - Job sharing
 - Leave for personal matters
 - Flexible job hours

Why Look at Individual Behavior?

- **Organizational Behavior (OB)**
 - The actions of people at work
- **Focus of Organizational Behavior**
 - Individual behavior
Attitudes, personality, perception, learning, and motivation
 - Group behavior
Norms, roles, team building, leadership, and conflict
- **Goals of Organizational Behavior (Theory)**
 - To explain, predict and influence behavior.

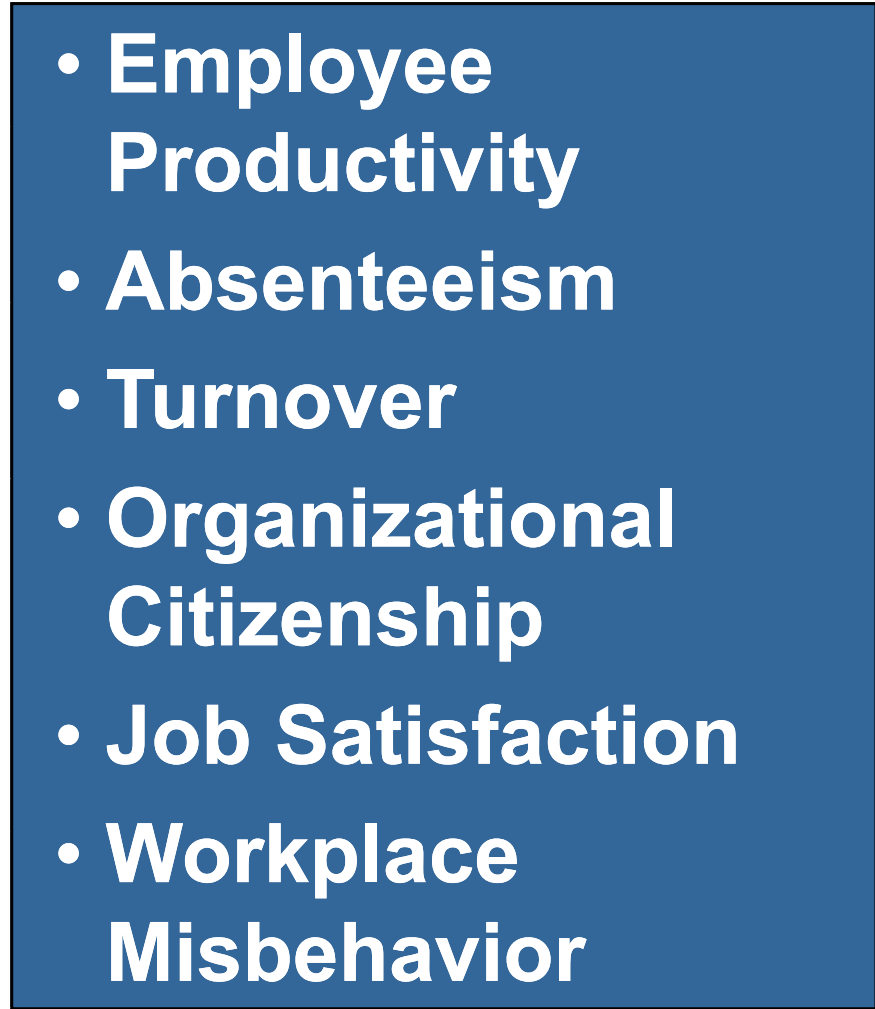
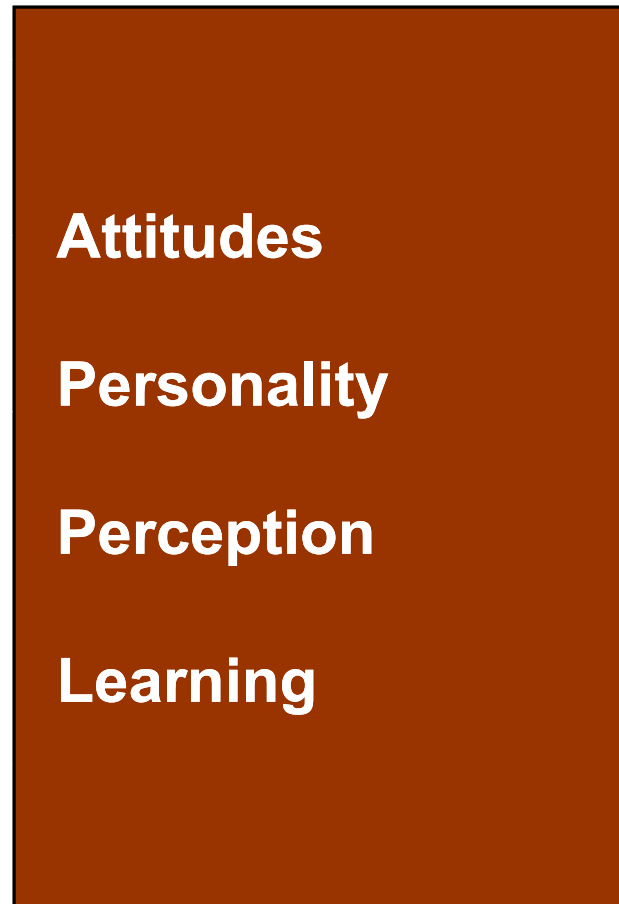
The Organization as an Iceberg



Important Employee Behaviors

- **Employee Productivity**
A performance measure of both efficiency and effectiveness
- **Absenteeism**
The failure to report to work when expected
- **Turnover**
The voluntary and involuntary permanent withdrawal from an organization
- **Organizational Citizenship Behavior (OCB)**
Discretionary behavior that is not a part of an employee's formal job requirements, but which promotes the effective functioning of the organization.
- **Job Satisfaction**
The individual's general attitude toward his or her job

Psychological Factors Affecting Employee Behavior



Attitudes

- Attitudes
 - Evaluative statements—either favorable or unfavorable—concerning objects, people, or events.
- Components Of An Attitude
 - **Cognitive component:** the beliefs, opinions, knowledge, or information held by a person.
 - **Affective component:** the emotional or feeling part of an attitude.
 - **Behavioral component:** the intention to behave in a certain way.

Job satisfaction (1/2)

- **Job Satisfaction**
 - Job satisfaction is affected by level of income earned and by the type of job a worker does.
- **Job Satisfaction and Productivity**
 - For individuals, productivity appears to lead to job satisfaction.
 - For organizations, those with more satisfied employees are more effective than those with less satisfied employees.
- **Job Satisfaction and Absenteeism**
 - Satisfied employees tend to have lower levels of absenteeism.
- **Job Satisfaction and Turnover**
 - Satisfied employees have lower levels of turnover; dissatisfied employees have higher levels of turnover.
 - Turnover is affected by the level of employee performance.

Job satisfaction (2/2)

■ Job Satisfaction and Customer Satisfaction

- The level of job satisfaction for frontline employees is related to increased customer satisfaction and loyalty.
- Interaction with dissatisfied customers can increase an employee's job dissatisfaction.
- Actions to increase job satisfaction for customer service workers:
 - Hire upbeat and friendly employees.
 - Reward superior customer service.
 - Provide a positive work climate.
 - Use attitude surveys to track employee satisfaction.

■ Job Satisfaction and Workplace Misbehavior

- Dissatisfied employees will respond somehow
- Not easy to predict exactly how they'll respond

Other psychological factors

- **Job Involvement**

The degree to which an employee identifies with his or her job, actively participates in it, and considers his or her performance to be important to his or her self-worth.

High levels of commitment are related to fewer absences and lower resignation rates.

- **Organizational Commitment**

Is the degree to which an employee identifies with a particular organization and its goals and wishes to maintain membership in the organization.

Leads to lower levels of both absenteeism and turnover.

- **Perceived Organizational Support**

Is the general belief of employees that their organization values their contribution and cares about their well-being.

Represents the commitment of the organization to the employee.

Providing high levels of support increases job satisfaction and lower turnover.

Attitudes and Consistency

- People seek consistency in two ways:
 - Consistency among their attitudes.
 - Consistency between their attitudes and behaviors.
- If an inconsistency arises, individuals:
 - Alter their attitudes or alter their behavior or develop a rationalization for the inconsistency

- Cognitive Dissonance Theory

Any incompatibility or inconsistency between attitudes or between behavior and attitudes. Any form of inconsistency is uncomfortable and individuals will try to reduce the dissonance.

The intensity of the desire to reduce the dissonance is influenced by:

 - The importance of the factors creating the dissonance.
 - The degree to which an individual believes that the factors causing the dissonance are controllable.
 - Rewards available to compensate for the dissonance.

Personality

- Personality

The unique combination of psychological characteristics (measurable traits) that affect how a person reacts and interacts with others.

Personality insights

The Big-Five Model

Extraversion

Sociable, talkative, and assertive

Agreeableness

Good-natured, cooperative, and trusting

Conscientiousness

Responsible, dependable, persistent, and achievement oriented

Emotional Stability

Calm, enthusiastic, and secure or tense, nervous, and insecure

Openness to Experience

Imaginative, artistically sensitive, and intellectual

Other insights

Locus of Control

- **Internal locus:** persons who believe that they control their own destiny.
- **External locus:** persons who believe that what happens to them is due to luck or chance.

Self-Esteem (SE)

- The degree to which people like or dislike themselves
- High SEs - believe in themselves and expect success.
- Low SEs - are more susceptible to external influences.

The propensity to take risks

Self-Monitoring

- An individual's ability to adjust his or her behavior to external, situational factors.
- High self-monitors - are sensitive to external cues and behave differently in different situations.
- Low self-monitors - do not adjust their behavior to the situation. Are behaviorally consistent in public and private.

Emotions

Emotions

Intense feelings (reactions) that are directed at specific objects (someone or something)

Universal emotions:

Anger

Fear

Sadness

Happiness

Disgust

Surprise

Emotional Intelligence (EI)

- An assortment of noncognitive skills, capabilities, and competencies that influence a person's ability to succeed in coping with environmental demands and pressures.
- Dimensions of EI:
 - Self-awareness: knowing what you're feeling
 - Self-management: managing emotions and impulses
 - Self-motivation: persisting despite setbacks and failures
 - Empathy: sensing how others are feeling
 - Social skills: handling the emotions of others

Understanding Personality Differences

- Personality-Job Fit Theory (Holland)

An employee's job satisfaction and likelihood of turnover depends on the compatibility of the employee's personality and occupation.

Key points of the theory:

- There are differences in personalities.
- There are different types of jobs.
- Job satisfaction and turnover are related to the match between personality and job for an individual.

Perception

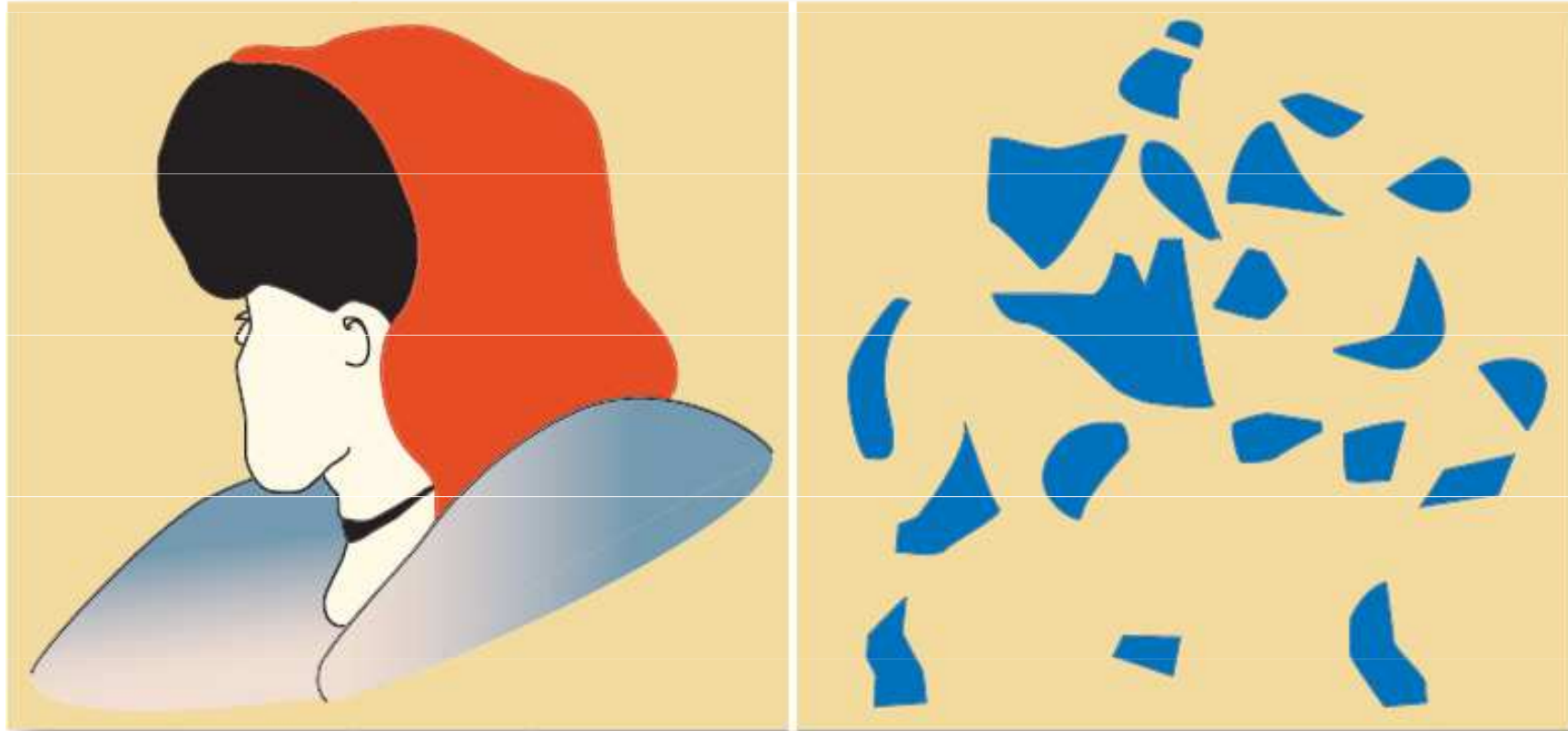
- Perception

A process by which individuals give meaning (reality) to their environment by organizing and interpreting their sensory impressions.

- Factors influencing perception:

- The perceiver's personal characteristics—interests, biases and expectations
- The target's characteristics—distinctiveness, contrast, and similarity
- The situation (context) factors—place, time, location—draw attention or distract from the target

Perception Challenges: What Do You See?



Old woman or young woman?

A knight on a horse?

Perception errors and biases

- **Fundamental attribution error**

The tendency to underestimate the influence of external factors and to overestimate the influence of internal or personal factors.

- **Self-serving bias**

The tendency of individuals to attribute their successes to internal factors while blaming personal failures on external factors.

- **Assumed Similarity**

Assuming that others are more like us than they actually are.

- **Stereotyping**

Judging someone on the basis of our perception of a group he or she is a part of.

- **Halo Effect**

Forming a general impression of a person on the basis of a single characteristic of that person

Implications for Managers

- Employees react to perceptions
- Pay close attention to how employees perceive their jobs and management actions

Shaping Behavior

- Attempting to “mold” individuals by guiding their learning in graduated steps such that they learn to behave in ways that most benefit the organization.

- Shaping methods:

Positive reinforcement: rewarding desired behaviors.

Negative reinforcement: removing an unpleasant consequence once the desired behavior is exhibited.

Punishment: penalizing an undesired behavior.

Extinction: eliminating a reinforcement for an undesired behavior.

Terms to Know

behavior

organizational behavior

employee productivity

absenteeism

turnover

organizational citizenship behavior

job satisfaction

workplace misbehavior

Attitudes

self-esteem

self-monitoring

impression management

emotions

emotional intelligence (EI)

perception

attribution theory

fundamental attribution error

job involvement

organizational commitment

perceived organizational support

cognitive dissonance

attitude surveys

personality

big-five model

locus of control

Machiavellianism

human resource planning

job analysis

job description

job specification

recruitment

Decruitment

stereotyping

self-serving bias

assumed similarity