PHR-SPHR Exam Prep Guide

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Functional Area One:

Business Leadership

Learning Objectives

By the end of this unit, you should be able to demonstrate a solid knowledge of:

- Elements of a business
- Basic principles of finance
- Definition and application of a company's vision, mission and values
- Strategic planning
- Economic and political trends impacting business
- Strategic planning data collection and analysis methods
- Regulatory and legal requirements
- Merger and acquisition processes
- HR commitments to internal and external stakeholders
- Importance of cultural and social awareness
- Social responsibility of organizations
- Main functions of management
- How to make business decisions
- Sources and significance of organizational culture
- Labor law compliance
- Effective communication and human relations
- Managing ambiguous situations
- Corporate governance requirements and best practice

The Role of Vision, Mission, Values in an Organization

Every organization is guided by three core principles: its mission, vision and values. Each of these principles is important not only to the organization but also to its stakeholders. In a company, the management, employees, customers, investors and stockholders are all considered stakeholders. Without vision and mission statements, companies do not perform as well as they can and should. However, this is not the only reason the three principles exist. To understand the importance of these pillars to the functioning of an organization, one must first understand their meaning.

What are Mission, Vision and Values in an Organization?

Mission

The mission of an organization is a statement that defines the purpose of that entity. The mission statement answers several questions including “Who are we?”, “What is our purpose?” and “What do we value?” A good mission statement is concise, precise and communicates all the information that should be included in a mission statement. Such a mission statement identifies the stakeholders of the company and what the organization will do for them, defines the actions it will take to that effect (support, avail, provide etc.), and stipulates what it will do to achieve its vision.

Vision

Vision statements are shorter versions of the mission statement. However, these statements differ from mission statement in several aspects. Whereas mission statements look at the practical side of an organization's goals, that is, how to reach them, vision statements simply state the bigger picture, the ultimate goal of the organization. It declares the unique contribution a given organization will make to the community. In an organization, the mission statement identifies the purpose of an organization. Its vision statement then states its ultimate contribution based on that purpose.

For instance, Starbucks Inc. delineates six core principles in its mission statement including “Providing a great work environment and treating each other with respect and dignity”; “Embracing diversity as an essential component in the way we do business”; and “Apply the highest standards of excellence to the purchasing, roasting and fresh delivery of our coffee.” On the other hand, its vision sums up these principles while providing its ultimate goal: “Establish Starbucks as the premier purveyor of the finest coffee in the world while maintaining our uncompromising principles as we grow” (Starbucks, 2018).

Vision statements can either be grand such as when a company declares it wants to be the best in an industry or realistic and easily achievable, such as when a firm aims to provide its services to the best of its ability. Some vision statements could also contain the values of that given organization.

Values

Values are what matter to us and what give us our sense of purpose. The values of a business are its core ideology as held by an individual or a group which is invested emotionally in the organization. Values can be freely held beliefs, guidelines or even enforceable rules as stated in an organization's code of conduct. Every member of an organization is expected to adhere to their company's values.

Most of the time, the values of an organization are contained in its vision or mission statement. Take this example of the vision statement of Daimler AG: "At Daimler, we are committed to excellence. To facilitate, enable and sustain this commitment, we want to create and live a culture of excellence. This culture is characterized by values the board of management discussed and agreed upon: Passion, Respect, Integrity and Discipline" (Daimler, 2018).

Vision, Mission, and Values in Practice

For many organizations, their written mission, vision and values are aspirational statements. This is because they only live on the company's website and in their employee handbook. For a company's values, vision and mission statements to impact business manfully, they must modeled at the highest level, thoughtfully promoted and actively tied to each initiative.

5 Ways to Drive Organizational Success Using Vision, Mission, and Value Statements

Values, mission statements and vision statements alone do not drive business outcomes. People promote organizational success using values and mission statements as tools and reinforcement. Leaders and other stakeholders leverage vison, mission and values in order to:

1. *Communicate the Organization's Purpose*

If properly highlighted, the mission and vision statements in an organization let stakeholders know what the purpose of the entity is and how that purpose will be realized. They also communicate the values of the organization to all parties invested in the future of the organization. When these statements are effectively presented to stakeholders, they may positively influence the perception of the organization. A well-communicated purpose may increase factors such as consumer confidence and employee engagement. Consistent messaging through multiple media types and delivery methods help solidify the company's purpose in peoples' minds. Including company vision, mission and values on internal reports, announcements and external marketing materials keep them relevant and in use. This messaging also facilitates a feeling of oneness, as everyone works towards a common purpose When employees, managers and stakeholders understand the purpose of the organization, they are able to understand the firm's strategies as well as their implementation.

2. *Aid in Strategic Planning and Implementation*

The mission, vision and values of an organization should be used to influence the strategic planning process of the organization. Whether managers are formulating or implementing a strategy, they must consider these three principles.

Consider a funnel analogy when looking at how these statements influence the decision-making process in an organization. The widest part of the funnel is the mission statement. This statement narrows down the goals of the organization and ultimately impacts the strategies for implementing them. The vision statement is the narrow part of the funnel. So, managers have laid down strategies for implementation. However, are these strategies going to contribute to the achievement of the organization's objectives and its vision? The values of the firm guide strategic planning particularly during the implementation stage. Using the example of Daimler above, each manager would need to showcase discipline and integrity in making decisions such as allocating resources. Management would not be expected to tolerate unfair allocation or corruption during the implementation of these strategies.

3. *Provide Ideals against which to Measure Performance*

Evaluation is necessary for an organization to improve its performance. The mission and vision statements provide a standard of measurement of an organization’s goals which helps management know which sectors need improvement within the company. For instance, if the vision of a multi-domestic company states that it wants to be the best global firm in its industry, then that means that the company has not attained its objective. The management of the firm must then sit down and decide on way forward that would help the firm attain this objective. The decision must be made under the guidelines of the organization and its values.

4. *Encourage Constant Improvement and Innovation*

Having a good reputation within an industry provides a company with a competitive edge. However, organizations with an inspiring mission and vision statement which promotes innovation can fare better in a competitive environment than a stronger, more established company. This was the conclusion London Business School professors Gary Hamel and C. K. Prahalad reached after conducting a study on firms like CNN and Sony (Hamel & Prahalad, 1993). This phenomenon, which they coined ambition and stretch, shows that mission and vision statements could serve two purposes in improving an organization: making it innovative and enabling it to compete even in the most challenging environment.

Furthermore, properly enforced mission and vision statements help improve organizational performance. When the stakeholders in a company all understand its objectives through its mission and vision statements, they work toward it. Employees who know the mission of a company work better toward it than those who do not understand it. The same is true for companies with no mission or vision statements. A worker in such

an environment has no specific goal to work towards and therefore does not perform optimally. As a result, companies with clearly defined goals generally perform better than those without mission and vision statements, provided stakeholders in that company understand those statements (Bart, et. al., 2001). In these cases, the role of the mission, vision and values of the organization is to inspire stakeholders and encourage better performance.

5. *Motivate Stakeholders*

Keeping internal and external customers motivated is key to any organization's success. To achieve this, organizations must align their values with those of their stakeholders. The organization should select its employees and customers with its core values in mind. When people's work corresponds with their own values, they tend to be more enthusiastic and fulfilled. By having core values, a mission and a vision with which employees identify, an organization can improve stakeholder engagement and retention.

Conclusion

Collectively, the vision and mission statements and core values identify an organization's purpose, its goals and its beliefs about the best ways to achieve those goals. These statements and values need to be incorporated in every aspect of an organization. They should be used to shape objectives, implementation strategy, performance criteria, innovation, process improvement and stakeholder engagement.

Knowledge Check!

Test your progress by answering the following questions:

1. True or False: The mission statement is the goal of the company, and the vision is a statement about who the company is.

2. All companies should have clear, relevant company values and mission and vision statements. What else is needed in conjunction with these elements to create positive business outcomes?

The Role of Human Resources in an Organization

The role of Human Resource Management is one that has seen great change over the years. Early in the twentieth century, HR had narrow operational and administrative functions such as completing new hire paperwork and maintaining personnel files. The role has since evolved, and HR professionals now partner with every department and directly impact strategic-level business decisions. The roles of HR vary widely based mainly on company size and HR to employee ratio. For instance, a company with fewer

than 100 employees may only have one HR professional. This person would need to be a Generalist, handling all aspects of HR (and possibly Payroll). A company with 200 employees might have a Recruiter, an HR Generalist, a Payroll Admin and an HR Manager. Even larger companies might hire enough HR staff for there to be specialized roles like Compensation Analyst and Benefits Specialist.

HR roles vary widely from one organization to another. They can be proactive, reactive, or a combination of both depending on the company's priorities and culture. The roles also vary based upon the HR department model. Many HR departments are broken up into business units based on the internal customer groups they support. The HR professionals are known as Business Partners. HR roles can also be assigned based on the level at which they work (e.g. Senior Generalist, HR Director, CHRO) (Politeknik NSC, n.d.)

HR staff typically provide three types of support: advice, service, and control. These **three** forms of support have been and continue to act as the foundational basis of HR functions.

Advice

While HR as a function has no operational authority, HR professionals equip their leaders and employees with the knowledge and resources needed to make the best possible decisions. HR advisory services include advising line management on policies, laws and employment best practice. HR staff provide solutions to organizational problems, guidance on the issues faced by employees and employment-related resources.

Service

For HR, the role of providing service is all about maintaining records, hiring new employees, training them, answering and clarifying information within a broad customer base, which includes management, workforce, legal and regulatory agencies, applicants, retirees, families of employees, and vendors.

Control

Control is more of an authoritative role that plays a huge part in the consistency of policy application, evaluation of employee performance, corrective action, and designing and implementing employee programs. An example of control would be a Recruiter requiring an application to be submitted and filled out completely prior to screening a candidate. Another example would be an HR Generalist requiring everyone who attended a training to sign an acknowledgement.

Advice, service, and control can be termed as the broader roles of HR, which are then narrowed down to more specific responsibilities. The significance of HR's contributions has become more apparent and has earned HR a seat at the executive roundtable where they can directly contribute to the organization's direction with strategic solutions designed for achieving organizational goals.

HR professionals advise, support and control in different ways, based upon their roles. There are 5 main HR functions:

1. Developing HR strategy

A strategy is a long-term plan for how the organization will meet its business goals and objectives. An HR management team needs to have an effective HR strategy to work with throughout the year. The right HR strategy will provide a focus for the coming year and align HR activities with the overall organizational strategy (Hameed, n.d.). One way of developing a winning HR strategy is conducting an HR audit that deeply analyzes the organization's policies and procedures and determines whether they will be effective for use in the next year. A gap analysis may be conducted, evaluating all components of the human resources functions to get a clear picture of what needs to be improved (6 Steps for Developing Your HR Strategy for 2018, 2018).

A review of the metrics from the previous year will reveal successes and opportunities for HR to address in the current year. HR should weigh heavily the needs and goals of line managers and department heads when deciding on which initiatives to tackle. Employee feedback will also provide important data on the organization's current position and reveal potential HR-related concerns. Proper research on the latest HR trends will also guide HR professionals in the department's strategic planning.

2. Contributing to organizational strategy

HR has a responsibility to contribute to the organizational strategy and help the organization to meet its goals. HR professionals are tasked with the responsibility of being change agents and internal consultants. In this role, HR facilitates change by providing advice and support. HR contributes through recruitment and selection. The productivity of a company depends heavily on the workforce behind it, which is why HR inducts employees who are fit for the job requirement and who will result in visible improvement within the company. The improvements will be seen in planning, processes, supervision and other areas, which collectively result improved productivity. HR also contributes quality. An improvement in quality leads to a reduction in production and service costs and improves customer retention. HR also contributes to organizational strategy by formulating a system of performance appraisal and compensation. Managing these functions transparently and objectively positively affects the employees, enforces the organization’s expectations and aids in employee development and training activities.

Organizational Strategy Vs HR Strategy

HR strategy should reinforce or align with organizational strategy.

Organizational Level	**Human Resources Level**
• Identify the organization's purpose and scope.	• Capture underlying business philosophy
• Clarify the organization's long-term direction	• Establish a cultural foundation
• Establish its enduring beliefs and principles	• Guide ethical codes of conduct
• Assess its opportunities and threats	• Gauge demographic trends
• Conduct environmental scanning	• Gauge the external supply of labor
• Analyze industry and competitors	• Benchmark competitors' HR metrics
• Analyze firm's strengths and weaknesses	• Analyze workforce's culture, competencies and composition
• Analyze firm's core competencies	• Forecast the demand for employees
• Analyze firm's resources	• Forecast supply of employees
• Allocate resources	• Use staffing, training, rewards, etc. to motivate employees
• Evaluate benchmarking efforts	• Maintain human capital metrics
• Ensure alignment is achieved	• Utilize balanced scorecard

Table retrieved from: Snell, S., Bohlander, G. (2012). *Human Resources Management*, 16th ed., 48.

3. Influencing people management practices

HR has the responsibility of influencing people management practices in a number of ways. HR should lead by example by attracting, developing, motivating, and retaining their best people. HR should also promote best management practices like involving employees in the development of the organization, establishing constant and consistent communication with employees, adopting a flexible working environment and policies that encourage equality and diversity, setting targets and rewarding employees' achievements, and providing employees with quality development and training.

4. Monitoring and managing risk

A business risk is a possible outcome that would damage the company's operations or ability to make a profit. Risk monitoring or risk management is a broad function assigned to the HR department. Risk monitoring plays a functional role in federal employment laws and identification of work place hazards. It also plays a role in coming up with safety plans that protect the employees, the public, and the organization itself. The preparation of job descriptions is a critical risk management function because job descriptions are used to clearly communicate the employment relationship, expectations and the physical and mental requirements of each job position. Risk monitoring focuses on issues related to employees, customers, clients, the public, and vendors. Risk management ensures proper management of liabilities that are related to these people in a way that protects the employer organization, while allowing it to continue to function effectively.

5. Creating strategic alliances

As strategic business partners, HR professionals partner with business units or departments to help them best manage their workforce and meet their business goals. For HR activities like planning and organizational goals to produce optimal results, strategic relationships with the organization's management need to be made. These relationships are made between HR professionals and individuals who are termed as stakeholders and they include employees, the management hierarchy, the stakeholder, the community, and the company as a whole. To be able to make these partnerships, HR professionals are tasked with the requirement of understanding the different views and needs of each stakeholder. Some HR business partners include Sales and Marketing, Operations, Finance and Accounting, and Information Technology.

Knowledge Check!

Test your progress by answering the following questions:

3. Well-written job descriptions are an important part of which HR function?
    a. Organizational strategy
    b. HR strategy
    c. Risk management
    d. Strategic alliance creation

4. Name at least three ways in which HR professionals impact management and add value without having operational authority.

The HR Business Partner

Over the past few years, there has been a lot of excitement and focus on HR professionals becoming business partners. The role of business partner has cast the spotlight on HR, proving that they play more than just a support function role in an organization. This has led to the transformation of the title HR Generalist to HR Business Partner.

The HR Business Partner position has a different definition from organization to organization, and the roles too may differ. One definition is that the HR Business Partner is an internal consultant to senior management, chiming in on human capital management. HR business partners work very closely with an organization's senior managers to develop an HR agenda that closely supports the overall aims and goals of the organization. They often work more with individual business units than with the group function.

It is crucial for HR management to have a deep understanding of all the business functions within the organization and industry. This means that the position entails recognizing business issues and understanding the organization and industry from both the internal and external perspective.

The Current Trend in HR Business Partnering

Since it was developed, HR business partnering has and continues to gain popularity in many organizations and industries as a way of organizing the HR function. Through business partnering, HR is viewed as the initiator of significant change and balance in a business by aligning stakeholders to the overall organizational aims and goals. This is made possible by HR'S influence on the ground level, where they are recruiting the right talent and motivating this new workforce while keeping in sight the larger goals and performance in the long term.

The Origin of HR Business Partnering

HR business partnering stems from the 1990s when Dave Ulrich's model of organizing HR came into play. The Ulrich Model from his book *HR Champi*ons identifies 4 roles of HR professionals:

- Strategic partner
- Change agent
- Employee champion
- Administrative expert

When you look at it in its most basic form, you can see how it aligns with the aims and goals of an organization and with the needs and development of employees on an individual level. Therefore, at its heart is the concept of relationship (Ulrich, 1996).

The HR Business Partner in Practice

While HR is a distinct function within the organization, it also plays an active role as a true partnership with the organization's management and leaders. The HR business partner acts as one of the drivers of organizational goals and with this comes translating the strategies into action at ground level. HR strategy is not just developed reactively, or as a legal necessity. It is created in the context of the business's strategy, to suit the organization with the best possible outcome. That said, the success of HR business partnering depends heavily on its execution and the people who are part of it. Approaching HR business partnering from a wider perspective opens doors to a number of characteristics and functions:

The proactive, strategic approach

HR professionals are expected to always work within the confines of the general business strategy, and not only work by it but also shape it. This is all about setting objectives, acting towards organizational challenges, and frequently adding overall value to the business in line with its aims and goals.

Cost-effectiveness

As a non-revenue-generating function, HR needs to focus on ways achieve the best return on its investments. Providing cost-effective people management and recordkeeping solutions is one of the many ways HR adds value to an organization. Solving problems in ways that ultimately make or save the company money improve the credibility of HR, which affords the HR Department more spending discretion.

Relationship-Based

To be a successful HR business partner, you have to be dependent on the productive and positive relationships created with other business partners. The relationship then becomes a collaboration designed to create synergy that produces even better results

together than you would have apart. With a relationship-based approach, HR becomes a driver of a powerfully well-networked company.

Initiative and Solution Focused

The HR business partner is built for more than performing casual daily functions as an organization. A HR business partnership works more holistically to convert business strategy into reality.

Applying HR Business Partnering

Let us go back to Dave Ulrich's comments on his model. HR business partnering varies depending on organization and industry, and this is because it needs to be in line with the business strategy of the specific organization with which it is partnering. It is worth noting that the Ulrich model, however, may not be the right model of HR for every organization, but can be modified to meet the organization's specific HR strategic plan. If taken broadly, and with the right mindset, then it can definitely be incorporated in any organization. HR has a responsibility to always support business objectives; hence the trend that is HR as a business partner should be incorporated in today's organizations.

The Chartered Institute of Personnel and Development (CIPD) (2018) states the two most common ways of setting an HR business partnership into action are: standalone HR business partners and the three-legged stool model. The Standalone HR business partners method looks at HR business partnering as a distinctive organization role while the Three-legged stool model defines specific areas of specialization that are strategic business partners, shared services, and centers of excellence.

Case Study

Business partnering in action:

Over the course of a decade, global rural lender Rabobank partnered with Willis Towers Watson to conduct a series of workplace surveys. These surveys gave Rabobank's HR personnel a chance to align themselves more closely with business units and forge more meaningful relationships with Country Banking Managers. HR worked with the management team to analyze the survey results and formulate corrective plans of action. Several areas where the strengthened business partnership clearly produced positive results included:

- Learning and development
- Leadership training
- Communication
- Rewards and recognition ("Achieving a successful HR-business partnership", 2012).

HR's Internal Business Partners

A true strategic business partner is one that forms partnerships within the organization's key business functions to fully understand the key functional areas. With an understanding of other departments in the organization, the HR business partner can contribute to and implement changes that will see the growth and development of every department and ultimately the whole organization.

Some of the organizations that HR partners within most organizations are sales and marketing, operations, information technology, and finance and accounting. The sales function in an organization is the revenue generator while marketing is responsible for promoting, pricing, and identifying the customer base. Operations is like the heart of the organization, creating goods or services, acquiring the resources, and ensuring that customers receive the end product. Information technology is the brains of it all, handling all the systems, tools, and information required for all other key functions to do what they do. Finance focuses on funding resources such as bank loans and stock sales and also budgeting for income generation and expenses while accounting covers the movement of the monies going in and out of the organization.

When HR connects and collaborates with these departments as a business partner, they are able to contribute and facilitate objectives to improve them and the organization altogether.

Successful HR Business Partnering

For HR business partnering to really work in practice, HR professionals need to let go of the old HR *modus operandi* that HR only played a minor role in the organization. HR needs to step up to the challenge that comes with today's HR responsibilities. HR business partnership transcends the day to day functions of training, recruitment and others by identifying the needs of the business unit and focusing resources accordingly. When a business partnership is done correctly, it will add immense value to the organization.

Strategic Planning Process: What and How?

What is the Strategic Planning Process?

Throughout the years, many authors have attempted to define the strategic planning process. Boulter coined strategic planning as the process that "sets out to identify specifically an agency or governmental unit's mission, goals, measurable objectives, and performance strategies." (Boulter, 1997). Bryan Barry, author and financial planner, defined strategic planning as "what an organization intends to achieve and, secondly, how leadership within an organization will directly utilize its resources to achieve its ends." (Barry, 1997). Simply put, the strategic planning process is the procedure that managers within an organization use to determine the performance of an organization and push it towards the attainment of its objectives.

Students of management have their own variations of the definition of the strategic planning process. However, there are components of this process that are present in each definition. A strategic planning process must, for one, identify the mission and vision of an organization. It must also put forward methods to assess and measure the performance of the organization, as well as the strategies the organization will implement to achieve its objectives. Without these components, a strategic planning process is not typically regarded as complete (Young, 2018).

Relevance of the Strategic Planning Process

Managers go through the strategic planning process for a variety of reasons, the most common among them being:

Streamlining the Work Process

Without a strategic plan, job design and accountability become indistinct within an organization. Take this example. If a company's objective is to become a leading market producer in its industry, lack of a strategic plan would make this objective hard if not impossible to achieve. Many questions would go unanswered regarding how the company would achieve that goal. For instance, where would the resources come from? Who would be responsible for their allocation? What was each department responsible for? What procedures would employees be required to follow to help the organization to attain its vision and mission?

A strategic plan would enable employees of the organization to know their roles in contributing to the realization of organizational objectives. This would, in turn, help streamline the work process for the firm.

Aiding in Resource Allocation

Strategic plans stipulate how resources will be used to meet the organization's objectives. Managers are able to make decisions on where to direct human and financial resources as well physical facilities in order to achieve the organizational goals.

Promoting Teamwork

The strategic planning process requires management to come together and make decisions concerning the future of the company. Additionally, managers and employees cooperate in the formulation, implementation and evaluation stages of the strategic planning process. These coordinated efforts all contribute towards unity and harmony within the organization.

Identifying and Evaluating Organizational Performance

Analyzing both the internal and external business environment as well as evaluating the current performance of an organization form the basis of the strategic planning process. As such, the process allows managers to be aware of the strengths, weaknesses, opportunities and threats within the environment, and the position of the organization

within that environment. Managers can then strategize on how best the organization can compete using available resources.

Steps of the Strategic Planning Process

There are several approaches a company can take when forming its strategies. Since each organization is different, it is essential to customize the strategic planning process to the needs of that company (Bryson, 2004). Below is an outline of a basic strategic planning process organizations use.

Determine the Organization's Position

Analysis is a significant step in the strategic planning process of any organization. In this stage, the management of an organization identifies the current position of the business and how the organization got to that position.

Managers typically start by analyzing the internal environment of the organization. What are the strengths of the company? What are its weaknesses? What can be done to change either of those factors so that the organization can realize its objectives? Managers then consider external factors that could influence the business. They evaluate the effect of competition and of the economic, cultural, technical, political, legal and financial environments on the firm. Is the business taking advantage of the opportunities in each environment? What threats do these external factors present? By answering these questions, managers can identify the current position of a business. Managers will then know what to prioritize to meet their organization's objectives.

Identify what is Important to the Firm

In this stage, a company hones in on its strengths and identifies where that strength is best utilized to achieve organizational goals.

The goals of an organization stem from its mission, vision and values. Managers use these guidelines to envision where they want to take that organization. Do they want to be the best service provider in the region? What about the organization? Should its reputation be that of quality, altruism, professionalism or dedication? Where does the company want to be five or ten years down the line? Is the company best equipped to provide that service? All these are questions that can be answered by identifying the mission, vision and values of a company.

Once those are identified, managers can then prioritize the actions of the organization within the strategic planning process. They can concentrate their efforts on issues that significantly impact the wellbeing of the enterprise.

Set Specific Goals and Targets

A strategic plan is not complete until it has SMART (specific, measurable, attainable, realistic and time bound) goals and targets. A good strategic plan is precise, concise and easily understandable by all members of an organization's management.

In a strategic plan, managers must not only state the targets of the organization but also what the enterprise will do to address those issues. If a company wants to expand its operations beyond a given country, it must have a plan for departmentalizing its units and manning them. A firm that wants to raise the productivity levels of its employees should have a clear course of action for motivating them. Only when managers set goals and targets to members of the organization can those goals be realized.

Explore Alternatives

After identifying the goals of the organization, managers can then focus their efforts on deciding on a plan of action.

One way for them to do that is to look at each alternative with forecasts, resources and risk in mind. There is an alternative on the table. What are the risks of proceeding with that option? Does it address any potential threats the company may face in future? How flexible is that alternative? And finally, do the benefits of that alternative outweigh its risks and drawbacks in the long-term?

After analyzing all available alternatives and arriving at the best one for the organization, the next step of the strategic planning process is to break the strategic plan down into actionable segments and gather the necessary resources. Coming up with the operational and tactical plan and organizing resources for maximum output with minimal input allows managers to give the organization a chance to improve its performance.

Review and Adapt

As mentioned earlier, strategic plans vary and should be designed while taking internal and external environmental factors into consideration. A strategic plan designed for a technology company three years ago might not best serve the company today. Similarly, the organization could be ready to take a different approach to achieve its objectives, mission and vision. Additionally, a strategic plan formulated a decade before could prevent a company from being the best in its industry by limiting its innovation and adaptation capacities. Or it could be that a previously formulated strategic plan was difficult to implement and even harder to measure for an organization, creating the need to revisit the plan.

There are many reasons to re-evaluate a strategic plan, which is why the review step should always be in the strategic planning process of any enterprise. Reviewing allows management to determine whether their measures are effective and if not, to change them.

Companies may model their strategic planning processes differently, but these steps delineate some commonalities between those procedures. With a proper planning process in place, companies can analyze, formulate, implement and evaluate their business strategies for the achievement of organizational goals.

Knowledge Check!

Test your progress by answering the following questions:

1. All of the following are key components of any strategic plan EXCEPT:
    a. Identify the company's mission and vision
    b. Determine how the company is currently performing
    c. Establish goals and a clear plan of action to achieve needed business outcomes
    d. Solicit employee feedback through surveys
    e. Review alternative solutions and adapt the plan as needed

2. What are SMART goals, and how are they used in the context of a strategic plan?

The P-O-L-C Framework

Employees who perform different types of functions are classified in different ways. A typical company will have regular employees or manual laborers, as well as management. The management of an enterprise is divided into the supervisory, mid-level and top-level management, each with different roles to play within the organization. However, according to a framework first developed by French management theorist Henri Fayol in 1916, the roles of each manager can be fit into four highly integrated functions. These functions make up the P-O-L-C framework: Planning, Organizing, Leading and Controlling.

At every level of management, planning, organizing, leading and controlling takes place. The four functions usually overlap, which is one of the criticisms against this framework. Furthermore, these four steps do not accurately depict the work of a manager in day to day operations. Looking at them, one cannot tell what the actual roles of a manager are (Mintzberg, 1973; Lamond, 2004). However, even with this limitation, this framework remains one of the most popular in management for two reasons. First, management has changed so little over the years. The main differences can be seen in the introduction of technology and the decreased formality between managers and employees. Secondly, the framework remains a useful entity in classifying the activities managers undergo within an organization to achieve the organizational goals (Lamond, 2004).

Next, we'll take a brief look at the components of the P-O-L-C framework and their importance in modern-day management.

Planning

Planning is the first and most crucial role of a manager. It is during this stage that managers evaluate the current conditions within the organization as well as the environment and come up with objectives on how the business can best perform given

those circumstances. During this stage, managers identify the conditions within both the internal and external environments, envision the desired outlook of the organization, and carve out pathways to allow the organization to accomplish those objectives.

The planning function of the manager allows managers to answer the 5 Ws for an organization – who, what, when, where and why, as well as the how. Who will be affected by the functions of the organizations, what must everyone in the organization do, where, when and why should those steps be taken? By answering these questions, managers perform the planning function. They scan their environment, make forecasts, gather resources, look at alternatives for attaining objectives, and choose the best courses of action from those alternatives. Because of the importance of this stage, managers are required to be good and reliable decision-makers for the company.

There are three types of planning a manager can undertake:

Strategic Planning

Strategic planning involves making a plan to achieve the long-term objectives of an organization. In this planning process, managers first identify the mission and vision of the organization. What is the purpose of the company? What does it want to achieve during its existence? Managers then conduct a SWOT analysis of the company and determine the best course of action to give the organization a competitive edge in the market. Strategic planning typically involves the attainment of organizational goals at least three years down the line.

Tactical Planning

Tactical planning involves breaking down a strategic plan into smaller more manageable units that can be achieved within one to three years. Managers gather the means needed to implement the strategic plan at this stage. Tactical plans usually stipulate matters such as who is in charge of what part of the implementation process and the role-based dos and don’ts of the organization.

Operational Planning

Operational planning guides the day-to-day operations of an organization. These plans outline the specific results expected from individuals, single business units and departments across the organization. Well-established operational plans are precise, measurable and time-bound. They show what actions must be taken to move the organization towards achieving tactical and strategic goals. Operational plans can either be designed for a single purpose (for instance, to increase sales, gain subscribers, meet a productivity target etc.) or ongoing reasons (these plans are listed as policies, procedures and rules).

Planning is important to organizations because it guides managers through the other functions within the framework, positions organizations favorably within the market and

improves the chances of an organization's success through goal-setting and implementation (Hill, 2018).

Organizing

Once a plan is made for the organization, managers must then decide how to distribute human, physical and economic resources within the organization in order to achieve organizational objectives with minimal expenditure. Organizing refers to this function of a manager.

Organizing is usually done in three distinct steps. First, managers must create the organization structure, or define its chain of command. In this stage, human resources are distributed within the organization depending on their abilities. The second stage of the organization is known as organization design. In this stage, managers define the structure of the organization in terms of departments. Managers must sit down and agree how to departmentalize or cluster jobs within the organization to make it efficient and optimally productive. Organizations can be structured based on their geographical location, function, product or consumers.

The final stage of organizing is known as job design. In a company, different departments exist to serve varied purposes, and the jobs within those departments also vary in skill and function. Job design is the process of defining what a job entails and outlining its functions and requirements. Managers in classical schools of thought mainly focused on division and specialization when designing jobs. However, modern management studies have shown that job design that considers the welfare of employees are more effective in enhancing the wellbeing and performance of company employees (Daniel et al., 2017). Google is one company that showcases the credibility of this assertion.

Leading

Leading is the managerial function that determines the effectiveness of a manager in getting employees to work towards achieving organizational goals. Ideally, a manager who is also a good leader can inspire others to take actions that will positively impact the organization and pave way for the company to achieve its objectives.

Leadership within an organization is a social and informal exertion of influence. Whereas directing is telling employees how to go about their duties well, leadership is about inspiring them to do it. To be an effective leader, managers must first understand the attitudes, perspectives, personalities, values, emotions and motivations of their employees. Studies into motivation and motivation theories could be a good place for managers to start when they want answers to questions like '*Who is a Good Manager?*' and '*When are Specific Leadership Styles Appropriate?*'

Controlling

Controlling is the function that all managers must perform to ensure that organizations do not deviate from the expected levels of performance. A point of note is that controlling

in this case does not refer to control, which deals with the manipulation of behavior. It does not mean that managers should actively try to influence the personalities, values, perspectives or attitudes of their employees. On the contrary, controlling deals almost exclusively with the operations of the organization.

The controlling process of a manager takes place in a number of steps. First, the manager must determine which measures to control within the organization. Managers then set standards of performance for the measure to be controlled. Performance within an organization is measured using two main metrics. The first is the budgetary or financial metric where managers have the financial records of the company audited and compared for effectiveness. The second is the actual performance metric, usually stated using terms such as customers satisfaction, input and output, number of units sold or number of defective units.

The third step in the strategic control process is measuring the actual performance then comparing it to the standard performance. If there is a deviation, managers then evaluate the reasons for that deviation. For instance, if customers are not satisfied with a company's products, managers may choose to approach consumers in a survey to determine the cause of the dissatisfaction. Finally, managers take measures to correct the deviation innovatively. In the case of low customer satisfaction, for instance, they could choose to train their employees to better cater to customers, or offer discounts if affordability was the consumers' challenge. By the end of the control process, managers are able to "correct" the performance of the organization.

Knowledge Check!

Test your progress by answering the following questions:

3. Creating KPIs for each job function and conducting performance evaluations is an example of which managerial role in the P-O-L-C framework?
    a. Organizing
    b. Leading
    c. Controlling
    d. Planning

4. What is the main difference between directing people and leading them?
5. Which level of planning should include a SWOT analysis?
    a. Tactical
    b. Strategic
    c. Operational

Conclusion

The P-O-L-C framework was developed more than a century ago to define the roles of a manager. Though it does not accurately depict or cover every function managers perform, this framework makes it easy for individuals to understand what to expect from managers.

Through this framework, people can understand what it means when a manager must plan, lead, organize and control the activities of an organization. They can comprehend what a manager's job is. Even with advancements in technology and the environment, as well as advancements in this field such as Mintzberg's Roles of a Manager, the P-O-L-C framework remains a valid and essential tool for managers in understanding and performing their functions.

Methods of Gathering Data for Strategic Planning Purposes using SWOT and PEST Analysis

The Importance of Data Collection in the Strategic Planning Process

Strategic planning is essential for any organization to successfully carry out its mission. A strategic plan creates a framework from which decisions can be made on how to allocate an organization's resources, address challenges and maximize opportunities that arise along the way. According to the United Nations, the strategic planning process describes how best to develop and implement an organizational strategic plan.

One of the most important aspects involved in the design of any strategic plan is data collection. Data collection is the process of gathering information and facts which would help an organization come up with a long-term or short-term strategic plan. According to Bryant (1997), "An effective strategic plan requires, as a first step, the fairly rigorous collection of information, with analysis and development of issues."

In short, managers need to collect data to better understand the organization's current position in the market. Data collection is also important in identifying market trends and needs as well as changing demographics. With this information, managers can assess the ability of their firms to meet current and future demand.

The Importance of Data Collection Prior to Creating a Strategic Plan

Before defining primary points, issues and focus to be used in the creation of the strategic plan, there needs to be an assessment of the internal and external factors which will influence the business, and this is done via data collection.

The Role of SWOT Analysis in Data Collection

The primary aim of strategic planning is to create a balance between the organization and the external environment and to maintain this balance over time (Sackett, Jones and Erdley, 2005). Organizations get this balance by evaluating new programs and services with the intent of maximizing the organizational performance. SWOT analysis is a preliminary decision-making tool which sets the stage for this work. This planning process identifies the organization's strengths, weaknesses, opportunities, and threats.

Before conducting SWOT analysis, company leaders need to collect relevant data which varies depending on the venture being targeted. This data might include population demographics, information on the competition, statistics on success and failure of similar ventures, barriers to breaking into the market and organizational capabilities. Ways to gather this kind of information is via organizational surveys (data on the organization's finances, operations and processes), questionnaires, interviews, direct observation and reporting (Harrison, 2010).

After collecting data, managers can then sort it into the various groups summarized as SWOT analysis. Strengths and weaknesses make up the internal business environment whereas opportunities and threats represent the way the business views external factors.

The third step involves the creation of a SWOT matrix for each business strategy which has been designed based on the data collected. Say a business wants to create a fruit juice production facility in a small business environment and its management wants to decide between using a joint venture approach and founding a new company. In this stage, the business would evaluate the strengths, weaknesses, opportunities and threats involved in starting a new company as well as those involved in starting a joint venture with the local government authority in the locality (Harrison, 2010).

The last step in this process is deciding on the best course of action based on the results of the SWOT analysis.

SWOT Analysis Example *Company X*	
Strengths • Well-established brand • Loyal existing customer base • Cost-effective, reliable distribution	**Weaknesses** • Not developing new products and services fast enough • Not proactively identifying emerging market trends • Not engaging new customer groups
Opportunities • Partnering with marketing and R&D thinktanks • Acquiring or merging with a competitor	**Threats** • Growing number of competitors • Talent shortage • Regulations that slow innovation

The Role of PEST Analysis in Data Collection

Unlike SWOT analysis which looks at both internal and external environments, PEST analysis examines the external factors which affect a business. PEST stands for political, economic, social and technological factors. Each of these categories identifies forces which affect the business and to varying degrees.

Political factors refer to legislation. Consumer, health and safety, regulatory and trade requirements are a few to consider. These laws are created by the government to place restrictions on people and organizations. Some of these restrictions present challenges for effectively running a firm.

Economic factors include, among other things, inflation, recession, employment/unemployment rates, and interest rates. These factors affect the buying capabilities of consumers. Whether or not consumers can afford to purchase products and services affects the firm's performance. Economic factors impact peoples' willingness and ability to donate, which has a similar impact on the performance of nonprofit organizations.

Factors such as consumer behavior and purchasing power are linked to the social and cultural environment of any organization. Businesses collect data on why consumers buy products when analyzing this environment so as to market products effectively to the

right persons. The socio-cultural environment of an organization includes consumers' culture, ethnic backgrounds, health consciousness, and social class, to name a few. Just like political factors, social factors cannot be changed by a business. They must be observed and understood. Firms need to understand their consumers' background to understand their needs.

Technological factors relate to issues related to technology complications and solutions. It relates to everything from cyber-security to equipment manufacturing. Technology is used to market and deliver products as well as address customer complaints. Organizations with the best and most agile technology usually have a competitive advantage.

Using PEST Analysis in Data Collection

The best way to use PEST analysis in data collection is by doing a competitor analysis, that is, analyzing the competitor's data and understanding their selling points, challenges and areas where they need to improve. Information gathered through this research helps the business identify a market entry point (Keisha, 2017).

Collecting data on political factors involves identifying every law that affects your business. This includes laws to which you already adhere, as well as laws that may apply to the firm in the future. Businesses should assess the potential impact of adhering to or not adhering to these laws.

Analyzing economic factors will give you insight into possible challenges the business will face and give you the chance to find solutions for them. Market trends, inflation rates, taxes, and new influences within the economy all impact future performance of a company. Inflation rates may affect the production and distribution of goods. A recession may affect sales or growth and how much the business will pay in taxes.

The social component of PEST analysis shows trends that affect how and why consumers buy your product or service. For example, if a competitor's product gets bad PR it may cause consumers to think twice about using your own. As a business, you will need to differentiate your product from your competitors to retain market share.

Finally, assessing your firm's technological needs will help you determine how it affects your day-to-day use, how it impacts your business and where you can upgrade to improve productivity (Keisha, 2017).

PEST Analysis Example *Company Y*			
Political	**Economic**	**Social**	**Technological**
• New local legislation preventing the sale of petroleum-based plastics	• Tariffs on our products sold in foreign countries • Cost of oil has risen significantly	• Customers under 40 more likely to "like" an ad for a product that is 100% recyclable	• No existing design patents for new product idea • New manufacturing equipment required

Conclusion

SWOT and PEST analyses are essential parts of the strategic planning process. They help managers know the business environment and position their organizations for optimal performance. SWOT analysis aids managers in knowing the strengths and weaknesses of their organizations as well as the threats and opportunities presented by the external environment. PEST analysis helps company management to evaluate the political, economic, social and technological external business environment and prepare the firm for it.

How a Bill Becomes Law in the US

Federal laws and legislation govern how things are done in the United States, and they are particularly important in the corporate world. HR professionals in small, medium and large organizations take the front seat when it comes to dealing with matters and issues in an organization relating to recruitment, hiring, managing, and training employees. When handling these matters, it is more than necessary for every HR professional to be knowledgeable of the federal laws and legislation that affect and are relevant to the HR management team. It is their responsibility to ensure that the employer's policies and actions abide by the law and that the employers are always kept out of legal jeopardy. Before understanding the types of laws that apply to any organization, it is important also to know the process through which a bill goes through to become law in the United States.

How Federal Laws Are Made

The United States Congress is the legislative branch of the federal government that has a responsibility of making laws for the country. It is made up of 2 legislative bodies also called chambers: the U.S. Senate and the U.S. House of Representatives. Any person who is elected to either of these bodies is allowed to propose a new law. The proposal for a new law is referred to as a bill.

How a Bill Becomes Law

The process of lawmaking begins with a bill being introduced in either chamber of the Congress. It can be introduced by a Senator or Representative who sponsors the bill. After the bill has been introduced, it is passed over to a committee of members who will read, research, discuss, and make necessary adjustments to the bill. Once this is done, the bill is brought before that chamber to be voted on. If it is passed by one body of Congress, the bill goes through a similar process of reading researching, discussing, and adjustments, and voting in the other body.

When both bodies accept the bill through a vote, they come together and sort out any contradictions between each of their versions. After this, the two bodies vote on the final version of the bill. If the bill passes, it is presented to the President. The President assesses the bill and chooses to either approve it and sign it into law or veto the bill. When the President chooses to veto a bill, in most cases Congress can take a vote to override the President's veto and make the bill into law. On the other hand, if the President vetoes a bill after Congress has adjourned, then that veto can't be overridden.

The Senate and the House have some procedural differences between them in making and passing a bill. When the bill is brought forth in the House of Representatives, then active legislation is in the House. If it originates in the Senate, then active legislation is in the Senate ("How Laws Are Made", n.d.).

Federal Laws

Federal laws are laws that generally apply to anyone who is living in the US and its territories. When Congress creates and passes a bill and it is signed into laws by the President, federal courts could review the law and decide to strike it down if they conclude that it does not abide by the U.S Constitution.

State Laws and Regulations

State legislatures make the laws in every state. The state courts can review the laws and strike them down if they think that they don't abide by the state constitution.

US Employment Laws and Regulations

Human resources professionals perform advisory and recordkeeping services that require a solid knowledge of applicable employment law (e.g. wage and hour laws and civil rights laws). Regulations are constantly changing, and how those regulations are interoperated by the courts also changes. It is important to not only keep a reference to these laws but to also stay apprised of any updates.

HR professionals can reference the number of employees working in their organization to identify which laws apply to their organization.

When you have 1 or more employees:

One thing that employers tend to forget sometimes is that once you employ your first employee, you become subject to a host of legal regulations. There are 53 laws that impact an employer who has one or more employees on the payroll. They include The Clayton Act (1914), The Consumer Credit Protection Act (1968), The Employer Retirement Income Security Act (ERISA) (1974), The Equal Pay Act (EPA) (Amendment to the FLSA (1963), The Fair Labor Standards Act (FLSA) (1938), The Health Insurance Portability and Accountability Act (HIPAA) (1996), The Labor-Management Reporting and Disclosure Act (1959), The Social Security Act (1935), The Tax Reform Act (1986), the Unemployment Compensation Amendments Act (UCA) (1992), and Whistleblowing, among others. Some state and local legal requirements such as paid sick leave or sexual harassment prevention training may apply to businesses with 1 or more employees.

When you have 15 or more employees

When an employer adds 15 or more employees to the organization's payroll then it becomes necessary to comply with some 10 additional federal laws that apply in such a case. These laws are: the American with Disabilities Act (ADA) (1990), the Civil Rights Act (Title VII) (1964), the Civil Rights Act (1991), the Drug-Free Workplace Act (1988), the Equal Employment Opportunity Act (EEOA) (1972), the Genetic Information Nondiscrimination Act (GINA) (2008), Guidelines on Discrimination Because of Sex (1980), the Lily Ledbetter Fair Pay Act (2009), the Pregnancy Discrimination Act (1978), and the Uniform Guidelines on Employee Selection Procedures (1976). ("Laws Enforced by EEOC", n.d.)

When you have 20 or more employees

When an organization meets and/or passes the 20 employees mark, 4 more federal laws that dictate how the organization manages its employees apply. The additional laws at this point are the Age Discrimination in Employment Act (ADEA) (1967), the American Recovery and Reinvestment Act (ARRA) (2009), the Consolidated Omnibus Budget

Reconciliation Act (COBRA) (1986), and the Oder Workers Benefit Protection Act (OWBPA) (1990).

When you have 50 to 100 employees

At this level, the organization is reaching higher levels of employment and with that comes additional legal obligations for the employer. Some of these additional laws, however, apply only when the employer is subject to affirmative action requirements as a federal contractor. These laws are the Executive Order 11246-Affirmative Action (1965), the Family and Medical Leave Act (FMLA) (1993), the Mental Health Parity Act (MHPA) (1996), the Mental Health Parity and Additional Equity Act (MHPAEA) (2008), the National Defense Authorization Act (2008), and the Patient Protection and Affordable Care Act (PPACA) (2010). Employers with 50 or more full-time equivalent employees are required by the Affordable Care Act (ACA) to provide affordable health insurance to full-time employees and their dependents ("Summary of the Major Laws", n.d.)

When you have 100 or more employees

This is the final major threshold that employers reach in the hiring and recruitment process. When the payroll reaches 100 employees, the employer becomes subject to EEO-1 reporting and needs to submit annual reports to the federal government that summarize its workforce by job category, sex, race, and ethnicity. The organization is also subject to the Worker Adjustment and Retraining Notification Act (WARN) (1988). The WARN Act was the first attempt by Congress to involve local communities early in the private sector's downsizing process. It also prevented employers from closing a site of employment and walking away without any workers benefits. The WARN Act specifies a qualifying employer as one that has 100 or more employees who in the aggregate work at least 4000 hours a week, exclusive of overtime hours.

Federal Government Employees

The federal government adheres to many of the same laws as private sector employers. In addition to those, government employers have other legal obligations. Some of these requirements stem from the United States Constitution, others from federal laws. Additional applicable laws include the Civil Service Reform Act (1978), the Congressional Accountability Act (1995), the False Claim Act (1863), the Homeland Security Act (2002), the Privacy Act (1974), and the USA Patriot Act (2001).

While this summary does not give an extensive and comprehensive statement of each law, having a deep understanding of these laws helps HR professionals to increase credibility and effectively mitigate risk.

Knowledge Check!

Test your progress by answering the following questions:

1. True or false: A company with 10 employees is required by federal law to reasonably accommodate an employee's disability.

2. What happens to a bill once it passes one body of Congress?

3. Name a few of the laws that only apply to federal government employers.

Applicable Federal Laws and Regulations as they relate to Employment Activities

Introduction

Federal laws and state regulations dictate the hours of work and the nature of the work performed by an employee. These laws also cover the physical or social conditions employers should provide for their employees in the workplace. In general, businesses that are involved in interstate commerce are subject to federal laws. All organizations are expected to abide by such laws and regulations in their dealings with employees learning and development, as well as ensuring the compliance of employees to such regulations in the course of employment and discharge of duty.

Employers must consider the various federal laws and regulations in the workplace not only when designing workspace but also in offering employees career advancement and professional development opportunities.

In this section, we will consider some of the applicable Federal Laws and Regulations that relate to employers and employees while discharging their duties in the workplace. These laws guide employee conduct and determine employers' working policies and procedures.

The Copyright Act of 1976

In the course of any business or working relationship, federal law prohibits the duplication or use of copyrighted materials without the authorization of the copyright holder, unless such act is expressly exempted. The copyright law is the legislation that determines who owns and retains ownership of intellectual properties under employee and employer relationship.

Before now, the doctrine that defines and covers ownership of intellectual property in an employee/employer relationship is the "Work-for-Hire Doctrine" under the Copyright Act of 1909. Decisions reached by the courts determined that an employer holds the

copyright to any work created by an employee during the scope of his employment. The factors used by courts to ascertain whether a work was created within the scope of employment include the existence of an employment contract. Since employment contracts are not typical in the US due to at-will employment, other factors that are more likely to be weighed in making the decision include: 1) who insisted on the work being created, 2) the time, expenses and facility used in creating the said work, 3) the nature and amount of compensation, if any, paid to the employee for the work created.

However, the Copyright Act of 1976 came into being as an amendment to the exclusivity and harshness of the 1909 Act. Although the 1976 Act incorporates some clauses of the 1909 Act, it was able to differentiate between the works created by traditional employees from those created by independent contractors. The 1976 Act removes the exclusive ownership enjoyed by an employer by subjecting the definitions 'work made for hire,' and "employee" to judicial scrutiny. An employer can only assume exclusive possession of a work made by an independent contractor 'if' the said work is supervised by the employer. But the lack of clarity in the definition of who is an 'employee,' has led to a wide and conflicting interpretation by the US circuit courts.

Most scholars have concluded that the literal interpretation of an employee as a regular, salaried employee is the correct approach. This view supported the decision of the decision of the US Court of Appeal for Columbia circuit which held that the 1976 Copyright Act radically changed the 'work for hire' doctrine that an independent contractor is never an 'employee.' *Community for Creative Non-violence v. Reid (1988) 846 F.2d 1485 (D.C. Cir.)* This decision was also affirmed by the Supreme Court.

Therefore, the copyright of the work created by an employee under a full employment benefit of his employer belong to that employer, provided that the work done is in furtherance of the employment objective and that the employee is adequately compensated.

The Trademark Act 1946

You might not have realized it, but you have been dealing with trademarks on a daily basis. The term "Trademark" is simply a way to refer to company brands. Trademarks are efficient tools of communication utilized by businesses to get to customers. Trademarks represent the reputation of brands; consumers' purchasing decisions are influenced by them. That is why the government deems it fit to protect trademarks, and by extension, the intellectual property value of businesses using the Trademark Act of 1946.

The US Trademark Act of 1946, also known as the Lanham Act, was designed to protect all businesses that engage in interstate commerce. Unlike patents and copyrights, trademarks can be protected under state law, federal law or both.

In protecting a trademark, registration is not necessary. *See Pesos v. Taco Cabana, (1992) 505, U.S. 763 at 768*. A trademark derives protection by virtue of distinctive use. The

benefit of a trademark registered under the federal law is that the registration serves as evidence of both the ownership and validity of the mark, including the right to use it for commercial purposes.

Now, between an employee and an employer, who should own a trademark? Considering that Section 1 (a) of 15 U.S.C 1051 entails that an individual or a firm can register a trademark, partnerships, sole proprietorships, trusts, limited liability companies, companies, etc; can own a trademark, as can individuals.

The trademark law defines a trademark as the mark property controlled by the owner of the trademark to denote the nature and quality of the good and services. That is, the party who controls the quality and nature of the good and services that is being used in connection with the brand should be the owner of the trademark.

Therefore, while an employee receiving full benefits in the course of employment cannot claim ownership of the trademark on the good and services made by him, the employer must ensure that he controls the use of the mark and most especially, controls the nature and quality of the goods or services. Failure to do so can invalidate the registration of the mark. However, an employee can enter into a contract of co-ownership with his employer to jointly own a trademark.

The U.S Patent Act

Under the United State laws, the term “patent” refers to a right of ownership granted to an inventor of a new, one-of-a-kind process, goods, machinery or technology. When a patent is granted to someone for a particular design, the use of such design is exclusive to that person, while all others are excluded from using it. The patent law of the USA is codified in Title 35 of the US code.

It is generally presumed that patent rights automatically belong to employers as result of an implicit agreement with employees under an employment performance. The US patent law makes it favorable for employers to have exclusive patent right ownership of an invention invented by an employee in the course of his employment with the employer.

However, an employee can still avail himself of a “shop right” limitation if he is not specifically contracted or employed to invent equipment and technology. A “shop right” enables the employer to make use of the invented technology but is prohibited from selling it or exclude others from using it.

Applicable Federal Laws and Regulations Related to Talent Planning and Acquisition Activities

Legal considerations make up a significant part of talent management. When recruiting, selecting and even hiring new employees, managers must ensure that they comply with the federal laws and regulations surrounding employment. Complying with these laws serves two purposes. It allows applicants to receive fair consideration during the recruitment process. Complying with employment regulations also protects organizations against prosecution for violation of applicants' and employees' rights. For managers, knowing and understanding the various federal laws and regulations revolving around the staffing function is essential for effective talent management. This section contains relevant information on the most common laws managers have to deal with during and after the recruitment process.

Equal Employment Opportunity

EEO laws prohibit employers from discriminating against employees and applicants based on their protected classes. Classes that are protected under EEO laws include race, sex, nationality, religion, disability, age, color, military veteran status or genetic data. Some state and local laws expand protected class to include things like criminal history, sexual orientation and domestic violence victim status.

EEO laws ensure that employees are treated equally during the hiring process as well as after gaining employment. Employers must provide equal opportunities for hire, career advancement, and professional development to ensure that their organizations remain compliant with the law. Equal employment opportunity also covers the provision of fair and reasonable pay to employees during their tenure with the firm. It is important to note that the main purpose of Equal Employment Opportunity is to prevent employees from being discriminated against in the workplace.

It is similarly important to note that not all employers have a mandate to follow under EEO laws. Some private companies are exempt from being required to follow these laws if they have fewer than 15 employees or do not engage in interstate commerce. However, most private sector employers fall under these laws. State and federal employees, as well as employees working for educational institutions and employment agencies are covered by EEO laws. Labor organization employees also qualify for EEO protections.

As EEO laws apply to numerous organizations, they require vast amounts of resources to monitor and enforce. There are two main federal bodies in charge of the monitoring and enforcement of these anti-discriminatory laws as described below.

Department of Labor

The United States Department of Labor is a government branch, comprised of 28 agencies, that deals with employee rights, safety and benefits, among other things. Their mission is to "foster, promote, and develop the welfare of the wage earners, job seekers, and retirees of the United States; improve working conditions; advance opportunities for profitable employment; and assure work-related benefits and rights." (www.dol.gov) The DOL ensures that any bodies that receive funds from the federal government comply with EEO laws. Federally-funded programs and activities must either provide proof of compliance with EEO laws to the applicable agency or face the penalties.

The DOL monitors and enforces EEO laws through two agencies:

- Center for Civil Rights: this program ensures that managers and employers heading any activities funded by the federal government meet EEO requirements, including the Department of Labor.
- The Office of Federal Contract Compliance Programs: this office supervises employers with federal contracts and subcontracts. It ensures that their hiring procedures and employee treatment comply with Equal Employment Opportunity laws.

The Department of Labor only deals with employers that receive federal aid. All other employers in the US are monitored and evaluated for EEO law compliance by the Equal Employment Opportunity Commission.

Equal Employment Opportunity Commission

The EEOC is the lead federal agency for ensuring employer compliance with EEO laws. The commission and its state counterparts monitor and enforce EEO laws in all non-federally funded institutions and organizations. The main functions of the commission, apart from ensuring that employee anti-discriminatory policies remain in place, are:

- Civic education: part of the EEOC's mandate is to ensure that employees can protect themselves in case of discriminatory practices at work. To that end, the commission educates employees on their rights under EEO laws.
- Providing assistance to employees: the EEOC requires all organizations to design pipelines that enable employees to reach out to the commission when they witness discrimination in the workplace. The management of every organization works with the EEOC to facilitate and provide aid to employees when they are discriminated against (United States Department of Labor, n.d).

Knowledge Check!

Test your progress by answering the following questions:

1. Which agency deals with employee rights and benefits and enforces the Fair Labor Standards Act?
    a. DOL
    b. EEOC
    c. FTC
    d. NLRB

2. True or False: When it comes to EEO laws, the DOL enforces them for organizations that receive funding from the federal government, and the EEOC enforce them for organizations that do not receive federal funding.

3. Under EEO laws, all the following are federally protected classes except:

    a. Race
    b. Military Veteran Status
    c. Disability
    d. Domestic Violence Victim Status

Affirmative Action

Affirmative Action (AA) is a concept that many managers are familiar with. However, not all managers can tell the difference between Affirmative Action plans (AAPs) and EEO. Thought the two terms are related, they are not integrated. Whereas EEO focuses on preventing discrimination in the workplace, AAPs allow employers to address or correct any lingering effects of past discrimination.

In the past, employers openly discriminated against employees based on several factors. Women, minorities, as well as disabled individuals were segregated or excluded from certain workplaces. Veterans faced similar challenges after they returned home from assignment. AAPs are plans designed to rectify the effects of past and continued discrimination against these groups.

For private employers that do not contract with the federal government, Affirmative action is a voluntary step they may take when providing individuals with work opportunities. Some organizations may view an AAP as a social or moral obligation. Companies implement AAPs to promote the employment of minorities, women, veterans and disabled persons. Organization heads should ensure that their AAP does not conflict with Title VII of the Civil Rights Act of 1964.

In rare cases, companies may be forced to enact AAPs. This can occur when a company does not formulate AAPs and is directed by a court to do so. Court-ordered AAPs typically stipulate that a company must have a quota for hiring women, people with disabilities and other minority groups.

Equal Employment Opportunity Laws vs Affirmative Action Plans	
EEO	Affirmative Action
• Curtails current and future discrimination in the workplace • Required for private and public sector employers • Enforced by the EEOC	• Mitigates the effects of past employment discrimination • Required for federal contractors and subcontractors; others may comply voluntarily • Enforced by the Office of Federal Contract Compliance Programs (OFCCP)

Requirements for Federal Contractors

There are several requirements that federal contractors and subcontractors must meet when working with the government. According to 41 CFR Part 60-4.3(7)(a) -(p), any construction company with a contract worth $10,000 and above with the federal government must ensure that they promote employee rights. The regulations listed under this section of the constitution demand that any construction company that meets the above criteria ensure that they provide equal opportunity to their employees. This means each of these companies must ensure that they do not discriminate employees based on age, sex, religion, disability, color, nationality, race or veteran status during the recruitment and termination processes. Furthermore, the regulations dictate that these firms should take steps to promote the employability of qualified minorities, women, people with disabilities and veterans and to employ them. Affirmative action is therefore a requirement for these companies (Harrison, 2017).

Contractors and subcontractors working with the federal government are required to submit evidence of their compliance with these regulations to the DOL's Office of Federal Contract Compliance Programs (OFCCP). This office actively monitors the compliance of construction firms with Equal Employment Opportunity laws as well as affirmative action.

Businesses that have contractual agreements worth more than $10,000 with the federal governments, and those that plan to do business with the federal government, must comply with the following requirements in the employment process to avoid penalties:

- They must comply with EEO laws, thereby not discriminating against employees and prospective employees in any of the protected classes.
- Contractors and subcontractors must also formulate and maintain affirmative action plans to promote the employment of minority groups in their organizations. The AAP must be written. This rule is only mandatory for construction companies that employ more than 50 employees to execute a contract with the government and those that hold a federal contract worth more than $50,000.
- Keep and submit employment records and other related information to the OFCCP for compliance evaluation. Contractors should understand that this requires a more in-depth review of their records.
- Furthermore, the companies must file documents to show that they are EEO law compliant. The annual EEO-1 filing is mandatory if contractors hold federal contracts that meet the set criteria.
- Under a number of acts, federal contractors must maintain affirmative action to support qualified people with disabilities and veterans. Support in this case means identifying ways they can modify the hiring process to employ more of them, giving them career advancement opportunities, and offering them fair remuneration during termination. These include Section 503 of the Rehabilitation Act and the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (VEVRA). The VERVA applies only to companies of a certain size.
- Federal contractors must inform employees of their civil rights under the National Labor Relations Act (NLRA). This regulation protects employees by empowering them with the knowledge they need to identify and take action on non-compliant behavior. Federal contractors may educate and protect employees by posting notices about employee rights and non-discrimination notices under the guidance of the OFCCP.
- Finally, federal employers should develop internal audit and reporting systems to ensure that they remain EEO compliant.

Companies that work with the federal government must meet all requirements that apply during compliancy evaluation to continue holding federal contracts. Anyone looking for more information on federal contractor requirements can find it on the OFCCP website (Berkowitz, n.d.).

Discrimination and Harassment

The EEOC enforces laws against both discrimination and harassment in the workplace. The EEO ensures that all employers notify employees of their rights and responsibilities under EEOC-monitored laws and regulations. As such, the agency is in charge of

investigating discrimination and harassment charges filed against employers by their employees.

Employers and employees must distinguish between discrimination and harassment when taking any form of action against these actions.

Distinguishing between Discrimination and Harassment

In law, harassment is a form of discrimination characterized by unwelcome conduct in the workplace. For people to claim harassment in the workplace, they must be able to prove that:

- They have been the subject of uncouth behavior and unwelcome conduct in the workplace under the classes protected by the EEOC. These are race, sex, color, religion, national origin, genetics, disability and age.
- Their work environment has become intimidating, hostile or abusive by any reasonable standards as a result of their race, sex, color, religion, national origin, genetics, disability or age.
- They have been forced to condone unwelcome behavior to keep their jobs. This is especially the case with victims of sexual harassment, where the victim sees condoning unwelcome advances as a condition of their employment.

Note that harassment in the workplace does not cover discrimination of an individual due to veteran status (except under certain state and local laws). Isolated incidences and petty slights such as name-calling are not generally considered harassment unless they persist and meet any of the above criteria. Some of the laws that protect employees against harassment include the Americans with Disabilities Act (ADA), Age Discrimination in Employment Act (ADEA) and Title VII of the Civil Rights Act of 1964.

Title VII of the Civil Rights Act 1964

This Act strictly prohibits job discrimination in the workplace. The Act applies to employers who in the course of business have fifteen (15) or more employees working for them. It prohibits any form of discrimination against any individual on the bases of race, color, religion, sex or national origin. The law also extends to protecting an employee from being harassed in the workplace.

Harassment is a form of discrimination that affects the productivity, performance and/or wellbeing of an employee. Discrimination, on the other hand, is unfair treatment of employees because of one or more of the following reasons:

- Lack of tolerance of one's race, sex, color, religion, national origin, genetics, disability or other protected characteristic. Sex in this case covers pregnancy, sexual orientation and gender identity. Age means the age of forty and above.

- Retaliation for involvement in reporting discrimination in the workplace. This could be because the employee reported an incident of job discrimination or because he/she aided in a lawsuit or investigation about job discrimination.
- Denial of employee perks such as accommodation because of a disability or because of religion.

Unlike harassment, discrimination laws in the workplace include all the laws enforced by the EEOC. Provisions exist to protect employees from loss of wages, termination and lost employment opportunities resulting from reporting discrimination. The EEOC also ensures that employers limit job discrimination by making them liable to legal prosecution unless they provide channels and information to help employees protect themselves against discrimination. Employers are not liable, however, if employees fail to take reasonable advantage of these opportunities. Workers who have been discriminated against are required to file a charge of discrimination with the EEOC and obtain a Right to Sue letter before suing their employer for discrimination ("Harassment", n.d.).

When Discrimination Applies: The Case of Griggs v. Duke Power

Before Title VII of the Civil Rights Act of 1964 came into effect, companies openly discriminated against minority groups. This was the case with Duke Power Company, a US-based power production firm. The company relegated its African American employees to low-level, labor-intensive jobs while giving their white employees higher paying employment opportunities. After the law came into effect in 1964, the African-American employees in the company pushed for promotions within the company. In response, the company implemented two pre-employment tests: the laborers had to pass two intelligence tests *and* get high school diplomas before they secured jobs beside other higher-paid employees.

One worker, named Willie Griggs, filed a suit with a dozen of his fellow African-American workers against the company. Griggs argued that the added job requirements were not tied to job performance. The plaintiff side produced evidence that showed that workers who had progressed after the enactment of the law and before the new requirement were put in performed quite well even without high school diplomas. Additionally, the results of the new requirements were discriminatory as they disadvantaged African-American workers who could not perform as well as their white counterparts on intelligence tests and in high school. Duke Power argued that the added job requirements were meant to be professional and career development opportunities to African-American workers. Furthermore, the company reiterated, it was not their intent to discriminate against any of their employees.

The case of *Griggs v. Duke Power* was ruled in favor of the Defendant, Duke Power Company. Both the District Court and the Court of Appeals ruled for Duke Power because

they agreed that even though the result of the new job selection criteria caused discriminatory result, the discrimination was *unintentional.*

The trial court also found the tests commensurate with the skillset required for the new jobs.

This case introduced a new dimension to job discrimination: for there to be discrimination in the workplace, there must be intent. One party must willfully and intentionally treat another unfairly because of race, sex, age, disability, religion, national origin or genetics. At the time, this criterion had to be met for an employee's Charge of Discrimination to become actionable to the EEOC.

Since this case, the U.S. Supreme Court has ruled that the burden of proof that discrimination did not occur shifts to the employer once an employee can prove that disparate impact occurred. Disparate impact occurs when employment practices that have no discriminatory intent still disproportionately, negatively impact protected classes of individuals. The case of Griggs v. Duke Power is an example of disparate impact because the company's actions had unintended discriminatory consequences. The Civil Rights Act of 1991 amended Title VII and clarified that the employer must prove that a practice that results in disparate impact is "job-related for the position in question and consistent with business necessity" ("Griggs v. Duke Power", n.d.).

Americans with Disabilities Act (ADA)

The Americans with Disabilities Act is a 1990 civil law that gives people with disabilities the same provisions other people are given on the basis of age, sex, religion, race, color and national origin. According to this law, people with disabilities or perceived disabilities should be given fair and equal treatment as others in transportation, employment, and education among other sectors.

A disability or perceived disability under the ADA is

- A physical or mental impairment that substantially limits one or more major life activities
- A record of such an impairment; or
- Being regarded as having such an impairment

The ADA has numerous provisions for people with disabilities, but only Title I of the Americans with Disabilities Act of 1990 applies to talent planning and acquisition. This title specifies the equal employment opportunity requirements employers must consider for people with disabilities. According to this provision:

- Employers must provide qualified people with disabilities equal consideration with regard to recruitment, termination, promotion and other terms and conditions of employment.

- Employers must make reasonable accommodation for people with disabilities in the workplace. This accommodation could be modifying the work environment to suit people with disability (for instance, by installing ramps in the office space) and modifying their job descriptions to suit qualified candidates.

The original law made it mandatory for employers with 15 or more employees to implement this law and integrate it with the operations of the organizations. Over the years, amendments to the ADA have given people with disabilities the right to affirmative action protection from federal contractors as well as employers in charge of federally-funded projects ("Disability", n.d.).

Age Discrimination in Employment Act

The ADEA comprises of guidelines outlined in:

- The Age Discrimination in Employment Act of 1967: this stipulates that employers cannot discriminate against individuals who are 40 or over when recruiting, terminating, promoting or training employees. The EEOC monitors and enforces this law in the US.

- The Age Discrimination Act of 1975: this law prohibits employers in federally-funded or federally-run programs and activities from discriminating on the basis of age. The DOL's Civil Rights Center oversees the execution of this law.

Equal Employment Opportunity, affirmative action, ADA, and ADEA are the main laws that apply to talent recruitment and management. Managers should carefully assess these laws to ensure that they comply with them ("Age Discrimination", n.d.)

Uniformed Service Employment and Reemployment Rights Act of 1994 (USERRA)

USERRA is a federal law that creates rights and duties for members of the uniformed service and their civilian employers. The purpose of the Act which came into effect on October 13, 1994, was to ensure that servicemen who were taken away to complete a military service are able to return back to their civilian work after they have completed their military tasks. The law prohibits any form of discrimination based on the past, present or future military service and experience of a serviceman employee.

USERRA is enforced by the Attorney General. The AG has the authority to bring legal action against any private individual, company, state or local authorities for violations of the provisions of the Act. The Attorney General shall respond to receiving complaint referrals directly from the Department of Labor (DOL).

The Attorney General can, on behalf of the serviceman, commence proceedings in federal courts against anyone found to be violating the Act. The Civil Rights Division can also represent the Attorney General in court to defend the aggrieved serviceman.

Thus, employers—both state and non-state—are to ensure full compliance with the law, making sure that no form of discrimination suffered by a uniformed serviceman serving in his civilian capacity as an employee in the workplace.

Conclusion

For HR and managers to reliably manage talent, they should understand the basics of these applicable federal laws and regulations in the workplace. Employees influence the success of any business. Protecting their rights under these laws enables them to be productive. It also helps HR professionals to promote the organization's employer brand and reputation. Knowing the laws that protect both employers and employees, therefore, enables HR and managers to understand how best to keep organizational goals and objectives on the right track.

Corporate Governance Procedures and Compliance

What is Corporate Governance?

Corporate governance is the set of the rules, policies, controls, practices and procedures by which an organization is controlled or directed. It mainly entails creating a balance in the interest of a business's stakeholders, including the shareholders, employees, customers, management, financiers, suppliers, the community, and the government. Corporate governance also acts as a framework for achieving the organization's objectives and goals and, hence, it encompasses every section of management, including performance measurement, internal controls, action, plans, and corporate disclosure (Chen, 2019).

Corporate Governance Compliance

Corporate governance, business integrity, and standards of conduct are the foundation of fiduciary responsibility. An owner, board of directors, or top management must uphold these principals to show shareholders that the company is well governed. The company should follow compliance rules, regulations, and standards and deliver on its strategy and mission statement.

Assessment of Procedures

Human resource professionals should conduct an annual review of the organization's policies and procedures. This is crucial because federal and state laws may change and cause the need for new requirements for monitoring and oversight. The re-evaluation of policies also helps in light of financial obligations of the organization, for instance, reconfiguring health insurance policies every year to offer employees less expensive options is necessary with the yearly rise in expenses in health insurance benefit programs.

Good Corporate Governance

Good corporate governance has its characteristics which form the foundation for it. Human Resource Management on a yearly basis is responsible for conducting a review of the organization's corporate governance, which is dictated by the rules, policies, and procedures of the organization. Thus, every HR professional should know whether corporate governance meets the following standards, and if not, contribute to and implement changes to it:

Discipline

Corporate discipline is a pledge by the company's senior management to work by ethical conduct that is universally accepted and recognized as proper and correct. This should mean that the organization is aware of and committed to the fundamental principles of good corporate governance at the level of senior management in particular.

Transparency

This is the ease with which outsiders are able to make meaningful analyses of the organization's procedures, economic bare bones, as well as the non-financial aspect applicable to the business. The transparency of an organization reflects whether investors and stakeholders are getting an accurate picture of what is going on in the organization. Transparency measures company management's ability to make the needed information available in a truthful, precise, and time-conscious manner – this applies to both the audit data and the general press releases and reports. The information provided by the organization needs to be in an easily comprehensible form and media. It needs to be easily obtainable and reachable to the people who are or will be influenced by the organization's governance practices and policies. Any decisions taken and their implementation by the organization need to be compliant with the established rules and regulations.

Independence

This is the extent to which mechanisms are in place to reduce and avoid possible conflicts of interest. One possible conflict of interest could be dominance by a large shareowner or a strong chief executive. This conflict of interest can manifest itself in the composition of the board to the appointments to committees of the board, and even to the hiring of external parties such as auditors. Choices made and activities set in motion by these parties within the organization ought to be objective and should not leave any room for gratuitous influences.

Responsibility

Responsibility (as it relates to management) refers to the behavior that allows for corrective action and for penalizing any form of mismanagement. Responsible

management should put in place whatever it would take to set the organization on the right path, whenever necessary. The consequences of mismanagement of an organization will affect everyone who is a part of it; therefore, it ought to be prevented. While the board is accountable to the company, it must act responsively to and with responsibility towards all stakeholders of the company.

Accountability

This is a key tenet of good governance. Individuals or groups in an organization who are involved in making decisions and taking action on specific issues that influence the organization need to be fully accountable for their decisions and actions. Certain mechanisms must be in place and be used effectively to ensure full responsibility. Who is accountable for what should be documented in policy statements. Generally, an organization is accountable to those who will be influenced by its decisions or actions and the applicable rules of law. When proper mechanisms exist and are used for accountability, stakeholders of the organization are provided with a means to query and access the actions of the board and its committees.

Equity and Inclusiveness

The systems that are present in an organization should be balanced in taking into account every person who has an interest in the organization and its future. The rights of different groups have to be recognized and respected. For instance, the minority share owner interests must receive equal consideration and inclusiveness to those of the dominant share owner. Good corporate governance provides the opportunity for all organization stakeholders to maintain, enhance, and ultimately improve their well-being. Therefore, it should provide the most compelling message regarding its reason for its existence and value to society.

Rule of Law

It goes without saying that good governance requires fair legal frameworks that are enforced by an impartial regulatory body. Compliance with the rule of law (both federal and state laws), is necessary for the full protection of stakeholders.

Social responsibility

A well-managed organization that is compliant with good corporate governance is one that is aware of and responds to social issues and places high regard and priority to ethical standards. A good corporate citizen is quickly being seen as one who is non-discriminatory, non-exploitative, and responsible in regard to human and environmental rights issues. An organization that upholds social responsibility is likely to experience indirect economic benefits such as improved productivity and corporate reputation (Wickramanayake, 2007).

Responsiveness

Good corporate governance requires that an organization and its processes are designed to serve the best interests of stakeholders within a reasonable timeframe.

Consensus Oriented

Stakeholders have different views and interests on matters relating to the organization. Therefore, good corporate governance requires consultation in order to understand the varying interests of every stakeholder. This is necessary to reach a broad consensus of what is in the best interest of the whole stakeholder group and how it can be accomplished in a sustainable and prudent way.

Effectiveness and Efficiency

The processes implemented by the organization to produce favorable results should meet the needs of its stakeholders, while effectively and efficiently making use of the resources at its disposal. The organization's resources may be human, financial, technological, natural, and environmental.

Active Participation

An active presence by both men and women, whether directly or through legitimate representatives, is a fundamental foundation stone of good corporate governance. Participation, therefore, ought to be informed and organized. It should include freedom of expression and diligent concern for the best interests of the organization and society in general.

Improving Corporate Governance Compliance and Procedures

Good governance is an ideal which may be hard for any organization to achieve in its totality. Corporate governance typically involves well-intentioned people who bring their ideas, experiences, preferences and other human strengths and shortcomings to the policy-making table. From the HR professional's perspective, good governance can be achieved by monitoring and keeping the procedures and policies of the organization up-to-date and compliant. Good corporate governance is also achieved through an on-going discourse that attempts to capture all of the considerations involved in assuring that stakeholder interests are addressed and reflected in policy initiatives ("Creating a Culture", n.d.)

Organizational Communication: Process and Methods of Communication in an Organization

Overview

Regardless of the type of organization, stakeholder relationships thrive or fail based largely upon the quality of communication. Because organizations are interdependent systems, a conversation between two people could have a far-reaching impact across the entire workplace. The nature of communication in the organization is also a major determinant of management and employee satisfaction (Richmond, McCroskey & McCroskey, 2005).

Managers perform various roles that require effective communication, including negotiator, spokesperson, disseminator and liaison (Mintzberg, 1973). Managers must be able to communicate well with employees. Effective communication between management and employees, establishes clear expectations, builds trust and boosts employee morale, which results in increased confidence in the company (Richmond, et al, 2005). On average, managers spend 80% of their time communicating with others.

In today's business environment, businesses have access to several communication methods which can be used both internally and externally. Communication within organizations takes different forms: face-to-face, discussion, letters, emails, etc. Generally, communication can be grouped into verbal, written and nonverbal methods of communication

Verbal Communication

Verbal communication involves the use of words to deliver the message. Verbal communication can be done one-on-one, over the phone or in a group setting. It is an effective means of communication as it is personal and takes place between and among management and employees. It is also known as face-to-face communication and takes the form of talks, public addresses, audio-visual speeches, holdings of meetings, lectures, social get-togethers, training sessions, exhibitions and counselling sessions.

Planning and organizing your thoughts well is a critical part of verbal communication. This involves thinking about who would receive the message and what you are looking to convey. To ensure clear communication, it is recommended you take make notes before a phone call, have an agenda before going into meetings, or research the information you wish to give someone in advance. Effective communication involves more than just choosing the right words (Rohn, n.d.).

There are certain merits to verbal communication:

- It is one of the least time consuming, least expensive and most direct forms of communication.
- It can reduce delays, red-tape and formalities.
- It is more personal, helping to generate a friendly and co-operative spirit.
- It often gets an immediate feedback, as questions can be asked, and answers provided almost immediately.
- It plays to the collaborative nature of communication
- Verbal communication can be a more effective means of persuasion than other forms.
- Verbal communication is more flexible than written communication.
- Those speaking face-to-face also benefit from the added clarity and context that comes from seeing body language and hearing the other person's tone of voice.

All information cannot be effectively conveyed verbally, so this form of communication has its drawbacks:

- Lengthy, detailed and official information is often better communicated in writing.
- Verbal communication is more likely to be affected by cognitive distortions (e.g. people inferring things that are false).
- Because speech moves so quickly and is so in the moment, people often do not take the time to double check facts or consider possible outcomes before making statements. This leads to mistakes.
- Where permanency and uniformity are required, speech is not the best form of communication.
- Verbal communication requires a good command of the art of effective speaking to be able to communicate the thoughts appropriately (Rohn, n.d.).

Written Communication

Written communication is present almost everywhere. It takes the form of handwritten documents, emails, chat applications, reports, typed electronic documents, SMS. Just about any topic that can be chronicled in writing is captured somewhere in some media. This method of communication is indispensable for any formal business communication, particularly in the areas of legal, accounting, compliance and standard operating procedures.

Messages that require written communication include those contained in formal business proposals, memos, press releases, handbooks, brochures and the like. The effectiveness of written communication depends on the style of writing, grammar, vocabulary and clarity of the language. Written communication is most effective in situations that require detailed instruction. The merits of written communication are:

- It serves as evidence of what has occurred or what was stated.
- It reduces the chances of misinterpretation or distortion of information.
- It provides a permanent record for future use.
- It creates an opportunity for every member of staff to collaborate on documentation through sharing written ideas and suggestions.
- A simple search function in a written document allows for speedy navigation of a large document (vs trying to navigate video recordings).

The downsides of written communication are:

- It is generally more expensive and time-consuming than verbal communication.
- It can result in excessive formality and rigidity in personal relations.
- Written materials may become outdated.
- Document security may be compromised, placing the integrity and availability of the data at risk.
- It does not allow for effective interpersonal communication, which includes eye contact, body movement and hand gestures (Ramaraju, 2012).
- There might not be an immediate way to confirm or ensure that the receiver correctly understood the written message.

Nonverbal Means of Communication

Nonverbal communication is a means of communicating messages without the use of words. Nonverbal communication is a vital part of the process of communication and generally supports verbal communication. It is defined as non-word human responses like facial expressions and gestures through which the human verbal and non-verbal messages are transmitted. It is also known as "silent language" and involves the use of cues, vocal characteristics, facial expressions, gestures and spatial relationship between the sender and receiver to convey a message (Rohn, n.d.). Nonverbal cues are actually more important to the overall message than verbal cues. According to Dr. Albert Mehrabian, author of “Silent Messages”, 38% of communication is conveyed through vocal elements like tone and 55% through nonverbal elements like posture and facial expressions (Mehrabian, 1981).

5 Elements of Effective Communication

Effective communication is an art, and, like other skills, it can be learned, honed and mastered. Communicating effectively involves more than just choosing the right words. When conveying your message, it is important you incorporate the following elements:

CLARITY

You should endeavor to speak in very clear terms and create room for questions from the recipient of your communication. This promotes understanding and participation

between both parties. No matter how eloquently you speak, if the recipient of your communication fails to understand your message, you have not successfully communicated.

BREVITY

Keep your message short and to the point. Trying to use the least number of words to convey your point will force you to select the most meaningful content. Using too many words can cause your conversation to devolve into off-topic rambling, and important message can be lost.

CONSISTENCY

Consistent messaging helps the recipients of the message know what to expect. Consistent messaging also reinforces itself over time. Branding, for example, should be consistent so that customers can rely on a product or service to continuously meet their expectations. Internal communications such as performance appraisals should also be delivered consistently to establish clear expectations and criteria for success.

CREDIBILITY

Someone who is credible reliably provides accurate, unbiased information. Credible people are also honest. Through sincerity and competence, you can gain peoples' confidence and enact meaningful change. Credibility is more easily lost than gained, and it is difficult to regain once lost.

COURTESY

Use of words such as "hello," "thank you," "excuse me," "please" and "I'm sorry" are easy, effective ways to demonstrate respect. Demonstrating courtesy when communicating should be mandatory in the workplace, as it benefits everyone involved in the communication.

Knowledge Check!

Test your progress by answering the following questions:

1. Which of the following communications will be most effectively delivered in writing?
    a. Coaching an employee on interpersonal skills
    b. Summarizing investigation findings to add to an investigation file
    c. Seeking quick clarification on written instructions
    d. Brainstorming for a group project

The Importance of Ethical and Professional Standards in Business

The goal of every for-profit business is to make a profit. In working to achieve this goal, some businesses have been known to engage in unethical practices. Even though much has changed in today's business world, this doesn't mean ethical and professional standards in business have become less important.

According to D'Amato et al., (2009), "A company's ethical behavior is the mirror image of its culture, a shared set of values and guiding principles deeply ingrained throughout the organization and the ethical behavior and culture become part of the definition of corporate identity."

An ethical and professional standard in business operation is essential in building a company's image, which impacts heavily on the business itself and the society around it. While some businesses synonymize ethics with just adhering to the law, others are striving to operate ethically and establish codes of conducts for their businesses. Acting ethically doesn't necessarily mean the business will make a profit nor does acting unethically mean that the business will be punished. However, in the 21st century, businesses are governed more carefully, and ethical standards are expected from them by the public. In the long run, acting ethically earns the company more advantages than businesses which operate unethically (Luu et. al., 2015).

Why Does Society Value Ethical Conduct in Business?

A business can only be successful when it has a considerable number of customers who are willing to purchase the businesses' product. While customers have a need that the business fulfills, they expect the business to give part of its success back to society as a way of showing gratitude to the community.

The more society develops, the more there is a need for businesses to not only provide the best quality products but to do so in the most ethical manner. In recent years, the number of persons who have decided to go vegan and vegetarian has increased dramatically due mainly to concerns about a link between meat production and gas emission and concerns about humans killing animals for their consumption. This shows just how much consideration consumers are giving to ethical and best-result practices.

The value consumers place in business ethics has its roots deep in their psyche. As humans, we feel a sense of satisfaction when we are able to help others, rage when we see acts of injustice and care for people even when we have no direct connection with them. Feelings of altruism and empathy only exist among humans and through our evolution, we have developed a desire to help others, it is within our gene pool to do that (Luu, 2015).

Why A Business Needs to Develop A Code of Ethics

A company's code of ethics (also referred to as a code of conduct) covers illegal and unacceptable behavior that is harmful to the company and/or its clients. Potential conflicts of interest should be identified, and specific examples should be provided. A good code of ethics should include a motivational statement on the reason for the company's existence. It should address the consequences of violating its code of ethics as well as ways to report violations. The code should be located in a logical place such as an employee handbook, which should be easily located and accessed by all employees.

Every company needs a code of ethics because a code of ethics can:

Show Employees Your Values and Principles

A company's code of ethics is an excellent internal communication tool. Right away, new employees know the company's standards and expectations. If management reinforces the code of ethics and leads by example, a consistent culture of fairness, goodness and professional conduct can grow within the company. Additionally, understanding their actions and consequences in the context of the company's values and principles sets employees up for success. The code of ethics can serve as a guide for day-to-day decision making, particularly if relevant examples are provided within the policy ("Why Have a Code of Conduct", n.d.). Using the code of ethics as a resource may also help employees avoid potential missteps of which they were previously unaware.

Show Customers the Business Values Integrity

Customers feel reassured when a business has a code of ethics, as they believe this will translate to every service the business provides. Third party groups also tend to look favorably upon organizations which adopt a code of ethics, appreciating that something is being done to develop a culture of responsibility and honesty within the company (Nieweler, 2016).

Reduce liability

Several laws exist that encourage companies to adopt and adhere to ethical standards. The Federal Sentencing Guidelines for Organizations (FSGO) of 1991 set minimum standards to lessen the penalties for organizations found responsible for misconduct. The minimum standards require companies to implement a code of conduct and ethics training, include high-level oversight, and establish an ethical culture with periodic measurement of the ethics program's effectiveness. Another law, the Sarbanes-Oxley Act of 2002, "requires publicly traded companies to disclose whether they have adopted a code of ethics for senior officers" (Tyler, 2005).

Provide A Clear Point of Reference When Enforcing Corrections

A code of ethics serves as a point of reference when taking corrective actions or when having to terminate employment. Constant enforcement of the company's code of ethics solidifies the standards as part of the company's accountable culture.

Codes of conduct should be written clearly for maximum absorption. Avoid legalese and use bullet points instead of long paragraphs. Keeping things simple ensures that employees understand the content of the code of conduct (Nieweler, 2016).

Tips on Developing Company Ethics and Organizational Standards

Company ethics and standards can be learned and enforced across an organization, and there is a procedure for achieving this. Below are tips for creating a culture of ethics and organizational standards in your company.

Define the Company Ethics

Every company has spoken and unspoken rules on how employees can behave. Lucid explanations of what is okay and what isn't should be provided to influence behavior towards other employees, customers, and the public. These guidelines are often different from company to company.

Provide Necessary Tools and Build Skills

It is the duty of the human resource department to enforce organizational ethics and standards by ensuring the employees are equipped with adequate tools to behave ethically. For example, employees should have resources such as training, policies and procedures that explain who they should consult if they have a question about appropriate conduct. Examples of inappropriate conduct should be provided, so that they can avoid such behavior. Teaching employees about ethical behavior via focused training is more effective than merely providing a written policy. This provides employees how to concrete examples for how to conduct themselves professionally and ethically (Bhaswati B., 2016). It also allows for questions and answers.

Reinforce Desired Behavior

Strengthening the behavior of an employee is never an easy task. One of the simplest ways to reinforce ethical behavior is to recognize employees who behave according to the policy. To create a strong ethical culture in an organization, there must be regular communication about ethical values among the members, and you can specifically explain the behaviors you wish to inculcate.

An ethical organization has a greater chance for success than an unethical one because it has a better reputation among internal and external consumers. Managers in an

organization can inspire ethical practice within the company by performing all aspects of their jobs ethically. This motivates employees to adhere ethics in their day-to-day duties.

Knowledge Check!

Test your progress by answering the following questions:

1. True or False: A company's code of ethics is only used to communicate the company's values and principles internally?
2. What law or laws encourage companies to maintain a code of ethics?
3. What is HR's role in fostering an ethical culture?

Organizational Structures and Elements

Great businesses are not built in a vacuum; there are certain elements which not only determine their structure but their operation. These are elements which play a major role in the company, division or team's goals and help define the role of employees and resources in the organizational structure.

Without a plan for managing the various elements of an organization, the organization may fail to function efficiently or even collapse. So, what are these essential elements of an organization and how does management go about managing them? The six essential elements of an organization include:

Chain of Command

The chain of command is the line of power in any organization from the upper level down to the lower level. It is the complete layout of authority and it functions as a roadmap detailing who employees should report to. The three key concepts in this element are:

Authority: This refers to the right to issue a command, order or instruction and compel subordinates to take certain actions.

Responsibility: This refers to the obligation and duty of people to perform assigned work.

Unified command: This is a principle in management which indicates that each person should report to no more than one manager to avoid confusion and disorder (Meng, 2017).

Span of Control

The span of control refers to how many employees each manager can handle within an organization. This element of organizational structure outlines the number of managers an organization needs, and this is typically based on the number of employees and

departments a company has. It helps shape the entire organizational structure (Meng, 2017).

Work Specialization

Work specialization, or job specialization, refers to employees focusing on specific areas of expertise. This focus allows employees to be knowledgeable and skilled enough in an area to be able to work with minimal supervision. Managers assign tasks according to employees' areas of specialization. Appropriate work assignments prevent employees from performing tasks for which they have no demonstrable knowledge, skills or abilities. Job specialization also results in better quality work due to the increased expertise of jobholders. Work specialization plays a critical role in the distribution of assignments to employees, and this makes it one of the most significant elements in organizational chart design structure (Devaney, 2014).

Departmentalization

This element of every organizational structure defines how jobs are grouped to create departments. Departmentalization refers to the formal structure of an organization, and as organizations grow, their departments grow more and more sub-units. This, in turn, adds more levels to management. Often, this creates less flexibility, adaptability, and units of action within the organization. There are several bases for departmentalization, which include:

Functional departmentalization: This involves grouping together jobs that are comprised of same or similar activities.

Product departmentalization: This involves grouping and arranging activities around products or product groups. This method places all resources and authority under a single manager to get the product manufactured or marketed.

Customer departmentalization: This method is applied when the emphasis is on effectively serving different customer types. For example, a business positioning itself to attend to wholesale and retail needs or government and private sector needs.

Departmentalization by process: This is done when the machinery or task requires a special skill for its operation. An airplane manufacturing plant may have a welding department or an avionics department.

Departmentalization by task force: This involves assigning a team or task force to a definite project which extends from the beginning to the end of that work. Rolling out a new payroll system, for example, might require a taskforce comprised of HR, Finance and IT professionals. Task forces disburse and return to their regular job duties following the completion of a project.

Territory Departmentalization: This involves grouping jobs by defined geographical sites or areas like “the Chicago office.”

Matrix Departmentalization: Matrix departmentalization attempts to combine functional and task force departmentalization designs to improve the synchronization of multiple components for a specific activity to improve economies of scale and better serve the customer and company (iEduNote, n.d.). Matrix organizations have people reporting to more than one supervisor or have them reporting to a direct supervisor and a project manager. The HR function might report to Finance and Operations in such an organization. The main downside of matrix departmentalization is that it makes effective communication much more challenging.

Formalization

This is similar to specialization, and it deals with how jobs are structured within an organization. The key differentiator between specialization and formalization is that formalization takes into account the degree to which rules, procedures, and other mechanisms control an employee's tasks and activities.

A formal organization structure attempts to separate the individual from the role or position as the role stays the same, regardless of who is holding it. On the other hand, an informal organization places more value on the individual, allowing for the evolution of a role based on the employee's skill set, preferences, etc., and puts less importance on the department or team the individual is a part of (Devaney, 2014).

Centralization

Centralization is the degree to which decision-making in an organization is concentrated at higher levels in the organization. In centralized companies, decisions are made more in the higher levels of hierarchy while in decentralized companies, decisions are made more in the lower levels, solved by employees closer to the problem.

Centralized and decentralized companies come with their respective pros and cons. Several persons argue that decentralized companies allow for quicker decision making and provide greater levels of procedural fairness to employees. Excess centralization of decision making affects the flow of information in decision making, causing management to make decisions which are out of touch with the business operation. However, decentralization comes with its disadvantages, as excess decentralization can result in a company with disjointed operational procedures. Overall, the idea is to hit the right balance between centralization and decentralization. This is a challenge for many organizations, but when successfully done, striking a balance benefits the organization.

The degree to which an organization is formalized and centralized, the type of departmentalization, the number of levels, the chain of command, the span of control and the extent of specialization are key elements of the company's structure. These elements affect the degree to which the company is effective and innovative. Properly structuring organizations results in better communication and optimal use of resources, which drives overall organizational success.

Knowledge Check!

Test your progress by answering the following questions:

1. Is a company with greater departmentalization more or less adaptable than an organization with greater departmentalization? Why?
2. What type of organizational structure organizes people based on the projects and tasks to which they've been assigned?

Business Entities, Functions, and Structures

When you make the decision to start a business, you also need to choose the type of entity it will be. Here are some of the most common types of business entities.

Sole Proprietorship

This is the simplest form of business entity. There are few formal requirements with sole proprietorship. Since no separate tax forms are needed, one can file taxes on their personal income tax return. It is also easy for one to exchange personal and business assets. Despite the minimal requirements, sole proprietors are held personally liable for debts, obligations, and lawsuits among other business-like requirements. Since the business is reported on the owner's personal return, then deduction expenses such as medical insurance are restricted to the caps and restrictions for an individual. These deductions in most cases are hefty when taken as personal expenses rather than as business expenses.

Partnership

A partnership, also referred to as a general partnership, is a simple form of business entity. A partnership operates from a tax point of view as a pass-through entity. This is to say that every item of income, and deductions, pass through the partnership to the partners in accordance with the percentage of ownership or the partnership agreement. The items are then reported on each partner's respective personal tax return. The partnership level does not require one to pay income tax; however, the partnership could be subjected to certain local and state taxes.

The business and personal assets are not separate; therefore, personal assets are subject to obligations and liabilities of the partnership. The availability of certain deduction types is limited to the tax floors and ceilings on each person's personal income tax return, just like in sole proprietorships.

"C" Corporation

A C corporation is the basic corporation type that most people know. A C corporation is an entity whose profits are taxed separately from its owners. It is owned by shareholders who are meant to select a board of directors who will make business decisions and supervise policies in the organization. A C corporation is often required to report its financial operations to the state attorney general. Such a corporation is taken as an independent entity and, for this reason, it doesn't cease to exist even after its shareholders or owners change. The owners of a C corporation have limited liability; therefore, they are not held liable for debts incurred by the corporation. They also can't be sued for organizational wrongdoings.

There is transparency between personal and corporate assets, freely transferable shares of stock, unlimited options on structuring stock ownership, and favorable tax treatment on certain expenses. The disadvantages of a C corporation include increased administrative expenses, compliance formalities, and an increased risk of "double taxation".

"S" Corporation

This is a special form of corporation; it operates like a C corporation, but it is subject to taxation like a partnership. This type of corporation elects to pass the corporate income, losses, credits, and deductions through to its shareholders for reasons of federal taxation. S corporation shareholders report the flow-through of income and losses on their own tax returns. The tax assessment is done at individual income tax rates. This makes it possible for S corporations to avert "double taxation" on the corporate income, unlike C corporations. In order to qualify for S corporation status, a corporation must be domiciled in the U.S. it should also have no more than one hundred shareholders. The corporation should have a single class of stock. It can have only allowable shareholders, that is, they may be individuals, trusts, and estates. It should not have corporations, partnerships, or non-resident alien shareholders.

Limited Liability Company (LLC)

LLC is a very common form of corporate entity besides the regular corporation. This is a hybrid entity which comes with liability protection like those of a C corporation and has the tax option of be treated like a corporation, partnership or sole proprietorship. A Limited Liability Company can be arranged such that it allows for added flexibility, for instance, an unlimited number of members. An LLC also supports ease of operation and the possibility for further expansion. It is governed by an Operating Agreement that outlines the management plans. This agreement is usually requested by banks, mortgage companies and other institutions when getting a loan or setting up accounts. The agreement also allows set up of the control of the operation and limiting the transfer of interests. Although LLC grants a pass-through tax treatment, liability (just like in C corporations) is limited. Thus, as long as you follow corporate formalities including keeping your personal assets separate from business assets, then your liability is restricted to business assets.

Limited Liability Partnership (LLP)

A Limited Liability Partnership is mostly similar to a general partnership. However, in most states, an LLP may register with the Department of State. The benefit of this registration is that each partner is not held liable for liabilities and obligations arising from the malpractice, wrongful acts, negligence, omissions or misconduct of other partners. This means that liability is largely limited to your own actions. Just like a regular partnership, the LLP is treated as a pass-through entity for federal and state tax reasons. Income and losses pass through the partners in accordance with ownership proportion or the partnership agreement.

Non-IRS Ways Businesses are Organized

Franchising

Franchising is a business model form which can be termed as a hybrid that combines the features of a corporation with those of a sole proprietorship. Franchising makes it possible for the owner of a business to grow it by selling the rights to use their brand or business model rather than building new units on their own. A franchise can be a great option for a beginner entrepreneur who wants to start a business, but not from scratch. Instead, they can follow an existing, successful business blueprint.

Joint Ventures

This type of business is one where two or more businesses pool their expertise and resources to accomplish a common goal. In such an arrangement, the risks and rewards of the resulting enterprise are jointly shared. Businesses form joint ventures for various reasons: development of new products, business expansion, or venturing into new markets, especially overseas. A joint venture offers access to established markets, more resources, greater capacity and distribution channels, and increased technical knowledge.

Equity Partnerships

An equity partnership is a joint venture between individuals who pool their capital, skills, and resources to achieve greater revenue and growth form their investment. The joint venture could be set up in various ways. One of the risks of an equity partnership is that your partner has the right to question business decisions in spite of their percentage of ownership and the partnership can bring more financial accountability. The benefits include accelerated company growth and sustainability.

Subsidiaries

When an organization buys another one, the second organization becomes a subsidiary of the first. Therefore, a subsidiary company is described as a company that is owned and controlled by another company. The owning company is referred to as a parent company and sometimes a holding company. There is a difference between a parent and a holding company on an operational basis. The holding company does not have any operations of its own; it owns a controlling share of stock and holds assets of other subsidiary companies. The parent company runs a business and owns other subsidiary businesses. A subsidiary company operates like a normal company and the parent company only has oversight.

Foreign Subsidiaries

This is a wholly or partially owned company which is a part of a larger corporation that has headquarters in a different country. A foreign subsidiary company is incorporated

under the laws of the county it is in. Its advantages are the parent or holding company has a presence abroad and the foreign subsidiary has limited liability.

It is worth noting that home country national and expatriate employees are typically subject to the employment laws of the country in which they perform their work. For example, an Indian Manufacturer who employs an Indian citizen at a plant located in the US is still subject to US EEO laws. Companies are also typically required to pay payroll taxes to the country where the work is being performed.

Before choosing any form of business entity, it is necessary to understand how it is structured, and whether it will bring more benefits than losses to your business.

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Managing the Various Elements of An Organization

Many different elements contribute to the success of an organization. Managers should, therefore, be able to identify, manage and utilize the elements of a firm to make sure their organization remains competitive. This chapter highlights the various elements present in each organization and how managers can effectively manage these features to ensure organizational success.

Technology

Strategic technology management contributes to the value of the enterprise by ensuring that cash flow remains sustainable. Improvements in product quality and costs, as well as breakthroughs which create new market opportunities all result from effectively leveraged technology. When effectively managed, technology facilitates the achievement of organizational goals.

There are many aspects of the business where technology can be leveraged such as marketing, product development, and the overall business strategy. Managing technology effectively means communicating and setting strategic priorities, managing projects to achieve results in a timely fashion, and effectively using linkage within and outside the firm [1].

Culture

The culture of an organization is the key part of any company's philosophy. It is best characterized as the personality of the company. Part of company culture is how employees and managers relate to each other within the company, and how the company handles its relationships with its customers. Culture is what differentiates each company from its competitors. Companies like Google, for example, work to maintain an informal, agile culture with innovative benefits for employees.

The way people in an organization behave can be a powerful ally or a real barrier to the implementation of a strategic change. Managers looking to change the culture to support strategic change need to determine what aspects of the organization support the needed change. This can include deciding what people should remain in the organization, which of them should have decision-making responsibilities and how to align those decisions with priorities [2].

Strategic Control

The control process is the system which allows management to set, measure, match and tweak business activities such as production, packaging, and delivery in order to improve the organization's performance. Management in today's world is a lot more complex, and

without process control, the entire management system is obsolete. Also, without process control, managers are not able to lead the workforce actionably.

Process control is achieved through establishing standards and methods to measure performance. Standards are the criteria for measuring performance. Performance is measured so that managers can understand how well processes are working. Managers focus on the effective execution of standards to control quality and output.

In an industrial enterprise, these standards could include sales and production targets, safety records, work attendance goals, etc. In service industries, these standards might include the number of times a customer has to wait on a queue, or the number of new clients attracted by a revamped advertising campaign.

Organizations may opt to follow industry standards set forth by outside organizations such as ISO (International Organization for Standardization) standards, or they may develop their own internal standards. Some standards are set forth to comply with legal requirements and some are created to follow best practice.

Performance may be measured based on adherence to established standards. Measuring performance should be done proactively so that any deviations from standards can be avoided by taking appropriate actions. If performance falls short of standards, corrective action is required.

Health and Safety

It is the duty of every employer to maintain a safe and healthy work environment. Doing so is required by law, but it also reduces costs associated with lost productivity, workers' compensation, and damaged morale. Health and safety programs differ from one organization to another based on factors such as industry and job types. While most organizations are required to comply with OSHA, formal safety training makes far greater sense for some industries and employee populations that others. A training on bloodborne pathogens is much more relevant to a healthcare organization that to a logistics company. Slips, trips and falls training is more appropriate for warehouse employees than for people working in the Accounting department. To build a successful safety program, there must be a team of managers committed to making the program work, employees involved in the program and a system available to identify and control hazards. Health and safety programs should be continuously improving based on audit results and identified opportunities for improvement. A regular schedule should be put in place to evaluate compliance with the requirements of the health and safety program [4].

Competition

Competition is a critical aspect of any business. On the one hand, competition decreases market share. On the other, it promotes innovation, which often results in business growth. Business managers must be able to adapt to changes within and outside the business environment to stay ahead of the competition. One way to do this is by using change management tools to adapt to these environmental changes. To develop a strong competitive strategy, it is important the business conducts a competitive analysis to gain an understanding of the markets, customers, the business capabilities and customers. After understanding these components of the business environment, managers can then develop strategies to handle the competition.

In creating the strategy for managing competition, the business owner would first have to identify who the top 3-10 competitors are. Business owners also need to identify their indirect competitors and identify the share of the market held by each competitor. From there, the business should begin to increase their own market share through targeted marketing efforts, based upon competitors' strengths and weaknesses. For example, a business may need to compete with rival companies by offering lower prices or better customer service [5].

Marketplace

The marketplace affects how an organization is structured. For example, a manufacturer may decide to sell products via wholesalers or directly to end users, and for this model to work, the organizational structure will have to be designed in a way as to keep these elements separate by having a separate marketing team and separate sales force team [5].

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Keys to Effective Project Management

According to the Project Management Institute, a project is "*a temporary endeavor undertaken to create a unique product, service or result*". The institute defines Project Management as "*the application of knowledge, skills, tools, and techniques to project activities to meet the project requirements*". [1]

Project management might seem like a straightforward process- you set a deadline, get a budget, select the right persons and the project gets done. In reality, project management is a considerably complex process. With ineffective project management, the wrong people get assigned to project teams. Employees may receive conflicting information and be unaware of their roles in helping the organization attain its goals. As a result, the scope of business changes, deadlines are not met, performance declines, resources are wasted, and organizational goals go unattained.

However, there are certain steps managers can take to manage projects efficiently. In this article, we will be taking a look at **Ten** of them.

1. **SET GOALS UPFRONT**

The first thing to do before the commencement of any project is to set milestones to ensure the project stays on track. It is advisable you set short-term goals to keep the project on track. Without these milestones, it may take a long time for managers to recognize and deal with problems facing the project.

Also, managers should ensure that everyone on the project team understands the scope of the project from the beginning. When everyone knows what to expect from the beginning, there is no ambiguity to the project [2].

2. **GET THE FULL PROJECT DETAILS BEFORE STARTING**

Having a detailed project scope approved by all stakeholders is important to the successful completion of the project. The scope should include interim milestones, deliverable dates and a budget worksheet which represents the time involved. If the initial project write-up has enough detail the better the project management team and their client would interact through its production. Getting the project details and the vision ready for the project will help you manage changes which may occur in course of the project and if something is out of scope you can tell too [2].

3. **BE CLEAR ON WHO HANDLES WHAT- AND THE DEADLINES**

As with most projects, several persons are involved in their execution and it's possible for important details to get lost in the course of the project. To avoid confusion, determine

which team members are responsible for which aspects of the project up front, and enforce accountability. An online task management program can be set up to help each team member know who is in charge of what. This includes the full scope of the project and the precise time when each task is to be completed. Also, a knowledge of the precise time each project is to be completed gives all of the key players a clear understanding of how their efforts contribute to the project as a whole. Project milestones and benchmarks are great for managing these expectations and staying on track with deadlines [2].

4. AVOID MICROMANAGING

Micromanaging employees during any project undermines their talent and their effectiveness in performing their duties. Micromanaging also shows a lack of trust, which demoralizes and disengages project team members. It is important that as the head of a project management team you meet regularly with team members working on the project. However, you should leave room for them to work without feeling micromanaged. Creating this balance is key to ensuring that work is being done and the team members feel empowered to do their best on the project [3].

5. GET THE RIGHT (AND RIGHT-SIZED) PROJECT MANAGEMENT TEAM IN PLACE

For a project to be successful, you need to have the right team in place, persons whose skills and experience can benefit the project, from the project manager down to the administrative staff. It's also important that you work with no more than the needed number of people. For example, Amazon.com uses the pizza team method whereby each team comprises of no more than 6-10 persons where each team is made up of the minimum amount of persons required to get the job done. Each person on the team is matched with her respective skills [2].

6. ENSURE YOU HAVE A GOOD PROJECT MANAGEMENT SYSTEM IN PLACE

Email seems like the most obvious form of communication when handling projects, but the truth is it can hinder progress as trawling through email threads for previous correspondence can be a time waster. Using software which keeps all project information and communication in one place not only saves time but maintains a productive workspace [4]. Project management applications like Asana and Trello allow project members to collaborate on tasks, set due dates, assign responsibility and attached project files. Some project management teams comprise of members from across the world and smooth communication and sharing of information across geographic locations and time zones is imperative to project success.

7. HOLD REGULAR PROJECT STATUS MEETINGS AND KEEP THEM SHORT

Regular communication with all members of the team as well as the client is the best way to ensure a project is on track. This is especially important in a virtual environment where you are not able to just walk into a colleague's office to check the status of a task. Scheduling regular calls in addition to all other forms of digital communication ensures there's an open and clear communication line.

While staying on top of the project is important for the team leader, there needs to be a way for him to communicate with the members of the team without getting bogged down by details as this will make for a more effective project execution. Status meetings should also be short and direct to give team members time to focus on the most relevant details about the past week of work [2].

8. **KEEP TEAM MEMBERS MOTIVATED BY REWARDING THEM WHEN MILESTONES ARE REACHED**

It is important to set milestones to keep project members on track. You should also reward team members when they meet each milestone. Celebrating milestones is a great way to track progress while keeping team members motivated.

9. **BUILD IN TIME FOR CHANGES**

Projects rarely stay completely within the original scope, so it is important to include time for unplanned changes [2].

10. **INSTILL A SENSE OF URGENCY**

Project team members may not automatically place as much emphasis on the importance of meeting deadlines as the leader of a project. The project manager should instill this sense of urgency within the team when the team members lose focus. Keeping a project team on task can be so challenging that it is often referred to as "herding cats." Managers can use regular meetings, calls and persistent follow-up to ensure they keep their team members on the right track. They should also ensure team members understand that the resources, budget and timelines are in place not to make their lives difficult but to ensure project success.

However, there is a big difference between instilling a sense of urgency and creating a state of panic. Although it may seem like a fine line, impressing the importance of maintaining work ethic and diligence is not the same thing as inducing a climate of chaos [3].

There is a lot more required to successfully execute a project. The list above just provides managers with insight into the most important elements of successful project management. Though there are additional best practices and certifications required to

successfully manage a project, the skills above provide a solid foundation for any project manager to work with.

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Keys to Successful Budgeting

One of the most important habits a business can develop is creating a budget. The budget allows the business owner not only to plan for expenses but to analyze expenditures and make changes according to the needs of the business.

A budget allows managers to plan for future financial needs such as emergency repairs, improvements, and expansions without having to resort to loans or credit. Budgets can be created for the business at any point in time. However, creating a budget for each financial year is a critical component of financial success for the business. This is because budgeting allows resource allocation to change according to the needs of your business. When developing a budget for a business, the first thing to do is to accurately determine the income and expenses of the business then apportion these items accordingly [1].

Developing a budget is not an easy managerial task. In fact, it is one of the hardest tasks managers have to perform in the course of their careers. Budgeting not only involves allocating funds to the different operations of a business but also gathering data about available resources and using cost-returns analysis to determine how to allocate those resources. Managers can use the following tips to successfully create budgets for their organizations.

- **GET A FULL GRASP OF YOUR CURRENT SITUATION**

It is important to get a complete understanding of the current position of your business before creating a budget. You should investigate internal and external factors which may affect the business and create an allowance for these factors. If there is a high risk of accidents in your workplace or an impending government policy which could affect some aspects of your business operation, it is important to understand the potential impact on the firm. Once you have identified all these threats to your productivity, you can then plan for an emergency, purchase insurance, etc. [2].

- **OVERESTIMATE YOUR EXPENSES**

Running a business does not follow a set formula. Several factors will affect product or service delivery regardless of the checks put in place. Therefore, it is difficult to predict when your expenses will overshoot your budget. To protect the business in cases like this, it is advisable to budget above the amount anticipated for the business expenses. Managers should not compromise on this as it ensures that the business is always protected at all times [2].

- **KEEP AN EYE ON YOUR SALES CYCLE**

It is common for businesses to peak and off periods in production and demand. If you run a company which experiences cyclical performance, you need to prepare for these periods You can use the slower period to plan for what you are going to do when sales pick up to maximize profit in the next sales cycle.

There is also a lot to learn from your sales cycle. You can use the period when sales are low to channel efforts into marketing. It is prudent to have extra money budgeted so you don't face any critical situation during this period [2].

- **PUT A SYSTEM FOR CASH FLOW MANAGEMENT IN PLACE**

In addition to tracking the expenditure, you will need to think about where to allocate funds the business needs. A budget is a roadmap which shows where the company's money is being utilized now and in the future.

To set up this cash flow management system, first list long-term and short-term company goals. Specify target dates for each of them and include their exact costs. Now incorporate these goals into the company's budget, saving a specific amount from that specific goal each month [3].

- **SET SAVINGS AND DEBT PAY OFF GOALS**

To determine whether the business is saving realistically and paying off debt, subtract the monthly expenses from your income. If the business is making more money than it is spending and saving, then the budget is being run properly. However, if you discover that the company is overspending, then it's time to take a look at the expenses. Determine where cuts have to be made. It will take a few tries to get the perfect budget, but with a lot of trial and practice, it can be done [4].

- **MAKE REPORTING REGULAR**

To make the most effective decisions relating to marketing, pricing, hiring, distribution strategies, and other aspects of the business, there will need to be accurate information relating to how each decision will affect the budget. Accurate and regular financial reports will help the company know exactly where they stand financially, how different areas of the business are doing, and initiatives are performing and what your resources are. A balance sheet allows you to see your company's assets and liabilities at any time. The cash flow reports will let you know whether your collection process is efficient or not. Determining your available credit, interest costs, purchasing power and the profit margin is essential to financial planning [5].

- **CARRY OUT TAX PLANNING**

Without proper tax planning, a business can end up paying thousands of dollars in penalties, risk fines, and liens. Effective tax planning helps to reduce payroll taxes, lower income tax liability, avoid sales tax and surprises which will arise when you are hit with tax bills higher than expected. There might be a need to collaborate with a tax expert to minimize the tax liabilities and meet the business obligations in a timely fashion [5].

- **MAKE THE BUDGET REASONABLY FLEXIBLE**

The budget should be reasonably dynamic so it can be adjusted when the situation demands. However, it should be noted that too much flexibility or rigidity is undesirable. If the budget is too flexible, it will weaken the cost control, making it inoperative. Similarly, if it's too rigid, it will not permit reasonable deviations which will create problems and restrictions in the budget implementation. Budgets should be created to adapt to changes in the business environment [2].

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TIPS FOR SELECTING A THIRD-PARTY VENDOR

A third-party vendor is an individual or organization which provides an auxiliary support not provided by the primary manufacturer to the end user. Some of the most important relationships a business will form in the course of its operation are with the third-party vendors and suppliers [1]. Therefore, managers should carefully consider their options before selecting the right vendor. Choosing the right vendor could not only enhance organizational performance but also build the firm's network and influence.

The first consideration a business should make when picking a third-party vendor is what they need from the vendor and the professional conduct required. In this feature, you will look at the various techniques you can use to build vendor criteria and evaluate vendors for fit with the organization.

- **DEVELOP A COMPREHENSIVE RFP**

The request for proposal (RFP) should be developed ahead of selecting a vendor from the list of vendors available. This RFP should be comprehensive, clearly defining your expectations for the service or product they will be providing you. A detailed RFP will translate to a thorough proposal response. This will, in turn, save you time in the long run, eliminating the need for additional clarification [2].

- **ASK FOR REFERENCES**

Ask the individual or company you are considering hiring as a vendor for references from current or former customers. Develop a handful of questions to ask each reference, as asking the same questions across the board will make it easier for you to come to a decision. Consider questions like: Were you satisfied with the product or service you received? Did you experience any challenges with their product or service? What would you change about the product or service, if anything? Was the vendor professional? Would you work with the vendor again [2]?

- **ALIGNMENT**

It's important that you and your new partner are on the same page about what the project is, how their services would be needed and what you hope to achieve by working with them. It is advisable you choose a collaborative partner. For most, this means a partner who is ready to learn about the business and how it is run [3].

If possible, get the prospective vendor to visit your place of business to get a feel for your operation. This will help them determine whether they would be a fit for your business. When a vendor shows eagerness to know about your business and long-term interests, it

is more likely they will be aligned with the needs of your business. This will ultimately define the success of the partnership [3].

- **LENGTH OF COMMITMENT**

Another critical factor which has to be considered when selecting a vendor is the length of commitment and depth of engagement. If you require someone to come in and install a piece of furniture in your office, it's different from asking them to design the entire workspace. Discuss concretely whether or not you require a vendor for a long or short-term commitment. Some vendors are geared towards providing great work on a one-off basis while others can provide customer service, time and patience required for the long haul [3].

- **INQUIRE ABOUT THEIR CUSTOMER SUPPORT**

It is important during the RFP process to find out when your potential vendors will be available to work. Will they be available all hours or for only certain periods of the day? Then you will have to determine which option best meets your needs. You wouldn't want to choose a vendor who you require 24×7 support from only to discover the customer support only works 9-5 [4].

- **EXPERTISE**

The main reason for using a third party may not be because you need an extra pair of hands; it could be that you want to utilize their expertise to boost your company's performance or reputation. As part of the vetting process and developing a good working relationship, it's important you talk about what you want and just as importantly, listen to the sub-text of what they are saying -and what they are not saying- so that you have a fruitful conversation.

At the end of the day, you require their expertise because they have carved out a niche for themselves and they will be bringing their experience and skills to the table. Ensure it's someone you believe in and you can trust [3].

- **CONTRACT NEGOTIATION**

Contract terms are a very important consideration when signing up a vendor. The service agreement is where you get to express your expectations from the vendor. Terms of service such as cost, scope and termination are addressed in the contract. Intellectual property and work product ownership are also covered. Contracts should always be drafted and approved by licensed attorneys who are covered under malpractice insurance. Once the terms are agreed upon by all parties, the service agreement should be fully executed and kept on file.

Choosing a quality third party vendor can seem like a daunting task, but breaking it down into pieces like these, makes the choice easier. It's important that you do the work of evaluating their services since you will have to outsource a part of your business operation to them. You will need to ensure that you are collaborating with a partner you can trust [5].

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ORGANIZATIONAL DESIGN

Deciding how to group employees in the workplace is one major decision which the management of any company should make before commencing business operation. After all, job grouping influences the overall success of the organization. How employees are organized in the workplace determines their attitude towards work and, therefore, their level of productivity. Furthermore, organizing employees into the right job groups is essential to division, specialization and the resulting optimal employee performance. Managers need to come up with proper organizational designs to ensure that their companies are competitive in the industry.

The most common approaches to organizational design are functional, divisional, matrix, team, and networking, all of which help managers determine departmental grouping. These five approaches combine varying elements of mechanistic and organic structures to meet the specific needs of an organization.

In this feature, you will take a detailed look at each of these designs to identify their applications and how they differ from each other.

- **FUNCTIONAL STRUCTURE**

The functional structure organizational design groups employees into work units based on similar skills, activities, resources and expertise. The most common departments within the functional structure are production, human resource, marketing and finance.

The functional structure is the simplest approach to organizational design, and it features well-defined channels of communication and responsibility relationships. Not only does this structure improve productivity by minimizing the duplication of personnel and equipment, it also makes employees comfortable and makes training easier.

However, there are many downsides to the functional structure including:

- ✓ The functional structure can result in narrowed perspectives from the compartmentalization of different departmental work groups. This may also result in reduced cooperation and communication.
- ✓ There can be a lag in decision making as a result of the several layers of hierarchy in this design, particularly in larger, more established companies.
- ✓ This structure gives managers experience in only one field. This means managers do not get a chance to see how other departments in the organization operate. This structure could be detrimental to the organization in the long run as it produces managers with narrow backgrounds and little training for handling the duties of top executives [1].

- **DIVISIONAL STRUCTURE**

As a company grows, managers may find it increasingly difficult to keep track of all the company's products and services. Therefore, many companies develop specialized departments. These departments are divided according to organizational output. For example, different departments might deal with different types of products or services. This method of grouping departments is called a divisional structure. Using this method for designing departments allows managers focus their resources better and makes performance easier to monitor. Therefore, this structure if flexible and responsive to change.

Despite the benefits of this design, there are some drawbacks. For one, this system could result in inefficiency in the workplace due to job duty crossovers. There may also be increased competition among divisions, resulting in internal conflict and concentration on internal instead of external competition [2].

- **MATRIX STRUCTURE**

The matrix structure is a combination of the functional and divisional structures and it uses permanent cross-functional teams to integrate functional expertise with a divisional structure focus.

Employees in the matrix structure belong to at least two formal groups at a time- a functional group and a product, project team or a program. They also report to two superiors- one within the functional group and the other within the team.

This structure not only increases employee motivation but also provides employees with technical and general management training across functional areas. Potential advantages of this system include better cooperation and problem solving, increased flexibility, better performance accountability, better customer service, and improved strategic management.

On the downside, this structure is susceptible to power struggles from functional supervisors and team leaders jostling for authority. Matrix structures also cause confusion around reporting. Employees often do not know to whom they report under different circumstances, and they may receive conflicting instructions from their supervisors. In addition, teams may develop loyalties which will result in a lack of focus on the needs of the organization. Adding team leaders at crucial points would additionally result in increased costs [2].

- **TEAM STRUCTURE**

This structure organizes separate functions into a group based on a single overall structure. These cross-functional teams comprise of members from different departments who work together to solve problems and discover opportunities. The idea is to break down functional barriers among departments and create a more open workspace which encourages problem-solving.

The team structure design has several potential advantages including the following:

- ✓ Breaks down interdepartmental barriers
- ✓ Speeds up decision making and response times
- ✓ Creates a livelier workspace
- ✓ Eliminates levels among managers
- ✓ Lowers administrative costs

On the downside, this structure can result in conflicting loyalties among team members, time management issues, and increase in time spent in meetings [1].

NETWORK STRUCTURE

This structure relies on other organizations to perform critical functions on a contractual basis i.e. vendors. These persons or companies are usually specialists and provide the company with services which they otherwise would not have been able to perform.

This approach provides flexibility and reduces the overhead since a critical part of the business's operation has been outsourced. However, this system may result in unpredictability in supply and poor control because managers have to rely on contractual workers to perform critical functions [1].

In conclusion, each organizational design has its benefits and drawbacks. Managers should, therefore, pick an approach that fits the needs of the company after conducting critical research. Alternatively, they can choose to apply different designs to different departments in the company to leverage the benefit provided by each of them [2].

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HR Tools for Effective Data Reporting and Analysis

In management, reporting tools present managers with effective methods to represent gathered data. Reporting tools allow a company extract data and present it in charts, tables, and other images to enable users to analyze gathered information as useful data. Though there are many reporting tools available to managers, most organizations choose to use applications within business intelligence software suites. The reports obtained from reporting tools vary in their interactivity. They can either be static reports whose results cannot be changed by the user, or interactive reports, which allow the user to navigate through various organizational hierarchies and visualization elements [1].

A data reporting and analysis system is an integral part of modern-day management. It provides managers with the information needed to make important business decisions. This information can be in the form of reports and/or statements. For any data reporting and analysis system in an organization to be considered effective, it must be able to provide the management with pertinent information in time to make decisions.

Why An HR Data Reporting and Analysis System Is Needed

A data reporting and analysis system helps capture data relevant to the business, report this data and consequently provide an analysis of it. This data could range from employee headcount, financial data and products to accounts, investment performance, client access in custody, etc. The scope of a data reporting and analysis system is wide. Human Resources professionals typically use Human Resources Information Systems (HRIS) to report and analyze a wide range of employment-related data. Below are a few reasons why an organization needs an HRIS.

Among other things, an HRIS can be used to:

- Help identify which managers have the tendency to rate products, services or employees too high (halo effect) or too low (horns effect)
- Help identify the organization's top performers and potential top performers
- Show individual progress and contributions towards meeting organizational goals
- Collect valuable feedback and identify employee engagement factors
- Help identify those who are above and below average in terms of performance
- Provide a basis for comparing results between divisions, departments and positions
- Show year over year employee performance trends and rating changes
- Facilitate improved decision making
- Identify likely causes of turnover

- improve the efficiency of resources in the delivery of organizational services [2].

Essentials of An Effective Data Reporting and Analysis System

A good data reporting and analysis system should be able to generate accurate data and analyze it appropriately. They should provide managers with accurate information in the correct format to enable them to make decisions effectively and efficiently.

- Flexible: The system should be flexible enough to adjust to all the requirements of the user. It should be able to provide insights if deviations from predefined standards or estimates occur. Furthermore, an effective data reporting and analysis system should be economical and simple to use. Localization of reports in the system is one way to make it simple to report and analyze data.
- Accurate: Discrepancy in reporting and statistically or logically inaccurate analysis could create challenges in decision-making for senior management and/or C-level executives.
- Fast: A data reporting and analysis system is only effective when it promptly generates results. A system that does not produce results when needed has no utility in an organization.
- Cost effective: Reports from this system should not be too difficult to assemble and should justify their costs.
- Efficient: Ultimately, reports and analysis generated from this system should be detailed enough to help management make informed decisions.
- Allows updates: The reporting and analysis system an organization uses should be able to access and update existing data to allow executives to access the latest information.
- Automated: The system should allow the automated delivery of reports and their analysis based on the organizational hierarchy. This is a critical factor in the success of any data reporting and analysis system.
- Consistent: Finally, an effective reporting system should maintain a high level of consistency in terms of reports and the process used for all reports [3]. A consistent system allows managers to make suitably informed decisions for their organizations.

Using HRIS For Data Reporting and Analysis

Though organizational goals are the same across a firm, the management needs resources to help them formulate the strategic plan to achieve those goals. It is the HR department's role to manage their HRIS and provide decision-makers with the data they need to make effective decisions. Without adequate information, managers may struggle to find the best way to move the company forward.

There are a few primary report categories found in an HRIS:

- People-focused reports: These reports sort, plot and chart data associated with dates and personal identifying information. These are often visible to employees, and they include birthday and employment anniversary records, recruiting and hiring logs, training and performance calendars, and employee directory of names, addresses, phone numbers, and emergency contacts among others.
- Compliance-focused reports: These reports generate needed data for government reporting, insurance and risk assessments. EEO, ACA and Workers' Compensation reports are a few examples of compliance-focused reports.
- Work-focused reports: These contain the information on employee's work such as credential and work assignment correlation, performance assessment and development, training completion and quality performance regression analysis, bargaining unit detail and work-related discipline and corrective action.
- Finance-focused reports: these detail items such as time and attendance reporting, payroll process and distribution, payroll registry and reconciliation, tax and benefits withholding and reporting, and a compensation plan.
- Outcome-focused reports integrate data to generate summary data for the operations team and other stakeholder's privy to the confidentiality of the information. Relevant data includes data on current and future talent management, data reflecting corporate culture, attribution of employee turnover and its costs, costs and efficacy of mandated benefits and correlation between cost and productivity.

An HRIS presents information in various formats to allow for cross-referencing across the organization, communicating large amounts of information quickly and helping management to plan effectively [3]. Reporting tools such as HRIS connect to specific data sources and allow end users create reports which fit their business needs. These reports help the user to visualize data and create actionable information to improve decision making [1].

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Change Management Theory: Methods, Processes, Techniques, And Application

For businesses to survive, they need to evolve. They need to position themselves competitively despite changes in the business environment. Without a change management process in place, the success of these changes is uncertain [1].

Take the example of the recently renovated British Airways. This organization not only had a complete and successful overhaul of their entire operation but made a profit in the process. The company credited its success to having a model and strategy in place to manage the change. This change model allowed them to make profit returns of $284 million, the highest in the industry in ten years [1].

There are five popular change management models which companies may apply to their change initiatives:

1. Lewin's change management model
2. The McKinsey 7-S model
3. Kotter's theory
4. Nudge theory
5. ADKAR

Lewin's Change Management Model

The Lewin's model is one of the most popular approaches. It was designed by the physicist and social scientist Kurt Lewin in the 1950's. Lewin explained structured or organizational change using the changing states of a block of ice [2]. His model consists of three main stages namely unfreeze, change and refreeze. Let's take a look at each of them in detail.

Unfreeze

The first step in the process of implementing a change is to "unfreeze" your current process and examine how things are done. This means analyzing every process and human interaction for potential improvements. Is the software in use delivering optimal results? Are the employees living up to their potential? By asking these questions, managers eliminate bias and mistakes. This gives them the perspective they need to rectify the cause of the company's problems, rather than just addressing the symptoms.

The process of unfreezing also helps prepare the organization for the change. This is crucial as people naturally try to resist change. Managers can prepare their employee for change by letting them know why the change is necessary and how these changes can bring about profit [2].

Change

Once everyone has been prepared for the coming change, the next step would be to guide the team as they adapt. Communication, education, and support are vital at this point, as they would help limit any difficulties which may arise in the course of transition. The company would need to ensure that the proper support channels are in place to help employees adapt to the change. This could be a regular meeting with the manager, a knowledge base they can refer to or a mentor who will guide them through the process [1] At this stage of the process, communication and timely adoption of changes is key.

Refreeze

At this stage, the change has been accepted, embraced and implemented throughout the organization. The firm starts to become stable again. This is why this stage is referred to as refreeze. This is when things begin to return to their normal pace and routines. A monitoring plan would have to be put in place to ensure that employees do not embrace the old organizational culture. Also, regular reviews would need to be carried out to ensure that the new methods are being followed. Employees who consistently keep to the new method should be rewarded. During this stage, stakeholder feedback should be solicited, monitored and addressed for optimal results [1]

Application

The Lewin's change management model is ideal for a business looking to drastically change in order to succeed. Because this model requires every aspect of the business to be closely scrutinized, it is great for uncovering major issues and other opportunities for improvement. Also, if a business is looking to carry out any re-engineering process or they need to correct for ingrained mistruths, then the Lewin's model is ideal.

The Mckinsey 7-S Model

The McKinsey 7-S Model is a framework for organizational effectiveness that proposes that there are seven internal "S" factors that businesses need to align and reinforce in order to be successful. The 7 "S" factors are: strategy, structure, systems, shared values, style, staff, and skills. This method involves analyzing these seven critical aspects of a company and how they affect each other to create a united approach to business. This model is perfect for analyzing how coherent a company is. Managers can use this model

if there is a need to change the business operation, but there is some uncertainty on how to go about it.

Assess Your Strategy

This involves studying the plan you created to beat the competition and achieve the business goals. This is the first stage of change according to the McKinsey 7-S model, and it involves a step-by-step procedure or plan for the future.

Look at Your Structure

Structure refers to how the business is organized in terms of employee roles, functionality, production processes etc. Unless there is a clear knowledge of the businesses structure, managers cannot effectively implement changes.

Analyze Your Systems

This involves taking a look at the business systems, including official processes, rules, and unofficial shortcuts, how everything is tracked, who has access to what systems and how the systems get updated [1].

Record Shared Values

Shared values refer to the main values of the organization which guide its operations; in simple terms, it is the company's culture. When the culture of the organization is properly leveraged, it can be a powerful tool in managing change. Linking the company's values to the changes being made in the organization may make the employees more agreeable to adopting the changes [1].

Take Note of Your Style

This stage involves assessing the management and leadership style of those running the business. In identifying the organization's management styles, it is important the leadership is very frank in their assessment of how the company is managed. For example, a company might have a management style that is transparent yet chaotic.

List Your Staff

This process involves taking a look at the company staff and identifying their working capabilities, so it can guide whatever positions need to be filled.

Assess Their Skills

This final step involves looking at the skills currently possessed by staff. It is also important for the company to gather some feedback on how the company is perceived by stakeholders and the general public.

The 7-S model identifies weaknesses and highlights the areas which require the most attention when deploying changes. It also helps ensure every one of the 7 “S” factors of the company supports the others. This provides the company with a formidable business plan that is not only strong but also flexible to change.

Application

The McKinsey’s 7-S model is best suited for companies who want to know what they need to change. By identifying how effective or ineffective the various elements of the company are, businesses can the current situation and implement needed changes.

Kotter’s Theory

This theory is one of the most popular change management theories in the world. It was devised by John P. Kotter, a Harvard Business School Professor and author of several books on change management. This theory is divided into eight stages, each of which focuses on a key principle related to the way people respond to change.

The stages are:

- **Increase urgency:** This step involves creating a sense of urgency among the team to motivate them to move towards the set objectives.
- **Build the team:** This step relates to getting the right people on the team by selecting a mix of skill, knowledge, and commitment.
- **Get the right vision:** This stage is related to getting the right vision by considering strategy, creativity, emotional connection, and objectives.
- **Communicate:** Communicating with those regarding change and its need is also a critical part of the change management theory.
- **Get things moving:** In order to get things moving, one would need to get the needed support, remove roadblocks and implement the feedback constructively.
- **Focus on short-term goals:** Dividing the ultimate goal into small achievable goals parts. This is a good way to achieve success without much pressure.
- **Sustain acceleration:** Persistence is key to success, and this stage is key to sustaining the momentum generated by the changes, so it grows to become a habit for the company.
- **Set the changes in stone:** This is the final stage which involves making changes permanent both in documentation and in the company culture.

Application

This theory is important in creating a sense of urgency and convincing all involved parties that the change is necessary. This gives the team the drive they need to enact the change.

Nudge Theory

The nudge theory is a concept which finds use in behavioral science, economics, and political theory and can also be applied to change management in organizations and businesses. The theory is mainly credited to Cass R. Sunstein and Richard H. Thaler. The idea behind this theory is that changes must be designed to fit employee behavior, perception and attitudes. This theory is intended to encourage and inspire organizations to change. The theory is not only helpful in exploring existing influences but also explaining why the influences may need to be eliminated or modified [3].

This Nudge Theory is more sophisticated as it eliminates traditional change methods such as punishment enforcement and direct instructions. The main benefit of this theory is that it accounts for differences in opinion and knowledge of people. It, therefore, minimizes resistance from employees of a company and is well applied in most industries [3].

Application

This theory is a concept which, with careful planning, can turn average employees into great employees after the implementation of a change.

Adkar Model

This model is a goal-oriented tool which makes it possible for various change management teams to focus on the steps directly related to the goals of a company. The goals and the results derived using this model are cumulative and in a sequence. This means that using this model, the individuals in a firm must achieve change milestones in a particular sequence for the change to be sustainable and implementable.

ADKAR stands for Awareness, Desire, Knowledge, Ability, and Reinforcement, all of which are related to the application of the change.

Application

This model can be used by managers to identify various gaps in the process of change management so that effective training can be provided to employees. The model can be used to provide help and support to employees while going through the transitioning

process, diagnose and treat the resistance to change, as well as design an effective plan for professional and personal improvement of employees during the change [1].

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Qualitative and Quantitative Data Collection Methods Used in Business Management

Organizations today are controlled and powered by information. Businesses and industries cannot function without information serving as the "fuel" for decision-making, strategizing and leveraging knowledge. However, information is not readily available to managers. It comes in unprocessed facts or figures (without meaning or context). Raw information may seem useless [1] but once processed, structured and given context via interpretation and analysis, it becomes meaningful. Processing gives data meaning,

effectively turning it into information useful for decision-making. In this feature, we will look at the various approaches, tools, and methodologies aimed at the collecting data before for analysis [1].

What Is Data Collection?

Data collection is described as the "*process of gathering and measuring information on variables of interest, in an established systematic fashion that enables one to answer queries, stated research questions, test hypotheses, and evaluate outcomes*."

There are numerous methods of data collection. Managers can choose which techniques and approaches to use depending on their organizational objectives. There are two main types of data managers deal with in data collection:

Quantitative Data

This is data which deals with measurable quantities, values or numbers. These data are represented in numerical forms such as amount, length, size, price and even duration. The use of statistics to generate and subsequently, analyze this kind of data gives it credibility and objectivity [2].

Qualitative Data

Qualitative data deals with quality and are therefore more descriptive than numerical in nature. Unlike quantitative data, they are generally not measurable. Instead, managers learn about them via observation. Qualitative data include descriptions such as color, appearance, texture and other qualities. For example, if you ask a manager to describe an employee's behavior, the data would be qualitative. If you ask the manager to instead rate the employee's behavior on a scale of 1 to 10, then you have made the data quantitative.

Whether data is qualitative or quantitative determines which data collection method managers will use. Therefore, data collection types can either be quantitative or qualitative [1].

Qualitative Data Collection Methods

These data collection methods are exploratory in nature and help businesses gain insight into the underlying reasons and motivations behind certain occurrences. Since these methods of collecting data cannot be quantified, they are largely unstructured.

Generally, qualitative methods are time-consuming. The most economical way to utilize these methods is therefore to lower the cost incurred by decreasing the sample size or number of respondents.

Common qualitative data collection methods include:

FACE-TO-FACE PERSONAL INTERVIEWS

This is the most popular data collection method for qualitative research. Managers prefer data collected using this method because such information is highly personalized.

Interviews may be formal, structured, unstructured or conversational. The questions asked are often unplanned and spontaneous, which makes this method convenient when companies need honest feedback from employees or customers.

Like any other method, face-to-face interviews have shortcomings. For instance, there may be language, cultural and geographical barriers between the interviewer and the interviewee. Also, the interviewer may not be skilled enough to elicit the required responses [2].

SURVEYS

Surveys may come in the form of paper surveys or questionnaires which comprise of short, open-ended questions. Open-ended questions allow respondents to provide detailed answers. Questionnaires are ideal for collecting data from large sample sizes of respondents. They also come in handy when companies need detailed responses from stakeholders and customers about a given product or process. In modern-day management, companies use online questionnaires in place of paper ones because they are faster. All respondents have to do is log in and answer the questions online.

OBSERVATION

In this method of data collection, researchers take a participatory stance. They immerse themselves among respondents, observe their behavior and take notes.

Aside from note-taking, observers use other means of documentation such as video and audio recording and photography. This participatory method is more reliable and detailed than respondent-driven methods of data collection. It also provides firms with more representative data [3].

CASE STUDIES

In this method, data is gathered by carrying out an in-depth analysis of a “case study” or a representative individual, SBU or company. One of the benefits of this method is that it can be used for both simple and complex subjects. However, the strength of

the case study data collection method is its ability to use other data collection methods and capture more variables than when a single method is used.

Quantitative Data Collection Methods

Quantitative data collection methods are used to gather information from quantifiable sources. Data can easily be quantified and presented in numerical form especially with the increasing complexity of analytics and AI. After data is collected using these methods, it is presented as statistics. Statistics make it easier to interpret large amounts of data. Unlike qualitative data collection methods, quantitative data collection often makes use of large sample sizes to analyze an environment [1].

QUANTITATIVE SURVEYS

Unlike qualitative surveys, quantitative surveys use questionnaires with closed, multi-choice questions. Quantitative surveys are ideal when surveying a large number of respondents. The standardized nature of the questionnaires allows researchers to make generalizations from the results.

On the downside, quantitative surveys limit respondents' answers. Although data analysis can be done, the survey lacks the detailed information obtained by using qualitative questionnaires [2].

INTERVIEWS

Personal interviews can also be conducted to gather quantitative data. These interviews are more structured than those used to collect qualitative data. Quantitative interviews can be face-to-face interviews, telephone or web-based interviews or computer-assisted interviews.

QUANTITATIVE OBSERVATION

This method of data collection is straightforward and systematic. Observers count and record data like the number of persons using a particular product or service in a particular area. Observers must be keen and accurate in order to find out the "what", "why" and "how" of certain phenomena.

Though the method of data collection is simple, it could be influenced by conscious or unconscious bias on the part of the observer.

Conclusively, both quantitative and qualitative data collection methods have their merits and demerits. Managers with accommodating budgets should use both methods to gather comprehensive information. If the budget does not allow the use of the various data collection methods, managers should select the one which best fits the research objectives of the company [1].

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Techniques for Forecasting, Planning, And Predicting the Impact of HR Activities and Programs Across Functional Area

One of the most important functions managers perform in any firm is human resource planning. Simply put, human resource planning is the process of analyzing and acquiring the resources needed for an organization to achieve its immediate and future goals. Human resource planning can only be done when the impact of HR activities over a period of time is successfully predicted. Below are some techniques managers can use for forecasting, planning, and predicting the impact of HR activities and programs across functional areas.

Forecasting and Planning Methods

a) Regression Analysis

This forecast technique is dependent on the relationship between the size of the employee and the volume of sales. This technique shows the relationship between the size of the workforce and sales. Human resource and sales data are gathered and placed on a graph. From this, the regression line can be calculated. The regression line is the line that passes through the center of the points of the diagram (3)

b) Delphi Technique

This technique derives its name from a Greek oracle in the city of Delphi. This method involves forecasting the needs of personnel. Usually, the needs of personnel are established by experts. Once this information is compiled, it is surveyed by human resource managers, summarized, implemented and sent back to HR experts. The experts then evaluate the accuracy of their determinations. An important characteristic of this technique is that during the process, experts have no form of interaction with employees. (3)

c) Work Study technique

This technique is made use of when work measurements are needed to calculate the period of operation as well as the quantity of work that will be required. (3)

d) Trend Analysis

Trend analysis is an efficient forecasting technique that requires organizations to evaluate past performance to predict future figures. To that end, trend analysis is not suitable for every organization. Companies that have been in operation for long periods are more likely to benefit from trend analysis than startups. This is because

this type of analysis makes use of past documented staffing data to make the right staffing forecast. (2)

e) Ratio Analysis

Human resource ratio analysis forecasting technique is as effective as trend analysis. It, however, plays a different role in forecasting. Ratio analysis is a human resource forecasting technique that relatively new firms can use. The reason for this is that this technique makes use of causal factors in the prediction of future staffing necessities. (2)

Forecasting and Planning Techniques

Document your Forecasting Process

One way to ensure that human resource forecasting is done efficiently is to document the process of forecasting. When the process of human resource forecasting is documented, predicting the actions of a human resource manager becomes easier. Even if new human resource managers come on board, they can efficiently work towards the goals, mission, and vision of the organization.

Retention Programs

Retention programs provide an avenue for HR managers to not only recruit but also retain talent in the organization. There are several reasons these programs are effective in maintaining a highly skilled workforce. For one, retention programs provide proof that an organization is interested in the welfare of its workers and is committed to seeing that they are successful in every aspect of their lives. Secondly, retention programs allow managers to reward employees for work well done. When employees feel valued and appreciated, they are more likely to remain with a company.

Setting the Strategic Direction

This is a process that is entirely focused on getting HR strategies to adapt to the goals, vision, mission, and strategy of the firm. There are many ways through which this can be done. However, irrespective of what approach a firm has, managers need to answer the question “Does the organization have what it requires to achieve its business goals"?

Mid-level organizations simply utilize a highly skilled workforce to stay ahead of competitors. Industry leaders, on the other hand, continuously adopt human resource strategies that help them retain this competitive advantage. One of the ways they achieve this feat is by frequently training their employees.

They also conduct a check on the external environment and weigh its effect on their firm. They try to find out what the mission, vision, and principles of the organization are. (1)

Designing the Human Resource Management system

This involves a process where all attention is focused on the design and alignment of human resource policies and plans. There are quite a number of human resource policies that a firm can choose from. However, while choosing a human resource management policy, it is important to note that not every organization thrives on every human resource policy. This, therefore, makes it necessary to weigh the benefits of any adopted human resource policy against its cost. If the benefits far outweigh the cost, then the human resource management policy is likely to be beneficial to the firm. There are a number of ways to find the right human resource management policy for a given firm. However, one way to do this is to find out which human resource management practices that will augment the strategic intentions of the firm in relation to management, career planning and recruitment. (1)

Planning the Total Workforce

Forecasting is a challenging and demanding function of human resource managers. One of the most important activities of a human resource manager in a firm is to come up with an ideal workforce plan. It is therefore surprising and concerning that workforce planning only recently became popular in firms. The fact that organizations are just starting to add workforce planning to the functions of HR managers is an indication that many firms do not have solid strategic plans. After all, a workforce plan is needed to adequately meet a company's strategic goals. Workforce plans provide human resource managers with a guide to make the right decisions based on the available resources, budget, plans, and goals of an organization.

Workforce plans can come in many forms. They could be complex or simple depending on the requirements of the firm.

The goal of workforce planning is to find the organizational structure and human resource needed to achieve the firm’s strategic objective. (1)

Generating the Required Human Resources

This technique involves hiring, recruiting, training and giving out assignments to employees according to the firm's workforce plan's strategic imperative. With the ideal plan, the right training can be identified based on the needs of the firm for the moment

and in the future. To get this done, recruitment practices should be weighed based on the goals of the firm. (1)

Restructuring Strategies

Restructuring strategies involve making a change to an organization's structure to increase operational efficiency. This can be done in a number of ways. Managers could decrease the size of the workforce or reorganize work units to make them more efficient. They could also choose not to replace employees after attrition. This method is convenient when hiring urgency is low. Restructuring strategies are particularly important when there is an excess supply of abilities. In this case, restructuring improves the cost-effectiveness of running the firm.

Recruitment

This technique involves the recruitment of new workers that have the abilities that your firm might need in future. One of the jobs a human resource manager in planning is to ensure that the recruiting process is done strategically. If a new recruit does not align with your future expectations, then they should not be considered for a position for your organization.

Outsourcing

This is a process that involves making use of external firms to complete projects. This is usually done when the right skill that is needed to complete a task is not available in the organization. Alternatively, managers can outsource workers when all employees in the organization are busy carrying out their assigned tasks. The process of outsourcing is especially important and efficient if the task is part-time.

It is important to ensure that each outsourcing move has positive implications for the organization.

Partnership

There are instances when the right skill set of individuals to carry out a project are not available in a firm. One way to handle such situations is to collaborate with another firm instead of outsourcing.

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Essential Elements of Risk Management- Health and Safety (OSHA)

A strong and successful safety program is essential for every business, particularly those in the manufacturing and construction sectors. Keeping employees safe is good not only for maintaining the workforce but also avoiding suits and improving performance. However, implementing and sustaining a culture of safety which provides for ongoing support and protection of all employees is never easy. Fortunately, there are a number of resources available which can help you create a program which will facilitate the development of an effective safety culture and bolster your health and safety programs.

One effective safety management resource managers can get online is the Occupational Safety and Health Administration's (OSHA's) "*Recommended Practices for Safety and Health Programs for Construction*" issued in 2016 [1]. This program perhaps best summarizes the essential elements of risk management and safety programs. The program was initially issued in 1989 as "Safety and Health Program Management Guidelines" and this latest version reflects on OSHA's experiences with businesses and others to establish 7 core elements of a health and safety program including:

Management Leadership

The successful implementation of any safety program depends on all workers in the firm, from executives down to supervisors and employees. Top management has to first demonstrate its commitment to continuous improvement in health and safety then communicate it to its workers. A safety program is set up with expectations and responsibilities outlined in the program.

Managers at all levels of management need to make health and safety a core organizational value, establish safety and health goals and objectives, provide support for the program, avail the needed resources and set a good example for employees [2].

Worker Participation

A safety program is only successful when workers and their representatives are involved in all aspects of the program including setting goals, identifying and reporting hazards, tracking progress and investigating incidents. All persons involved with the company should be a part of the safety program including contractors and temporary workers. Employees need to be aware of their roles and responsibilities to effectively carry out the recommendations of the health and safety program.

For effective participation of workers in the safety program, workers need to have an open line of communication with management. They need to be able to report health and safety concerns without fear of backlash. Also, any barriers or obstacles to worker

participation in the program such as language, lack of information or disincentives need to be removed or addressed [2].

Hazard Identification and Assessment

In running a safety program, procedures are put in place to continually identify workplace hazards and identify the risks they pose. Safety and health hazards from routine, non-routine, and emergency situations are identified and assessed. An initial assessment of existing hazards, exposure and control measures should be followed by periodic inspections and reassessments to identify new hazards.

All incidents encountered are investigated with the goal of identifying the root cause of the problem and when identified, prioritized for control [2].

Hazard Prevention and Control

Employers and workers are to cooperate to identify and select methods for preventing, eliminating or controlling workplace hazards. Controls are selected according to a hierarchy which uses engineering solutions first, followed by safe work practices, then administrative controls and finally, personal protective equipment (PPE). A plan is then developed to ensure that all controls are implemented, progress is tracked, interim protection is provided, and effectiveness of control is verified [2].

Education and Training

Education and periodic training are a mandatory part of the implementation of any health and safety program. Workers should understand how the program works and how to carry out the responsibilities assigned to them under the program. They should be proactive so that they can recognize workplace hazards and understand the control measures that have been implemented [2]. Training equips them with this knowledge. Organizations also need to have training programs available to employers, managers and supervisors to learn more about safety concepts and their responsibilities for responding to the rights of workers and responding to workers' concerns and reports.

Program Evaluation and Improvement

Safety programs are periodically evaluated for effectiveness, processes established to verify program implementation, monitor program performance, and identify program

shortcomings and opportunities for improvement. Also, necessary actions are taken to improve the program and its overall safety and health performance [2].

Communication and Coordination for Employers on Multiple Worksites

Host employers, staffing contractors, and agencies should commit to providing the same level of safety and health protection to all employees. They also communicate the hazards present at the worksite and the hazards that the work of contract workers may create on the site. Host employers establish qualifications and specifications for contractors and staffing agencies. Finally, before beginning work, host employers, staffing agencies, contractors coordinate on work planning and scheduling to identify and resolve any conflicts which could affect safety or health [2].

What Is the Importance of a Safety Culture?

If the essential elements of safety success are the "bones" of a safety program, then a proactive safety culture is the "skin" which holds it all together. None of the elements above can excel without an organizational safety culture put in place – a proactive, universal and continuously improving safety culture.

The concept of a safety culture is based on the belief that organizations have unique cultures- a combination of values, beliefs and behaviors which defines the way they do business. One of the most comprehensive definition of a safety culture is from the Center for Construction Research and Training (CPWR), which defines a safety culture as "*the deeply held, but often unspoken, safety-related beliefs, attitudes, and values that interact with an organization's systems, practices, people, and leadership to establish norms about how things are done in the organization*. [3]"

One of the earliest demonstrations of a safety culture in the workplace was with the DuPont Company. Back in the 1800s, the DuPont gunpowder mills were plagued by accidental explosions which killed or injured workers with each blast. In a move to make managers more safety conscious, Patriarch Eleuthere Irenee Du Pont relocated their offices directly above the production floor. This move – for obvious reasons – made the managers more safety conscious [4].

Although there may be variations as to what constitutes a good safety culture, they all have a common denominator- establishing safety as a value within the organization- rather than one subject to change depending on the needs and schedules of the organization at any point in time. Leaders who recognize the importance of a safety culture in their organization will be more successful in leading risk assessment and safety.

Creating A Strong Safety Culture

In creating a culture of safety, managers need to start starting out with a plan based on current and desired safety conditions. This can only be successful if the management commits to the implementation of the program. The leading indicator of a strong safety culture is management commitment.

A truly exceptional safety culture ensures that safety is not just a priority when incidents arise, but at all times. Striving to achieve this sort of culture is a necessity for any high-performing business [2].

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Essential Elements of Risk Management- Tips for Managing Risk in General

In business, there is always a possibility that an event that negatively impacts performance will happen. One day the performance of a company can be at its peak and the next the stock prices could fall because of an unforeseen scandal. Businesses need to be able to perform optimally despite facing new challenges from their internal and external environments. This is why it is important for every business entity to have a risk management strategy in place.

Risk management is the process of identifying, analyzing, accepting or mitigating uncertainty in investment decisions [1]. Risk management occurs anytime an investor or fund manager analyzes and attempts to quantify the potential losses posed by an investment and then takes the necessary steps to prevent or mitigate this risk given his investment objective and risk tolerance [1].

Managers must be aware that firms are prone to risks, both foreseen and unforeseen, but this should not stand in the way of making needed business decisions. In fact, businesses that adopt a risk-based approach to their strategic planning process are more likely to thrive.

Managers need to take a strategic approach to managing risk for risk management to be effective. Drawing a risk management plan ensures that the business can effectively mitigate the risk. The first step of the risk management process would be to identify the risk posed by the investment/decision. The next step would be to examine the options available to deal with each risk identified and what strategy to employ, depending on the nature of the risk. Finally, a plan would be put in place to monitor the risks in the business and update the plan as necessary [2].

In this feature, you will learn more about **three** essential elements of a risk management plan and the strategy for managing risk in business.

1. Create A Plan

Every business should have a risk management plan in place. The process of implementing the plan would, however, vary from one company to the other. For a large company, a risk management plan could run into hundreds of pages while for a small company it could be no more than a simple spreadsheet. However, a few essential elements to include in any risk management plan includes:

- A list of individual risks

- A rating of each risk based on the likelihood of their occurrence and impact
- An assessment of the current control
- A plan of action

2. Decide on How to Manage Each Risk

After identifying and prioritizing each risk based on the likelihood of their occurrence and impact, and assessing the effectiveness of the current controls, the next thing would be to decide on what to do about every risk to manage each effectively. In managing risk, there are four main strategies to employ:

- Avoid the risk
- Reduce the risk
- Transfer the risk
- Accept the risk

Each of these strategies has their unique advantages and disadvantages, and it is likely a business would end up using all four [3].

- **AVOID THE RISK**

When a risk will have the potential to create disastrous consequences for the enterprise, the only option would be to avoid the activity altogether or use a completely different approach.

The advantage of this strategy is that it is the most effective way of managing risk as eliminates the chances of incurring losses. However, the business could lose out on possible profits as the riskiest activities are usually the most profitable. Therefore, this strategy is best applied as a last resort for highly risky investments [3].

- **REDUCE THE RISK**

If you do not wish to avoid the activity altogether, the best strategy would be to reduce the risk associated with it by taking steps to make the risk less likely to occur or to minimize its impact when occurs.

This is the most common risk management strategy and is appropriate for a wide range of tasks. It allows the business to continue with the activity but puts measures in place to make it less risky. If done properly, you have the best of both worlds. The danger, however, is that if the controls are ineffective, you will end up suffering the loss you feared [3].

- **TRANSFER THE RISK**

We are all familiar with the concept of insurance in our lives; the same applies to business. An insurance contract is simply a transfer of risk from one party to another with a payment in return.

When you own a business, you have the option of transferring many risks to the insurance company. You can ensure your vehicles or take various liability insurances to protect the business owners from lawsuits. If anything goes wrong with the business, the insurance company bears the loss, and in return for that, the company pays a premium, so they handle this risk.

- **ACCEPT THE RISK**

There is always a price to risk management and avoiding risk means restricting the activities of the company or missing out on potential benefits. Reducing or transferring risk always comes at a cost, for example, an insurance premium.

Therefore, in the case of minor risks, it is best to accept them; that is those risks which received low scores in the likelihood of impact, look for simple, low-cost solutions for when they occur. If you can't find one, it means you may simply have to accept the risk and continue with business.

The advantage of accepting risk is that it's free and allows for resources to continue running the business. On the other hand, it means you have no controls in place, and if the likelihood of the risk occurring is small, you may be fine [3].

3. Monitor

Putting measures in place to manage the risk is not enough, you have to check whether they are working, and monitor the business regularly to identify and deal with new risks.

A risk management plan should be a living document, properly monitored and updated to reflect changes made in the course of the risk management. Each action in the risk management plan should have a target date of completion with persons primarily responsible for it. There's no hard and fast rule for managing risk, and large companies

have entire departments dedicated to full-time risk management. The key to any risk management plan is regular monitoring of the plan, updating it along the way whether monthly, quarterly or annually.

One of the best strategies managers can use to monitor a risk management plan is to make small changes on a regular basis. As the changes occur, managers can carry out more comprehensive reviews on a regular schedule [3]. This method is a simple risk management strategy for handling any type of risk which comes up in the business. There is a chance that the business would have to use a combination of techniques, choosing the strategies which best suits the risk and the skills of the team handling it. Whichever way the business chooses to manage risk, they must ensure they keep a log of the risks encountered, the strategies employed in managing the risk and the steps put in place to monitor the risks.

Having a risk management plan in place from the get-go helps prevent threats and allows the management to know how to react when these risks occur. By having a risk management plan in place, organizations can save money and increase stakeholders' confidence in them [4].

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Tips to Effectively and Safely Deal with Situations That Are Uncertain, Unclear, And Chaotic

Managers do not always have the information they need to make effective decisions in the workplace. There are times when managers do not know the risks posed by a particular factor. At other times, they have inadequate information about the situation on the ground. Sometimes, they may have none of the information needed to make a particular decision. These three situations, known as uncertain, unclear and chaotic situations respectively, make it difficult for managers to execute their decision-making and planning functions. If you are wanting to make the best out of any uncertain, unclear or chaotic situation, then read on. This article contains tips to help you efficiently and safely deal with these situations.

Don't Procrastinate

Procrastination is the thief of time. In business, procrastinating due to lack of information is one way to aggravate an uncertain situation, particularly a high-risk one. Whenever you find yourself in an uncertain situation, do what you have to do and do it quickly. The more time you waste, the more you are like to remain in the same situation.

Always have a Virtual Picture in your Mind

In a perfect world, all the information that you might need to carry out any given task will be readily available. However, in times of chaos and uncertainty, you may not have access to all the information that you need to get an assignment done. This simply implies that if you keep waiting to get a completely perfect piece of information before acting, you may get nothing done. To thrive in uncertain situations, take action based on the information available to you. Create a virtual scenario of all the outcomes in your mind then make a decision based on your instincts. (3). Remember that in uncertain scenarios, managerial judgment is a crucial asset.

Come up with Plan instead of Expectations

All things being equal, it is easier to be disappointed when you have expectations instead of plans. When expecting the worst to happen, it is difficult to notice opportunities when they present themselves, and if you expect the best, you might not prepare contingencies. As a manager, learn to place stock in plans. Instead of expecting the best or worst, make plans to make the best results a reality (2).

Get Yourself Ready for Different Outcomes

The truth remains that uncertain and chaotic situations can end in different ways. Sometimes, they end in your favor, other times they don't. Whether a situation ends in your favor or not, one way to get the best out of every situation is to prepare your mind for different outcomes (2). Preparing for different outcomes allows managers to come up with contingency plans for their firms.

Work on your Adaptation

In management, creativity and flexibility are often more important than intelligence. With a good adaptation quotient, you can go through any situation and get the best out of it even if everything does not go according to plan. (2)

Accept the Fact That You Will Not Always Be Right

Everyone makes mistakes every once in a while. The likelihood of making a wrong decision increases as the amount of available information decreases. This means that as long as you do not have the all the information that you need, you may make mistakes. While a lot of people might choose not to act because they are scared of making mistakes, making a wrong decision is way better than not making a decision at all. To thrive comfortably in chaotic situations, you will have to get comfortable with making the wrong decisions. Only with this will you be able to outlive the outcome of your decisions. (3)

Be Flexible

One thing that is constant in life is change. Things do not always go as planned. Usually, planning is done with the available information. Sometimes, the more information becomes available, the more it necessitates a change in the plan. If you find yourself at this point, remember to be flexible enough to make the changes for the good of the organization.

Learn to Manage Stress

The ability to manage stress is key to surviving chaotic situations. Everyone that has been in a chaotic situation knows that chaos, uncertainty and stress are related. This means to deal with uncertainty effectively and safely, you have to find ways to relax and relieve your body of stress. (3)

Communication is Essential

Don't underrate anyone, you can't be sure who holds a solution to your biggest challenge. When uncertain situations arise, make it a habit to give out as much information as you have if you must get the extra needed information to help you make a good decision. In addition to telling people all that you know, also, communicate to them and make them know what you are not sure about. If you fail to tell people about the things that you do not know, they might be unwilling to help you because they assume that you are withholding some information. (1)

Explain your plan

Managers need to have several plans in place in uncertain, unclear or chaotic situations. While it is good to have plans, it is not enough. Plans are only effective when all the parties needed to implement them know and understand them. Therefore, in uncertain situations, explain to your employees why you want to do what you want to do. Transparency attracts trust, and trust helps organizations out of your uncertainty. (1)

Have a Positive Mind

The power of your mind is a very important tool in overcoming uncertain situations. As a leader in a situation that is uncertain, the power of your mind can affect the aura of those that are working with you. Even if you do not know what the solution to the problem is. (1)

Admit that you are not always in control

Virtually everyone loves to be in control of their lives. This might seem absolutely okay and very nice. In spite of this, it is not possible to always be in control. The earlier you get used to the fact that some situations might be beyond your control, the easier it will be for you to survive unclear and uncertain circumstances.

Get Used to Uncertainties

One of the easiest ways to efficiently and safely deal with uncertain and chaotic situations is getting comfortable in such conditions. Although the natural instinct of every individual is to be in control of absolutely every situation, this is utterly impossible. The best you can do is get yourself ready for situations that are beyond your control.

Work on your Self-confidence

One way to deal with uncertainties safely is to get confident in your capability to handle situations that appear to be out of your control. Confidence is no doubt a skill that is very

much required to survive in life. In spite of this, only a few people are aware that it is a much-needed skill to survive in uncertain situations. If you are looking to boost your confidence, then, there are certain qualities that you need to possess. Some of these qualities are your ability to listen to what other people have to say, your ability to make a decision and stand by the decision that you have made. If you can get these qualities and hone them, you will be able to thrive very well in uncertain and unfavorable conditions. (1)

Listen to Your Instinct

Your instinct is a major part of your existence. The ability to listen to your intuition is an ability that is needed to survive in chaotic situations.

Always Take Advice

The fact that you are in charge does not necessarily mean that you know it all. The much-needed solution to a problem might be linked with the advice from your subordinate. The fact that you do not know everything means that there are people that know a lot more than you do. If you have any of such people around you, take advantage of their presence and get the best that you can out of them. Consult them during uncertain, unclear or chaotic situations, and take time to review their input.

Remember, you do not have to take everything that you are told. The best you can do is with whatever advice you get, take those you feel are good and give the credit to the source of the idea. (1)

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END OF FUNCTIONAL AREA 1

Functional Area Two:

Talent Planning and Acquisition

Planning Concepts and Terms

Planning is one of the most essential roles managers have to perform in any organization. Plans allow the management and employees to move the firm in the direction of its objectives. In management, the concept of planning is a broad one. In this feature, we will focus on one facet of planning as done in many organizations; we will look at the concept of HR planning, terms related to it, its importance and how managers can effectively and strategically plan for their personnel.

Defining HR Planning

Human resource – the management and employees of an organization – are the people that enable a company to function. Human resource is responsible for all the processes within an organization – from the formulation of its vision and mission, to the analysis, implementation and evaluation of its strategies. Human resource planning can be defined as the process of fully utilizing the employees of a company by assigning the right people to the right jobs at the right time to achieve organizational goals. This is a simplified version of definitions offered by numerous authors. Bulla and Scott, for example, defined human resource planning as *'the process for ensuring that the human resource requirements of an organization are identified, and plans are made for satisfying those requirements'* (Bulla and Scott, 1994).

Importance of HR Planning to an Organization

The objectives and importance of Human Resource Planning to organizations are similar, and they justify the need for HR planning within any enterprise. Without planning for the personnel of a firm, managers increase the risk of insufficient supply of talent in future and a subsequent failure to meet organizational objectives. The following are the benefits companies enjoy by integrating HR planning with their strategic planning:

a) Creation of a Talent Reservoir

Human resource planning involves looking at the possible need for employees in future and formulating strategies that will allow the firm to meet that demand when the time comes. It involves preparing the current workforce to cope with the demands of the organization in future. In the process of preparing employees for future demand, companies create reservoirs of talent. They ensure employees are up to the task no matter what job comes along.

b) Ability to Meet Future Requirements

Reilly defined human resource planning as *'a process in which an organization attempts to estimate the demand for labor and evaluate the size, nature and sources of supply which will be required to meet the demand'* (Reilly, 2003). Going by that definition, a major benefit of HR planning to any organization is that it allows firms to prepare and meet any demand for employees in future by influencing its supply.

c) Ability to meet Organizational Goals

The goal of HR planning is to prepare a firm for its future personnel needs while steering it towards its mission and vision. HR planning, when done effectively, allows a company to meet its goals by making changes to its strategies. It also facilitates the efficient and effective management of the organization. For instance, the management of a firm may be able to cut costs after looking at a 5-year HR plan that shows how to utilize the existing workforce instead of sourcing new talent. Similarly, a plan could jolt management into action if it indicates the lack of efficient succession planning strategies within the firm. Making structural and functional changes to the organization while guided by a mission-based HR plan brings companies closer to efficiently attaining their goals.

Many companies consider the HR planning process important because of the benefits it has to offer them, as they should. HR planning is a procedure that enables a company to fully utilize their workforce. Management therefore takes numerous factors into consideration when planning for a company's human resource.

Human Resource Planning Concepts and Terms

Human resource planning is a four-step process designed to help an organization attain its goals by making full use of its workforce. The complexity of a human resource plan depends on various factors including the work environment managers expect in future, the duration the plan covers and the objectives of the organization. The four steps every organization covers in its human resource planning are:

a) Environmental Analysis

Managers must first assess the strength and weaknesses of their employees before making plans to develop or restructure the workforce. Assessing an organization's internal environment in terms of human resource can be done in a variety of ways. Some firms conduct performance reviews and evaluations prior to making human resource plans. Smaller firms encourage management to individually interview employees. This analysis of employees allows the management to gauge the existing capabilities of the workforce and determine whether a change is needed to succeed in achieving the firm's goals.

b) Scenario planning

Scenario planning is whereby managers look at possible scenarios the firm may have to contend with in future. They then propose different plans to match personnel with the environmental changes in each scenario. An example is when managers note a trend showing that their market will be competitive in highly specialized niches. Managers in such a company would have to determine the best way for the company to follow the trend while retaining their competitive edge.

c) Forecasting

When most people think about forecasting, they think about knowing the future conditions of a particular environment. In HR planning, forecasting refers to the assessment of the current supply and demand for people and skills, and the use of that knowledge to determine the need for and availability of personnel in future. In HR planning, managers utilize the market forces of demand and supply with reference to people and their experience, skills and attributes. As a result, there are two types of forecasting HR planning: demand forecasting and supply forecasting.

Demand forecasting is the process of estimating the number of people a company will need in future, as well as their skills and competencies. When demand forecasting, managers consider the long-term objectives of the organization as well as the available workforce, its productivity and the available budget. With those factors in mind, they decide whether the organization will need more or less of a particular skill or of its employees. Summarily, demand forecasting enables managers to match the current workforce with the future demand of the organization. Managers can utilize different methods for determining the demand for employees in the future including their judgment and experience as well as productivity statistics.

Supply forecasting refers to the process of matching the current supply of employees to the future demand of the organization. After the company determines the demand of the organization, managers then come up with a plan to match the demand for personnel by increasing or decreasing the supply of employees. One popular way managers utilize

in supply forecasting is succession planning. **Succession planning** is the process of preparing employees for future jobs. Companies such as Proctor and Gamble, for instance, train employees showing promise so that their transition into higher positions is easier when these positions become available. Other methods companies include in supply forecasts are hiring temporary employees and outsourcing their workplace.

d) Action Planning

After creating demand and supply forecasts, companies need to strike a balance between the two by using a sourcing strategy. Therefore, the next step for managers is usually to explore the alternatives the company can use to reach its desired human resource targets. A company can choose to increase or decrease the size of its workforce, invest in employee training and career development, or even take unconventional routes such as introduce software to increase productivity among its employees. No matter which strategy managers decide on, they must ensure that the strategy fits into the long-term plan for the organization. A well-crafted HR plan should be aligned with the goals of the organization, minimize costs for the company and ensure maximum productivity among its employees.

Like in any other strategic planning process, HR action planning starts with the analysis of a company's objectives and position, followed by the exploration of alternatives. Once a HR plan is identified, it must be integrated into the organization's activities and monitored. Constant evaluation is also necessary for the effective implementation of a HR plan. An effective and efficient plan allows a company to perform optimally, meet its vision and mission, and manage talent.

Without an effective HR planning process, companies run the risk of recording high employee turnover rates. The lack of HR planning could also result in financial difficulty for the company. A highly productive workforce results in better performance. Not planning for the workforce could therefore result in a deficiency of personnel available to the firm. Furthermore, companies need to balance their demand for efficient workers with the availability of such talent in the market. Without financial planning, companies would fail to meet this success prerequisite. An imbalance between the demand and supply of labor could, in turn, lead to the loss of a company's competitive edge. A talented workforce makes a company valuable and highly-performing. Inadequately planning how to acquire and retain such a workforce in different market conditions lowers the value of a company.

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Understanding the Current Job Market Situation and Talent Pool Availability

As time moves onwards and literacy levels rise, the number of professional available to the world at large keeps on increasing. Almost proportionally is the rise of entrepreneurial business on the rise that try to absorb as much of these professionals as possible without wasting any of the talent that gets released into the world every day from training institutes everywhere. This has often resulted in frequent studies done to provide information with the way the market treats both the employer and the employee and the reception of certain trained professionals in terms of employment opportunities and salary expectations.

The Job Market

According to Forbes contributor Ashley Stahl the current job market is moving in favor of the job market since the worldwide recession experienced in 2009. (Stahl, 2017) Rather than the common scenario of to-be employees that were denied employment either due to oversaturation of skill in the market or negative impact of market on the employing capability of businesses all over the world. The unemployment rate is slowly but surely decreasing as well as the existing pool of unemployed skilled worker. Due to this decrease in the available job-seekers, employers are actively seeking employees making those seeking employment to have an easier time and greater leverage during the employment process. Any skilled person can use this occurrence not just to get a better wage when being employed, but to get working conditions that suit them better both at work and in the form of benefits.

Another job tracking tool has shown that the people who receive the largest pay increments are those who are taking the risk of moving from stagnant jobs and positions and changing jobs. With the job market working with the employees, for now, those with confident communication skill and experience on their side are shown to receive large wage increments when they venture outside their current offices and seeking jobs in the rejuvenated market that is not just looking for skill but for experience in the required fields too.

Those who request for pay increases are also finding it easier to get their request met. Most businesses would not risk a loss of their more experienced and trusted employees in the new job market. They are therefore even more willing to pay these increased wages as long as the employee is committed to the company and has shown a continued growth both in terms of output and professional interactions. (International Labour Organization, n.d.)

Yet another plus for the employees is the continued trend of increased wages compared to what a person in the 2000's earned in comparison. A steady growth of 3% increased pay per year has been seen and the trend only seems to keep on increasing as the markets gets even more willing to accept professionals. (Stahl, 2017) Compounded with the readiness of employees to accept higher pay requests from employment seekers, employees are not likely to have pay problems with the current market's situation.

Some occupations are seeing more growth than other creating the perfect situation for both employers and employees to make bigger profits and get bigger dividends. Those with the largest growth projections are personal care aides, home health aides, food service employees, nurses and retails workers. There is also a serious shortage of computer programmers, correctional officers, therapists and other mental health practitioners and human resource managers. These jobs are offering more opportunities especially due to the lack of people who have the necessary training to take them.

The steady rise of freelancing and contracting services also gives another potential employment avenue that was not available previously. Corporate giants such as Uber and Airbnb are a testament to how much income is available for those who take a foray into the freelancing market. (Stahl, 2017)

However, there are many countries are still grappling with the balance between the labor market flexibility, job stability and job security. Mostly developing countries, the crisis of unemployment, especially among the younger citizens, makes the seeming benefits of the recovering worldwide market almost worthless since no immediate changes in their countries can be seen.

Even as most of the world's job markets take a turn for the better, individual absorption of different skill sets remains very individual and separate. For example, in a study done by the NACE Center on graduates within the United States of America shows that the hiring rate of graduates from Masters Level education into Master Level Jobs has remained stable within 2018. This is especially true for those with M.B.A.s who have seen a steady employment rate after having seen a slight drop in 2017.

Many employers are seeking to hire more experienced employees rather than college graduates from the class of 2018 which sees a projected drop of 1.3 percent compared to the employment numbers of the class of 2017. Yet the projected hiring rates of interns are projected to rise drastically in 2018 making for a better absorption of the job markets available talent. (NACE Center, 2018) This, however, does not mean that 2018 graduates will end up unemployed. On the contrary, of the interviewed employers, all of them had an increased employment level for graduates of any degree program (by up to 4 percent).

Some degree holders have also shown to be statistically more viable within the market, making it into the top paid list easily. For example, those pursuing a degree in Management Consulting in 2018, as well as Pharmaceutical Manufacturing, have been shown to be in this category especially due to a high job market demand for their skills. Also, among the graduates with the highest market are those with any business majors. 8 out of 10 employees in demand by employers at the bachelor's degree level are business majors making it the most sort after qualification of the year.

The Talent Pool

The statistics for talent, on the other hand, are not as promising as those for the job market and readiness of employers to employ. In fact, they show a stark contrast that shows a steady drop in the number of talent available for employment. As economies grow by 3 to 4 percent per year, the need for young talent to revitalize the talent in the job market grows by up to 25 percent and only keeps on growing. Considering most industries are managed and ran by people who are closer to their retirement ages, it foretells a point in the near future where their retirement results in the lack of the required manpower to run what is left. As the population of the world takes a tilt towards the old, a large economic gap is left for talent since most of the old are in charge especially due to their experience.

Trends by most of the younger people starting businesses as soon as they can may have had something to do with decreasing talent pools all over the world. Despite the validity of starting up business, many employers find themselves lacking in the new employees the younger people would have offered their businesses. Challenges in staff retention also occur due to this move towards entrepreneurship as experienced employees move to start their own business

Many modern companies, especially after taking a look at these statistics have taken to making talent pools on of their top priorities when projecting their company's future growth. With the number of unemployed people steadily decreasing, so too does the number of people who are part of the available talent pool for any organizations. This decrease in talent pools means that companies have fewer options when looking for fresh talent to rejuvenate their brand.

The thinning talent pools also mean that some skill sets will continue to become difficult for employers to find either due to their high demand or due to people's lack of qualifications in the necessary fields. Experienced employees and those with the proper educational background will also be more difficult for employers to get which puts the risk of eventually making a watered-down workforce that is more about the number of workers rather than the quality of them.

However, increases in university, college among other institutional graduates give the hope of slowly but surely refilling the talent pool and making it a more diverse one for employers. A balance must be maintained which makes sure that a source for new employees is always available while unemployment remains minimal.

While the current job market favors the employee, almost regardless of experience and age, with economic improvements making the employers more than happy enough to accommodate the newer employees, the decrease seen in the talent pools is a major concern to the economic welfare of many nations. Many nations have taken to outsourcing their workers from other nations that have larger talent pools. This shift in the scales of employment makes for the ideal situation for graduates since employment seems almost assured yet leaves worrisome signs of an economy that may not fully survive the retirement of most of the older staff.

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Talent Management Practices and Techniques

Talent is one of the most important assets of any organization. In management, talent refers to employees who can add the most value to an organization and help it achieve its goals within the organization's own timeline. Though managers are quick to identify and try to develop talent, many of them still fail to recognize the value of talent management to their firms. It is important for managers to understand talent management practices and techniques in order to fully the talent in the organizations.

What is Talent Management?

Different people have varied definitions for talent management. However, most of these definitions have a few concepts in common. For instance, many companies see talent management as developing and retaining talented employees in order to achieve the goals of an organization.

In this feature, we will look at talent management as per the definition outlined by the Development Dimensions International (DDI): *"as a mission-critical process that ensures organizations have the quantity and quality of people in place to meet their current and future business priorities"* (DDI, 2018). According to the foundation, talent management does not only encompass hiring and retaining employees. On the contrary, proper talent management involves everything from the selection and development of employees to their succession and performance management. Talent management is only effective when managers engage with all its various aspects. This is one of the many factors that presents a challenge to managers when it comes to talent management. How do you include all these aspects into the implementation process of talent management practices?

Challenges Managers face in implementing Talent Management Practices

The following are some of the problems managers may encounter either while formulating or implementing talent management practices:

- Increasing globalization within the current workforce: This influences employee expectations and forces managers to think outside traditional management concepts to satisfy the talent in their companies.
- Changing demographics in race, age and ideology: This factor influences the wants and needs of incoming and existing employees. Whereas an older employee would be satisfied with a good physical working environment, for example, a younger one would expect freedom in the workplace. It is difficult for managers to meet the needs of employees when they are diversified.

- Increased virtual workplaces: managers are finding it hard to compete with the benefits of working from home or anywhere, which makes it hard for them to retain talent.

There are other reasons that make talent management practices and concepts difficult for managers. Managers should overlook these challenges because of the benefits that talent management afford to their organizations. When there is a clear plan of how an enterprise plans to recruit, retain, develop, mentoring, succeeding and evaluating talent, everybody benefits. Investors, shareholders, the management and employees all benefits from proper talent management practices and concepts.

The Benefits of Efficient Talent Management

According to 2006 reports by the Economist Intelligence Unit (EIU) and the DDI, the majority of the world's CEO spend enormous time, money and resources in talent management. 2008 reports from the same firms indicated that 55% of top-level executives thought their firms were in danger of underperforming due to lack of proper talent management (DDI, 2008). These are just a few instances that substantiate the necessity of effective talent management across all levels of an organization.

The importance of effective talent management can be summarized as:

a) **Production of Quality Output:** talented employees ensure maximum productivity in an organization. They also build relationships between the firm and its customers. The provision of high-quality goods and services also makes firms a go-to entity for most consumers.

b) **Value creation:** the external drivers surrounding any company place a lot of value in the talent pool within a firm. Therefore, having effective talent management practices in place adds value to a firm in the eyes of potential investors.

c) **Differentiation:** in today's rapidly evolving workplace, the presence of talent and talent management systems is a great differentiator between firms. This is because a talented workforce is hard to duplicate. When one firm comes with a new product, a new company can come in, replicate the product and provide a better service. Similarly, it is not a rare occurrence to find companies operating within the same niche copying each other's production and design processes. Having a highly productive workforce provides enterprises in these situations with a distinguishing factor and competitive advantage.

Talent Management Techniques

Talent management techniques refer to the processes and tools managers can use to attract, hire and engage highly productive employees within a company. Typically, talent management is a five-step process that involves identifying the goals of the organization, its drivers and challenges, defining its goals, identifying gaps within the current management process through evaluation, and taking measures to bridge those gaps. At the end of the talent management process, a company should have achieved several objectives including increasing its visibility to talent, developing the existing talent pool, maximizing the satisfaction of its employees and planning for the succession of talent within the organization. A company with an efficient talent management process should also be able to act on the results of any performance evaluation it conducts.

Companies can use different tools or techniques to effectively manage their talent. Below is a look at the most common talent management techniques employed by managers today.

a) Pay

What is the most compelling for people to work? If you ask an employee that question, chances are that you will get different answers. Some people value community, others value the sense of accomplishment that comes from holding down a job but one of the most common responses you will receive is money. This makes payment packages are the most effective ways for managers to attract, retain and motivate a talented workforce.

b) Career and Personal Development Opportunities

There have been numerous studies that have shown employees are increasingly drawn to companies that offer them opportunities to pursue their personal and professional interests. A company that provides employees with training *and* the freedom to exercise their newly gained skills, for example, is more attractive to talent than one which only provides employee training. Talented individuals are usually driven and ambitious, and they value companies which place stock on their desire to pursue their individual goals.

c) Benefits

Benefits are another top tool managers can use to manage talent. Imagine a scenario where a talented investment banker is approached by two companies, let's call them Company X and Company Y. Both companies offer the banker an almost similar amount. However, Company X offers the potential employee more money and less health, insurance and housing benefits. Since the difference between the offers is only about $20,000, the banker goes for Company Y, which has many more benefits. That is how

today's managers lure talent into their companies: by offering benefits the latter cannot refuse.

d) Company Culture

How do management and employees interact? How does management foster the relationships among its employees? Is the general feel of a firm's work environment energetic and innovative or is it conserved and bureaucratic? These are a few questions talented individuals want to know before they join a company.

Regardless of which talent management technique a company implements, the management must be ready to dedicate a considerable amount of resource to maintaining, developing and attracting employees for its talent management process to be considered effective.

Coming up with a proper talent management scheme might be daunting for a manager. This is why guidelines on how to formulate talent management strategies exist. They simplify the talent management process for managers. Below is a look at the best practices for talent management.

Talent Management Best Practices

a) Building Success Profiles

For management to know who to hire and how to build their skills, they must first know and understand what to look for in employees. A success profile is a list of desirable qualities an employee should possess so as to meet the talent criteria. This profile includes a list of the skills, experience, knowledge, and personal attributes a company is looking for in its potential employees. Once managers identify employees with potential, they can take steps to train and mold them into highly productive individuals, ready to tackle the tasks at hand.

b) Selecting and Assessing Talent

It is important for talent to be properly matched to the organization for their work to be effective.

When managing talent, managers must ensure that they assign the right people to the right jobs. Matching talents and skills with the workload ensures optimal performance. Ensuring that the recruitment, development, and succession of talent is aligned with the goals of the organization also ensures that employees perform to the best of their ability and for the good of the organization.

c) Employee First Policy

Companies could lose out on the skills of their workforce by replacing employees with software, thereby putting the 'what' of meeting organizational goals ahead of the why. For firms to retain and develop employees, they should use the employee first policy. Do you want to improve production in a firm by using a centralized virtual accounting system? Let your employees know what it is, how it will help them. Guide them through the implementation process. Listen to their concerns and address them. Adjust your policies according to their attitudes when it put you closer to attaining the firm's objectives.

Managing talent is not an easy task. However, the benefits of talent management far outweigh its challenges. After all, managers are not the only ones who value a talented workforce in a company. Shareholders and other stockholders also have a vested interest in ensuring the firm secures, develops and retains talent. Managers should therefore use the many techniques and practices at their disposal to manage talent effectively in their organizations.

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Recruitment Sources and Strategies

Recruitment of talent is a major determinant of the success or failure of any organization. However, despite the knowledge of the importance of the recruitment process to firms, many managers do not invest time in crafting ideal recruitment strategies for their companies. This is mainly because some of them lack the exposure to different recruitment sources and strategies. In this feature, you will learn examples of the most common and effective recruitment sources and strategies utilized by both small and large enterprises. Before touching on these techniques, you need to understand recruitment in the context of human resource management.

What is Recruitment?

What is the first thought you have after hearing the word recruitment? Do you automatically think of an interview process where managers get new hires? Or do you envision a scout going around colleges looking for graduates to fill the potential employee niche in a company? If you pictured any scenarios such as these, you are not far from defining recruitment. Though different definitions of recruitment exist, they all share the element of bringing human resource into an organization to help the latter achieve its goals. Schuler defined recruitment as the "*the set of activities and processes used to legally obtain a sufficient number of qualified people at the right place and time so that the people and the organization can select each other in their own best short and long-term interests"* (Schuler, 1987).

In essence, recruiting is looking for and securing persons with the necessary skills, values and competencies to aid a company in attaining its goals. For a recruitment process to be effective, the policies and systems in place within the company must support it. Furthermore, firms which recruit after going through the forecasting process for its human resource are typically the most effective in recruiting.

Though recruitment is the process of securing qualified individuals to fill a position in the company, it differs from selection. In fact, one can look at selection as a part of the recruitment function. Selection is the process of picking out outstanding prospects from a pool of talented candidates. Recruitment is the process by which this reservoir is created, and candidates chosen to fill particular roles from it.

The recruitment process differs among companies, but most processes go through common steps such as:

- Creation of effective recruitment and retention policies to support the process in its entirety

- Forecasting: In this step, the company conducts demand and supply forecasting to determine its need for recruits as well as the resources available to it to secure and retain them
- Identifying potential employee pool: managers must understand where to find candidates with the necessary knowledge and skills to suit their organization. This step is necessary to avoid wastage of resources during the recruitment process. It also makes recruitment efficient and effective in hiring the right talent for the organization
- Job design: management decides on the roles and compensation each job requires
- Selection: selection is a crucial step in the recruitment process, and arguably the most important step. In selection, the company has to cover three bases. First, managers assess the availability of resources within the firm. Factors such as pay, and employee benefits depend on what the firm can afford to spare. Secondly, managers assess the talent pool and determine the best candidates for the positions. Finally, they hire the most highly qualified candidates to fill the spaces within the organization.

Not all firms use these steps in their recruitment processes. The procedure depends on the size of the firm as well as the needs of the company in terms of human resource.

Recruitment Sources and Strategies

Companies may have different recruitment sources depending on the requirement for each job, size, and employee level. There are two main sources of recruits for any company: internal and external sources.

Internal Sources

Employees in a company make a convenient pool of candidates for positions within the company, particularly for mid-level management. Internal recruitment sources are the members of a company's workforce that have room for career advancement.

The use of internal sources is convenient when looking for mid- and top-level management of a company. A firm can source talent internally by promoting the professional development of its employees. For example, a company could train its entry-level employees on how to handle more-than-menial tasks and put them to work in mid-level management. Teaching employees skills such as time management and leadership skills can prepare entry-level labor for mid-level management and mid-level management for executive positions. Employees within a company are recruited using two main strategies i.e. through transfers (lateral and vertical advancement) and promotions.

The main benefit of companies sourcing their employees internally of which industry they belong to is that firms save time and money through the process. The candidates for each

job are familiar with the culture and needs of the company thus they do not require orientation upon hiring. Sourcing internally also has the unfortunate of limiting innovation within a firm since the candidates hired are used to and typically conform to the ideas of the organization.

There are two main ways to recruit employees from within a company. They are:

a) Job Postings

Job advertisement gives employees an equal chance to apply for a company position provided that they meet the minimum requirements outlined in the job description. Many companies publicize job vacancies among their employees using internal memos and informal communication. Once the posting is put up, employees can apply for the position to receive consideration for the vacancy. The most promising employee is then hired for the position.

b) Recommendations

Recommendations are popular, informal ways of securing employees for new jobs during the recruitment process. How this method of recruiting works is that an employee, say a mid-level manager, recommends a subordinate to fill a particular position. A good example of internally recruiting using recommendations would be the case of a law firm.

In many law firms, employees advance through recommendations from top-level management. Associates in a law firm become junior partners and then move up the ladder and attain senior partnership based on recommendations from existing senior partners. Senior partners must endorse these selections before an employee can advance professionally.

Internal recruitment sources are convenient and efficient sources of labor when a company wants to increase production and save on costs while retaining its culture. However, sourcing internally poses a challenge to innovative companies as it promotes conformity to the organization's ideas.

External Sources

External recruitment sources refer to employee's companies hire without direct affiliation. For instance, college graduates constitute external recruitment sources to firms as they have no previous connection to them. Re-hiring former employees also falls under external recruitment sourcing as the affiliation between the enterprise and such an employee would have been non-existent at the time of recruitment.

Sourcing employees from the outside of a company's workforce is mainly done for top-level executives and entry-level employees. The two groups need to have considerable and basic skillsets respectively. When a firm needs base-level employees, hiring externally

is convenient as it beats the purpose of career advancement to hire employees from one own's firm to relegate existing employees to entry-level tasks. On the other hand, employees look to senior management for innovative solutions and ideas. Securing talent with their own ideas on how to push the company forward through external sourcing is usually more efficient in driving new ideas than promoting internal talent, though not in all cases.

Different strategies companies can utilize in sourcing external talent include:

a) Job Postings

Advertising on print and audiovisual media is a convenient way for companies to allow a wide pool of candidates to apply for a vacancy within it. Firms can also put up the job postings online on their websites, or via social media and agencies that specialize in advertising vacancies. Job postings typically state the requirements for the vacancy in question as well as a means to communicate with the firm if one is interested.

b) Online hiring

The job market is becoming more globalized and unconventional every day. Some companies forego traditional hiring methods for hiring virtual employees and outsourcing. This method allows firms to hire and manage employees without being in the same space. Workers in such an environment use methods such as telecommunication and job sharing to streamline, and complete tasks appointed to them.

c) College Recruitment

Where there is significant competition for talent within an industry, companies can opt to send recruits or scouts to promote their brand among to-be college graduates. Career fairs and career planning workshops are great examples of events companies can use to market themselves as employers of choice to graduates showing considerable potential. Through contact with such individuals, companies are able to position themselves to secure and retain talent ahead of their competitors. However, managers need to note that this method of recruitment is costly to the firm and therefore used in highly competitive niches. This method is popular among firms in the technology industry.

External recruitment sources, like internal sources, have their own benefits and drawbacks. They can be costly and inefficient. On the other hand, sourcing externally promotes change and innovation. Companies should be aware of the different recruitment sources and strategies as well as their needs before settling on any of these alternatives.

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Staffing Alternatives

Companies rely on their human resource to produce their products and offer services to consumers. The human resource of a company is also responsible for building and maintaining the brand and reputation of an enterprise. Multinational companies such as Google and IBM are known globally as corporations that value their human resource because they place value on employees and their contribution to the organization. It is this contribution of human resource to the success of an organization that makes staffing an important function of management.

Staffing can be defined as the process of recruiting, screening and selecting employees from a pool of candidates to fill positions within a company. Firms typically rely on permanent staffing to perform activities with the organization. In this case, permanent staffing refers to the process of recruiting and selecting employees to fill clearly defined permanent jobs within the company. However, when companies need work done periodically, they rely on staffing alternatives to supply them with adequate labor for the production process and provision of services. Staffing alternatives are short-term, contingency-based options companies can use to fill their ranks when required.

When do Businesses need Staffing Alternatives

Staffing alternatives refer to ephemeral employment opportunities offered by companies to individuals or groups. The need for staffing alternatives arises when businesses require a large workforce and does not have the time, money or need to go through the recruitment process. The following represent the reasons most companies may choose to use staffing alternatives when hiring process:

- When the business undertakes a project/needs instant labor
  Sometimes, companies take on projects that require a large workforce and more often than not, little or no prior experience. Using staffing alternatives during such periods allows companies to complete their projects in their scheduled timeline while at the same time saving them the time and money, they would have used looking for permanent hires. Once such projects are complete, the company pays the due wages and let's go of its temporary hires.
- When it needs to save on cost
  In cases where skilled and semi-skilled labor is required but a company has no funds to hire workers on a permanent basis, it may choose to use staffing alternatives. Such firms typically hire their employees permanently after securing enough funds to do so.
- Altruism

Firms linked to charity foundations as well as non-profit organizations usually hire on a temporary basis to better the quality of life for their employees. The goals of such organizations are typically not to make money but to better the lives of the hard-to-employ while at the same value adding value to the community. Memphis-based Advance is an example of a firm that hires community members for the short-term to better their lives.

Firms utilize staffing alternatives because of the above reasons among others. Managers must consider whether alternative staffing fits into the mission, vision and values of the organization before utilizing this service.

Temporary staffing in a company is done in two main ways, each with its advantages and disadvantages.

Types of Temporary Staffing

Outsourcing

Imagine this scenario. There is a sole proprietor of a family business who sells hand-made furniture to the people in his state. His business is beginning to bloom, but he has only one employee: his wife. Both of them are constantly busy. He makes the furniture and she handles the sales. It comes the time for them to pay their taxes. Their business is doing well so neither of them has the time or energy to handle the bookkeeping. What can this couple do at such a time?

Outsourcing is a staffing alternative that applies to companies looking for specialized services. Outsourcing a particular service means that you delegate a particular duty to a chosen company. In the scenario above, for example, the couple can either struggle to do their own books or outsource their employees. They can hire a firm to calculate the taxes they owe the state, pay them and maximize on any tax exemptions they are qualified for. This is basically what outsourcing is. It is managers hiring a third party to handle a given service for their organizations. Outsourcing is a convenient way to staff a company given the number of firms that offer these services in the market today.

There are a number of reasons companies could outsource their services to others. One is that it is convenient to do so, as with the case of the carpenter above. Enterprises may also outsource their services because it provides them with a wide variety of options to choose from. Note that managers can outsource services to a firm within their locale or to an international corporation.

Pros of Outsourcing

- It is cheaper and more efficient to outsource services: the fee for outsourcing a service is usually lower than the cost of hiring a permanent employee to handle the same job, especially is the task in question is periodical.

- Convenience**:** services such as accounting, and tax calculation may seem complicated to small business owners but easy for firms that specialize in providing outsourced services.

- Expertise**:** firms that provide outsourced services specialize in the provision of specific services. When managers hire them, they can expect to get best-in-class services from these experts.

Cons of Outsourcing

- Specific industries and services**:** there is little diversity in the types of services a company can outsource. When you hire employees using this method, you can buy only one service. Other temporary hires provide a breadth of services to companies.
- Little or no knowledge of organizational culture: outsourced employees operate as per the value of the companies they work for i.e. the company managers outsource their services to. They may possess values that do not blend with the organizational culture of the manager's firm. Additionally, managers cannot train outsourced employees on how to service their organization's needs as they would other temp or permanent hires.

Temporary Employment

Temporary employment is more popular than outsourcing as a staffing alternative. Temporary employment refers to hiring workers to work for a company for a specified duration, usually not more than six months. This staffing alternative is a preferred method of securing low-skilled employees for jobs that require semi-skilled labor. Temporary employment has its advantages and disadvantages.

Pros of Temporary Employment

- It provides managers with an avenue to secure employees with a wide variety of services
- Temporary hires work closely with the management of an organization. They are therefore more receptive to learning about and practicing the values of the organization in question

- Temporary employment is a cost-effective way for managers to get projects done within an organization. The completion of these projects brings the enterprise closer to achieving its objectives
- Temporary employment provides an organization with quick access to a large workforce on demand

Cons of Temporary Employment

- Even after recruiting temporary hires, a company may still suffer from a deficiency of talent. Temporary employment supplies firms with entry-level hires but it does not address a lack of mid- and top-level employees
- Temporary employment may be costlier than hiring permanent employees in the long term. Every time new hires come in, managers and permanent employees train them. This causes wastage of time and other resources in the long term.

When most people think of temporary employment, they picture the process of recruiting employees and releasing them from employment upon completion of the agreed-upon project. There are times when temporary employment results in more permanent results, however.

Types of Temporary Employment

Competitive Temporary Employment

Competitive temporary employment involves an organization hiring temporary employees through an agency. When firms use this option, they pay wages for their temporary hires and a small fee to the agency for providing the candidates. Companies can choose to hire their employees from conventional staffing organizations (CSOs) or alternative staffing organizations (ASOs).

CSOs are for-profit organizations which provide companies with employees on a temporary basis for a fee. These companies provide employees with high quality so as to profit from their hiring. ASOs provide the same service – providing low-skilled labor to firms looking for temporary hires – but have different aims. These organizations advocate for the employees more than their employers. Their mandate is usually to better the lives of the community members they secure jobs for, not to profit.

Temp-to-Hire Employment

Temp-to-hire, also known as temp-to-perm, is a transitional form of temporary employment. Whereas competitive temporary employment focuses on providing employment only for the short term, temp-to-hire employment allows employees to move from being temporary company employees to permanent ones. According to a

2015 report of MDRC, a firm specializing in providing solutions for the hard-to-employ, this form of employment makes up 20% of temporary employment placements in the US. Companies which choose this alternative staffing option invest in temporary hires before taking them in as permanent staff.

Alternative staffing is a great way for companies to meet milestones they set for themselves while also saving on resources. Managers determine which staffing alternatives to use based on the needs of the company and the resources available to it. While companies that need expertise would do well to outsource, those with more generalized labor needs are better services by temporary employment options.

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Interviewing and Selection Techniques, Concepts and Terms

For an organization to advance and be productive, it needs to be effective in managing its human resource. The recruitment and selection process of any organization allows managers to ensure employee productivity by identifying and securing talent. Managers need to be proficient in interviewing and selecting the right people for each job if they want their companies to achieve their goals. This feature highlights the interview and selection techniques managers can use to hire the right people for the right job at the right time for the firm to succeed. At the end of it, you should be able to identify the various techniques applicable to each process as well as the best practices associated with the interviewing process.

Selection Process and Techniques

Selection is the process by which a company sets criteria for the recruitment of employees and uses that criteria to distinguish candidates within a given pool with the aim of identifying the best-qualified candidate. After the selection process, a company should be able to hire the right person for the right job. It is important to note that the selection process is different from the interviewing process. Or rather, the interviewing process is part of employee selection.

The goal of selection is to assess candidates and come up with the best one to fill a particular role. The following is the three-step process that most companies utilize in their selection procedure.

Preliminary Screening

It is the responsibility of managers to ensure that they secure the best possible candidates for the companies they work for. One way to do that is to ensure that they are thorough during the selection process. Preliminary screening (also known as short-listing), is a method of choosing candidates from a large pool of applicants.

Managers start the recruitment process by sending job postings for a particular position within an organization when there is a need for external sourcing. If the company has a popular brand and a great reputation among members of the applicant pool, then it is a reasonable assumption that managers of these companies can expect a considerable number of applications. This is where preliminary screening comes in.

Typically, enterprises withdraw the job advertisement from the media when they receive enough potential employees. The number varies depending on the position and the skills required. For instance, a firm could stop accepting applications for a mid-level position at 100 people. The same would not be the case for an executive position, as firms have been known to stop considering candidates at five or ten applications.

In preliminary screening, recruiters and executives screen potential candidates based on the minimum requirements for the position. Those candidates that do not meet the selection criteria of the company are automatically eliminated from further consideration. Those that do proceed to the next stage of the selection process.

A point of note is that many firms do not go through this step of the process. This could either be because they base their employee selection criteria on referrals or do not receive numerous applications (strict criteria or unpopularity could both result in fewer applications). Remember the goal of this step is to cut out as many candidates as possible when the firm has numerous candidates to choose from.

Interviewing

One task all managers handle in the course of their careers is interviewing. Interviewing refers to the process of selecting top talent from a pool of highly gifted individuals.

Interviews are highly selective processes that assess the capabilities as well as personalities of potential candidates to determine whether or not they would succeed within the environment of the organization. Interviews for different levels of employment are conducted by different parties. Mid-level managers, for example, usually interview entry-level employees if there are any qualifications to be met. Executives interview other top-level managers as well as mid-level managers for bigger positions. While companies may utilize recruiters for the preliminary screening process, many of them choose to leave interviewing to managers. However, this is not a requirement. Many other companies rely on recruiters throughout the selection process.

Companies need to know what they are looking for when interviewing candidates to avoid wasting time and resources during the selection process. There are two factors that companies can assess during the interview process. One is competencies, where the firm places emphasis on the capabilities of each candidate over any qualification. The other factor firms can look at behavior. Does the candidate seem like a good fit for the enterprise? Do the values of the candidate align with those of the organization?

Interview assessments can be done in three ways.

Types of Interviews

a) Telephone Interviews

Companies can use telephone interviews as follow-ups to preliminary screening. Managers and recruiters determine two factors by conducting telephone interviews:

- First, they are able to gauge the interest of a candidate with a particular job. Through these interviews, for example, firms can learn whether a candidate no longer needs the job (this is usually the case when candidates accept offers from

other firms). Personal attributes are also showcased by telephone interviews. When an interviewer calls, how a candidate responds could indicate the presence of etiquette or lack thereof.

- Telephone interviews also assess the ability of candidates to articulate their qualifications and skills. The more they can address and qualify their capabilities, the more appealing they are to managers.

b) In-person Interviews

In-person interviews are those involving a face-to-face meeting between recruiters/managers and the candidates. In the case where the manager also acts as a sole proprietor and decision-maker, in-person interviews act as a way for them to meet HR best practices.

The purpose of in-person interviews is the same as that of telephone interviews. Both interviews help managers learn more about the behavior and competency of potential employees. They also aid in the selection process by helping managers/recruiters determine the fit of the candidates with the organizational culture.

Interviewing Best Practices

a) Interview Questions

Managers must pay significant attention to the questions they pose to interviewees to meet HR best practices and avoid potential suits. The following are some considerations recruiters can make when assessing the capabilities and behavior of interviewees:

- The questions should not be leading. Interviewers should not ask questions that imply they know the answer
- They should also not be multiple (not giving the chance to answer one at a time), overly long (this could be confusing to interviewees) or trick questions
- Interviewers should also avoid asking questions that delve too deep into the personal life of any candidate. Questions that touch but do not expound on personal circumstances are permissible in some instances, such as when asking about an employment gap caused by personal circumstances
- Interview questions should be based on the selection criteria of the firm (assess behavior and competency)
- They should also be consistent and structured

b) Best Practices before and during the Interview

Interviewers should:

- Communicate the necessary details to all viable candidates e.g. venue, time and date of the interview

- Be impartial (non-discriminatory) when interviewing candidates
- Ensure the interviewees are comfortable during the interview by choosing a convenient, easy-to-find, airy location to conduct the interview
- Eliminate distractions from the interview space
- Establish a waiting area for all interviewees
- Ensure there is diversity in the selection committee
- Know their priorities. What criteria will they use to assess candidates? Will they place more emphasis on cultural fit or capabilities?

Vetting

After interviewing a pool of candidates, managers come up with a list of the top one or two individuals they think best fit the job. These individuals then undergo the last step of the selection process: vetting.

Vetting is usually done after the agreement between the company and the candidate in question is finalized. The organization proposes a compensation package which the candidate either agrees to or negotiates. They then move onto the vetting stage.

For most companies, the vetting process consists of two procedures according to their policies: background checking and drug testing. Background checking refers to verifying the personal and professional history of an individual. Employers can conduct background checks on potential employees by hiring first that specialize in providing background checking reports or by using online background checking tools and websites. Some companies may require the prospect to hand in fluid samples for drug testing. This is especially common in firms with a strict policy against the use of drugs.

Managers hire the most promising individuals who pass all three legs of the selection process. The screening stage allows managers to know whether the talent has the necessary qualifications for the job in question. The interviewing stage offers managers a deeper glimpse into the competencies and personal attributes of the individual. Both of these qualities are important in determining the suitability of an individual for a position within the organization. The third step of the selection process, vetting, simply allows managers to validate the history of their choices to prevent any future conflicts and scandals. By taking potential employees through these steps of the selection process, managers ensure that they choose and hire the best possible candidates for each job.

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Job Applicant Tracking Systems and/or Methods

Change is an inevitable part of management. The management practices companies employ today may not be the same ones the employed three decades ago. In the past, prospective employees either applied for vacancies in organizations by sending them hard copies of their resumes. Others bypassed this process and got to the interview stage of recruitment through recommendations and referrals. These are not the same methods people use to indicate interest in a particular position in a company. These days, candidates can utilize the internet to make applications to firms of their choice. While managers would peruse hardcopy resumes and application letters in the past, those that embrace modern HR practices use job applicant tracking systems to do the work for them. In this feature, you will be exposed to the definition of job application systems and how they are used in the modern workplace.

What are Job Application Tracking Systems?

Before understanding how to use application tracking systems, or ATS, it is important to understand what they are and how they work.

An ATS is a software that allows managers to manage records of applicants. The systems are only used to manage information in softcopy. There are two ways for managers to obtain and manage information using an ATS. First, they can use online platforms to advertise and receive applicants' resumes. In this case, the ATS would automatically access and organize that data. The second option is for managers to convert data from paper into softcopy by inputting relevant information into a computer. They can, for example, create spreadsheets to store the applicants' data. Some types of ATS even allow managers to scan resumes and add them to their computer files. Once this information is in the ATS, the software acts as a database that allows users to access and organize information.

The best way to understand how an ATS works is to think of a search engine. The internet contains vast amounts of data organized into domains and websites. The function of a search engine is to allow users to access necessary information at will. An ATS acts as a sort of search engine for applicant data.

When you want to retrieve information on the internet, you put in a number of characters related to what you are looking for to get a result. These keywords allow search engines to filter through information, find articles and sites related to your search and provide them to you in the order of the most relevant to the least relevant. You are more likely to see optimized results first. An ATS works much in the same way. After compiling all information on applicants into the database, an ATS lets the user use keywords and filters to locate the best possible candidates for a position. Optimized resumes (containing information relevant to the requirements listed on a job posting) are approved and listed

first whereas non-optimized ones are either rejected or displayed last. Hiring managers and recruiters typically set the keywords the ATS should look for in the resumes. Keywords include the skills and knowledge possessed by candidates. Some ATS also allow users to set a filter to use while searching for information, usually based on location and education.

Applicant tracking systems are databases that manage and store applicant information. Once a candidate's data is put on an ATS, it is stored there. The ATS tracks employee through the different stages of recruitment. It shows when an employee applied for a position, whether the candidate secured the position or not, whether they accepted or declined an offer and when the individual started working for the firm. Similarly, applicant tracking systems track employees who did not get a position but who are qualified for another job. When an applicant is rejected but qualifies for another position, this software allows managers to access his/her records.

Features of Applicant Tracking Systems

There are many types of ATS on the market, each of which has its benefits and drawbacks. Even with those differences, many applicant tracking systems share a number of features. Below is a list of common features in applicant tracking systems:

a) Job Posting

It is important to note that not all ATS allow users to craft a profile of the applicants they have in mind. However, some job advertising companies work with ATS to allow managers to list requirements for given posts in an organization. Through the ATS, managers input a list of preferences and requirements. This job posting appears on job application websites. Applicants can compare their skill sets with the requirements on such sites before clicking to submit their resumes. Resumes submitted via these portals go directly into the applicant database.

b) Spreadsheet Importing

Large companies prefer that applicants submit their resumes through websites and even mobile applications. In small companies, these methods may not be the most convenient, particularly if the companies require local human resource. In these cases, hiring managers may accept printed resumes. Managers then have to input relevant applicant information into the ATS. Keying in the data into spreadsheets may be more convenient, in which case the manager can import the spreadsheet into the applicant tracking system.

c) Resume Importing

Applicant tracking systems allow managers to import resumes into the applicant database for comparison. As hiring professionals, managers receive resumes and applications from

different channels. An ATS allows managers to consolidate all that data into one database. It is easier to compare applicants' skills and knowledge when in the database.

d) Resume Parsing

Managers have tens and sometimes hundreds of applications to read through when looking for employees. Going through all say, 250 applications so as to invite 4 or 6 candidates to the interview can be daunting. Applicant tracking systems make it easier for managers to not only access but also manage this managerial task. First, the software allows the recruiter to input the search criteria. Recruiters put in keywords (skills they are looking for) and filters (location and education). The ATS then scours through all resumes looking for information related to that criteria, much like managers do when they read through resumes. The ATS then comes up with a manageable 'pile' of candidates that managers can further evaluate.

e) Emailing and Email Marketing

After the selection process, HR best practice rules dictate that recruiters contact the applicants, whether they are invited to the interview or not. Most ATS have an option that allows managers to make a template of emails to send applicants: one for those that moved to the next stage and one for those whose applications were rejected.

Some applicant tracking systems also let managers create automated messages to send to a selected list of subscribers. Users outline the message and select the date and time when the message should be sent. Using this system, managers notify potential employees of any job openings within the company. They also track applicants throughout the selection process.

f) Candidate Tracking

Applicant tracking systems are crucial tracking tools throughout the recruitment process. They show managers when candidates are granted interviews and follow them through the entire recruitment pipeline. They detail when candidates passed their interviews, when they received their offers and when they were placed after accepting the offers. These systems allow managers to see the advancement of potential employees all through the recruitment process.

g) Sharing

There may be only one hiring manager in a small firm. However, larger companies use teams of recruiters. An ATS allows recruiters to share information regarding applicants with each other.

Users first create a profile with the ATS. In many cases, the ATS makes it possible for members to log in at the same time. Each member of the recruiting committee therefore

gets up-to-date information on the applicant pool. This feature makes it convenient for the members of recruiting committees to communicate with each other.

Benefits of Using Job Applicant Tracking Systems

- They make work manageable: applicant tracking systems help narrow down candidates for a particular post. They make it easier for managers to select candidates. Instead of going through 250 applications, for example, an ATS could filter through applications and come up with 10 selections for a post.
- ATS saves the company time and money: managers have smaller workloads which they can go through in less time. This leaves managers to pursue other endeavors to help organizations meet their objectives. Using an ATS is also more cost-effective than using numerous recruiters to recruit and select new employees.
- Choosing best possible candidates: ATS are software-driven databases used to search for the best possible candidates for a particular position. These systems eliminate human error and from the selection process.

Applicant tracking systems are easy-to-use management systems that aid managers in choosing the right candidates for particular vacancies. Managers can use these systems to make the selection process easier, more manageable and impartial. All they have to do is purchase the software, create accounts, and input data to use the software. While using an ATS may be an effective option for companies which receive many applications, the same is not true for smaller companies with manageable workloads.

Impact of Total Rewards on Recruitment and Retention

The skills and knowledge employees in a company possess differentiate it from its competitors. Companies with highly skilled and qualified individuals fare better than other firms within the same industry. The reason for this difference in performance is that companies with talented human resource are better at satisfying customers and meeting their goals in production with minimum supervision at every level. The importance of human resources to enterprises therefore makes it necessary for companies to come up with innovative and creative ways to attract and retain talent. The total rewards system is one method companies can employ to make their recruitment and retention processes better.

What are Total Rewards?

In various schools of thought, managerial theorists came up with ways to explain how to motivate employees. In the beginning, managers would give their employees high salaries and wages so as to improve productivity. However, not many employers considered the

employee when designing reward systems. The reasoning behind it was that if you paid an employee enough, they would be loyal to the firm. The Total Rewards system differs from this traditional compensation system because instead of focusing on the needs of the firm only, it considers both productivity and the needs of employees. This system stems from an understanding that pay is not enough to lure and retain employees.

If a company offers $75,000 to an employee and another offers the same compensation amount, what would be the difference between those companies? What would stop employees in the first company, let's call it Company A, from moving to Company B is the pay in the two firms was the same? The Total Reward system makes the difference between competing companies within the same industry.

In a Total Reward system, the company first places value on the knowledge and skills of its employees. Managers in these companies then consider what it would take to keep talent within the company and attract other skilled employees. From that, the company comes up with policies and strategies that combine the compensation, benefits and career needs of employees into one reward package.

Compensation refers to the financial benefits that employees derive from working. Most companies compensate their employees in wages, salaries, bonuses, and allowances. **Benefits** are intangible benefits that companies use to motivate employees. For instance, a company could offer vacation days, health coverage and a company car as benefits for a job. A Total Reward system also incorporates the career and personal needs of employees into the compensation package. Allowing employees the autonomy to create and design products, offering job protection and allowing learning in the firm with the aim of promoting professional development and career advancement are popular ways of meeting the career and personal needs of human resource.

Creating and implementing a total reward system is not enough for managers to effectively motivate their employees. They must also evaluate the effectiveness of the system and make adjustments if necessary if they want their employees to enjoy total rewards. An evaluation includes checking the job security of employees, their willingness to work and their productivity It is important for managers to evaluate the impact of total rewards on the company's performance as well as on employees, employee retention and employee recruitment. Remember, these are the main objectives of implementing total reward systems in any organization.

Impact of Total Rewards on Recruitment and Retention

In 2015, a group of researchers analyzed the efficiency of reward systems on recruitment and retention. In the study, the authors interviewed top-level managers in various universities in Pakistan. The managers in the ten universities were questioned about their universities' ability to retain highly qualified faculty using various reward systems,

including Total Rewards. Faculty is critical to the renown and performance of any universities, and the researchers investigated how the universities retained employees under such competitive circumstances. The results of the study established a link between total rewards and higher employee recruitment and retention within those organizations (Akhtar at al., 2015).

The study was not the first to link total rewards for employees with employee retention and recruitment. Over the years, more and more organizations have implemented the total reward system and experienced lower turnover rates. Studies over the years have also proven that employees and attracted to organizations which give them more freedom to do their work while at the same time offering considerable compensation and benefits. Employees no longer stay with companies that pay them better. Instead, they choose employers and firms that can help them foster personal and professional relationships. Total Rewards caters to the financial and psychological needs of employees. This is what makes the system beneficial to attracting and retaining talent.

Employees apply for and take/keep jobs with companies that promote total rewards for various reasons among them:

- Total rewards meet the psychological needs of employees. Employees want to feel valued and appreciated, and employers who pay attention to more than their employees' compensation fulfill that need
- One aim of total reward systems is to maximize company performance. The other is to optimize employee performance and work satisfaction. Allowing employees the autonomy to creatively and innovatively handle tasks meets both objectives. In the process, employees are able to utilize and expand their knowledge and skills

- The flexible work arrangements offered by most companies with a total rewards system makes such firms attractive to human resource. This makes it easier for companies to hire and retain employees

- Compensation and benefits remain important employees look for in companies. A 2015 report by Paychex showed that skilled personnel is more likely to remain in firms that offer considerable compensation and benefits (Paychex, 2015). Enterprises with total rewards offer notable compensation and tangible as well as intangible benefits

Total rewards make it easier for companies to attract and retain employees for the reasons above. Therefore, total reward systems make it convenient for companies to maintain high-quality human resource. However, that does not mean that the implementation of such systems does not pose problems to managers.

Problems Managers face in Implementing Total Rewards

For managers to implement total reward systems, they must first understand them and ensure that they align with the objectives of the organization. Attracting and maintaining human resource using total rewards often poses a problem to them because of the following reasons.

a) Lack of Clear Definition

Managers need to understand what total rewards are to offer them to human resource. They must be able to differentiate compensation from tangible and intangible benefits and see how each part of the total rewards systems fits into their company's compensation policy. The prevalence of total rewards definitions makes it hard for managers to understand, create and implement such systems.

b) Lack of Clear Compensation Policy

In every organization, policy dictates how employees and management should act. Compensation policy directs managers on how to create and implement reward systems. Reilly and Brown found that many managers are not familiar with the compensation policies in their companies, and this makes it hard for them to create total reward systems (Reilly and Brown, 2008). The lack of clear policy dictating how reward systems should be formulated makes it hard to implement total reward systems.

Additionally, many managers find it hard to reconcile compensation policy, which focuses more on aligning employee compensation with business strategy, with compensation strategy. Many firms rely more on business strategy in formulating their compensation policies compared to relying on employee needs and expectations. This makes it hard to formulate and put in place strategies focused more on employee satisfaction than the business's performance.

Managers often find a way around these challenges because of the benefits of total rewards to companies. The benefits of total rewards make them important to the staffing function of management.

Importance of Total Reward Systems

a) Employee Retention and Recruitment

Total reward systems promote employee loyalty to organizations. As employees feel valued and respected, they are less likely to leave their place of employment. Similarly, a skilled human resource is attracted to companies renowned for valuing their employees.

b) Competition

The knowledge and skills of human resource are tied to the performance of an organization. The more skilled the personnel of a firm, the better it is likely to perform.

Talented employees are productive and contribute significantly to customer satisfaction. Total rewards allow firms to recruit and secure talent. The presence of gifted employees typically promotes good performance for the firm. It enables it to compete effectively even in the most aggressive markets.

c) Cost Benefits

The ability to retain employees means that a company does not have to dedicate money, time and other resources to training new employees every few years. Thus, total reward systems indirectly contribute to increasing business savings for companies that utilize them.

It is because of these benefits and more that numerous companies integrate total rewards systems with their business strategies. Total rewards meet both the financial and psychological needs of employees. These systems encourage employees to grow and explore. Ultimately, total reward systems promote the recruiting of new employees and the retaining of talent.

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Candidate/Employee Testing Process and Procedures

One of an organization's most crucial processes is the employee recruitment and selection procedure. Talent is a human resource that largely influences the performance and reputation of any company. Consumers generally gravitate towards companies with reputations for providing exceptional goods and services, both of which can be provided by fully utilizing the human resource in a company. Picking the right people for the right jobs is essential to ensuring that a company's human resource is highly skilled and highly qualified. The candidate testing process is one method companies use in selecting and securing the best candidates.

What is the Candidate/Employee Testing Process?

In the school environment, tests are used to gauge how much a student has grasped a particular topic or concept. Tests utilized in the staffing function are the same. The candidate testing process of the process of using tests to judge how well a potential employee can fit into the organization.

Candidate testing takes place in several stages for some companies whereas others only utilize one. Hiring managers use different tests to gauge different abilities. Since each test is different and gauges varying strengths and weaknesses in personality and capability, managers must know what to look for before settling on a pre-employment test to use for their candidates. Furthermore, all members of the selection committee must present the same tests to every candidate to avoid discrepancies as well as discriminatory conduct. After using tests to measure the physical and mental capabilities of all candidates, as well as their grasp of industry knowledge, managers can then make decisions on which candidates would be most suited to given roles.

The most efficient testing process is one which is aligned with the job description. Managers are encouraged to use the testing process to determine the suitability of candidates to the job early in the recruitment process to prevent the wastage of time and other resources. If a candidate does not do well in the testing process, managers should seriously consider whether to let the candidate move on to the next phase. Most managers reject candidates who do not make it past the testing process. While this practice may be good, managers should also look at other factors when making their decision whether to hire a candidate or not. Applicants perform differently on tests for varying reasons including nervousness. It is up to managers to decide the importance of testing to the organization's recruitment process.

Importance of the Candidate Testing Process to Managers

- Candidate testing makes the recruitment process more manageable for recruiters. Managers can immediately reject a number of candidates based on answers to knock-out questions.

- Through candidate testing, managers can get an overall idea of what the candidates know and do not know. Pre-employment testing can therefore be a platform for managers to identify and recognize industry talent. Usually, these are candidates who display an impressive knowledge of the industry as well as considerable desirable personal attributes.

- Candidate testing allows organizations to save on the time and expenses it would have taken to cut down the number of viable candidates in an applicant pool. For many managers, failing this test shows a lack of suitability for the job in question.

- Candidate testing allows managers to pick employees who are more likely to thrive within the organizational culture. This reduces the likelihood of terminating employment or losing employees to other firms, thereby decreasing the company's annual turnover rates.

- Candidate testing can act as a source of motivation to the organization's workforce. People like to know that they are working with the best individuals. Highly productive employees are motivated when they know their incoming colleagues are the best.

Testing Procedures for Potential Employees

Depending on the job description, companies can test prospective employees using the following procedures:

a) Job Knowledge Tests

Managers often use practice tests, trial runs and other job knowledge tests to ascertain the skills relevant to the job and listed on a candidate's resume. For instance, a manager could test an engineer by giving a scenario and asking what the latter's approach to that case would be. The answer the candidate provided would help the manager establish whether the engineer is knowledgeable in his industry. Some companies also use work samples as job knowledge tests. For instance, an artist could have to present a portfolio before being commissioned for a portrait.

b) Cognitive Tests

Many jobs require employees to be able to reason and make sound decisions based on a set of available facts. Cognitive tests are tests that measure the quantitative and reasoning capacity of potential employees. Cognitive tests typically have questions that give three different sets of results. The first set of questions measure the intelligence of an individual. These questions could include those to do with vocabulary. The second set of questions gauges the numeric ability of an individual. Can the candidates perform standard numerical operations? Finally, there are questions in cognitive tests that assess one's reasoning. Most of the time, these questions are presented together with numerical operations and language/vocabulary questions.

c) Personality Tests

Recruiters who embrace modern management practices are likely to use "Myers Briggs'" and the "Big Five" tests to establish the personality of the candidates they are about to hire. Personality tests help managers assess whether candidates can survive and thrive in the environment of the organization. For many companies, these tests are not used due to questionable relevance. However, managers could use these tests when recruiting candidates for jobs that require specific character traits, such as conscientiousness.

d) Physical Tests

Companies that hire athletes, sports players, private security providers among other employees that require physical exertion typically use physical tests to gauge the suitability of candidates for those positions. Physical tests assess the health of the candidates in question as well as their level of physical fitness in order to determine if they are up to the task.

e) Aptitude and Achievement Tests

While cognitive tests assess the general mental capabilities of an individual, aptitude and achievement tests gauge how that mental prowess can be applied to the job in question.

Aptitude tests assess a candidate's ability to learn a new skill. This skill must be one that may be needed in the position the candidate applied for. An example of an aptitude test is one that gauges a person's ability to code in a particular language.

Achievement tests show how a person performed in a similar skill or job in the past. For instance, asking a candidate to draw from experience and provide a solution to a current problem facing your firm is judging their know-how and can therefore be considered an achievement test.

f) Substance and Reference Checks

Many companies require that candidates provide fluid samples to facilitate drug testing. Failing these tests is grounds for dismissal.

Reference checking makes up the final phase of the employee testing procedure. In this case, managers reach out to former employers to confirm details on the candidates' resumes. Some organizations conduct background checks on employees as well. In addition to interview questions, direct calls to candidates' referees and background checks, managers also use social media to conduct reference checks. Numerous organizations use social media sites to look up prospective (Eaton, 2009). The reason for this is that online networking sites provide considerable information about potential candidates including whether or not they lied about their qualifications and if they have discriminatory tendencies.

HR Best Practices for Candidate Testing Processes and Procedures

The following are factors that managers should take into consideration before choosing and using tests in the recruitment process:

a) Selection on a Case-by-Case Basis

The requirements for each job vary, and managers should take that into consideration before they decide which tests to use in candidate assessment. For instance, candidates interviewing for a position in the police force would need observation and cognitive tests more than they would need personality tests. Conducting Job Requirement Analysis before commencing the testing process is the best way to ensure a fair and relevant testing process.

b) Adherence to Non-Discrimination Laws

According to the Equal Employment Opportunity Act, employers should discriminate against employees on the basis of race, age, gender, religion or physical disability. Managers should only utilize tests that conform to this law during the recruitment process. Remember, managers must be able to justify dismissal of employees based on the test in a court of law should the need arise.

c) Reliability and Validity

A test is only considered reliable if an individual can get the same results after taking the test over and over again (Stanley, 2004). For a test to be suitable for the employee selection process, it must be reliable and valid. A valid test is one which is recognized by a significant number of institutions. Furthermore, managers should use tests that are relevant to the post in question.

Choosing the right employees for an organization requires a rigorous and effective selection process. Managers should ensure that they pick the right tests to administer during employee testing procedures to get the best results. The more suitable the candidates to the company, the better the firm can perform, and the less likely that employees will leave the firm.

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Verbal and Written Offers/Contract Techniques

Every day, managers have to make decisions about the organizations they head. They have to decide where their employees' skills are best utilized, whether or not to accept tender offers from their suppliers or even whether to recruit and hire a certain talent. When managers make decisions to do with an office space for instance, they make them unilaterally. Some decisions require managers to agree with others, however. These decisions could be referred to as contracts.

Contracts

A contract is an agreement that can be enforced legally. An agreement, on the other hand, is simply an understanding between two people. An example of an agreement is the verbal agreement that exists between reporters and anonymous sources. Both parties understand and agree that the identity of the said source is to remain unknown. However, in a court of law, this agreement can be deemed a verbal contract. After all, it meets the prerequisites necessary for an agreement to be an enforceable contract.

In management, managers use contracts to perform their functions. For instance, managers draw up contracts when they recruit an employee. Similarly, contracts exist between organizations and their suppliers as well as wholesalers and retailers they provide products and services to. Contracts are integrated with the day-to-day functions of a manager.

For an agreement to be considered a contract, it must meet several conditions. These conditions are also known as the elements of a contract.

Elements of a Contract

Look at these two scenarios.

Two men sit together at a Sunday backyard barbeque. One man owns a construction company while the second man wants to build an extension for his home. While they eat, the second man (let's call him John) agrees with the first one (Morgan in this case) that he will hire the first man's construction company to expand and renovate his home two days from then. A few days later, Morgan notices a building crew at his neighbor's house. He takes John neighbor to court to claim his lost wages. Apparently, Morgan had passed on another offer to prepare his crew to work on John's property.

In the second scenario, we look at a company setting. There is a purchasing and supplies manager and an equipment supplier. The two parties come up with a trading document stating that the supplier would send high-quality equipment to the company for five years. In return, the manager would pay the supplier for the equipment for that duration. Both parties sign the document.

Though these scenarios are considerably different, they can both be considered contracts. This is because the two agreements meet the specifications of a contractual agreement. This is to mean that they both contain the elements of a contract. These elements are the:

a) Offer

An offer is a statement of what each party gets from the contract. It is simply *doing one thing in exchange for another.* In the case of John and Morgan, the offer was Morgan providing a construction service in return for payment from John. The offer was also the provision of a service in the second instance.

b) Acceptance

There is said to be acceptance of an agreement if both parties state that they have understood ad have nothing against the offer in question. Acceptance must be unambiguous for an agreement to be a contract.

c) Consideration

In a valid contract, each party must benefit from and have an obligation to the other. Taking the example of the second case, each party had an obligation: the manager to pay the supplier and the supplier to provide equipment. Similarly, both parties benefited from the agreement. The manager received equipment while the supplier received payment.

d) Competence

Competence in contractual agreements cover the age and sanity of contracting parties. All parties must be above the age of 18 and in sound mind for an agreement to be considered a contract.

e) Legality

Agreements must be legally valid and enforceable for them to be contracts. Legality means that the agreement must be made by competent individuals who both understand and agree to the terms of the contract and who both have a benefit and obligation toward the other. In addition, each party should be able to prove the contract exists.

Agreements that contain all the above elements are contracts. It is important to note that offers are not agreements until all parties agree to the offer's terms, and agreements are not contracts until they meet the contractual criteria.

Types of Contracts/ Contract Methods

a) Written Contracts

A written contract is an agreement that meets all the criteria of a contractual agreement and is signed by all the parties involved in the deal. Written contracts are formal

agreements that prove that one party is ready to offer another a product or service in return for payment, or another good or service.

Typically, managers use written contracts when they need documentation and evidence that the agreement was made. For instance, they make employment contracts with new hires so that new employees know what the company expects of them and what the company will provide for them in return. These contracts are essential when either firing employees or prolonging their employment duration with the company. Contracts with suppliers, other corporations, shareholders, investors, employees, among other parties are important to a company because they prove that an agreement exists between the two parties.

Written contracts, once signed, are legally binding. In the case of the manager and the equipment supplier, for example, the written contract stipulated the role each party would play. If one of these parties broke the agreement, the other would have legal grounds for compensation. If the manager stopped paying the supplier despite receiving shipments, the supplier could then sue for lost wages. The manager would also have grounds for a suit if the supplier provided defective equipment and refused to reimburse the manager's firm.

For written contracts to be effective, there should be no question that each party understood and agreed to the terms of the agreement. This is why most companies require users to sign a document stating that "*I have read and agree to the terms and conditions stated above."*

Written agreements come in handy when disagreements arise between the two parties. The parties can then agree whether to settle their conflict inside or outside a courtroom by looking at the terms and conditions of these contracts.

b) Verbal Contracts

When a person gives another a verbal offer and the second accepts the terms of that offer, a verbal agreement is made. Verbal offers and agreements are almost as binding as their written counterparts. However, verbal contracts, though legal, are hard to prove and therefore not as reliable as written agreements.

A verbal contract is said to be valid when it contains all the elements of a contract: it is made between two people above 18 years and of sound mind and contains a consideration and an offer acceptable to all parties involved. The uncertain legality of a verbal contract is what makes them unreliable.

Remember John and Morgan? Their agreement was a verbal one as they both conceded to benefitting from each other verbally. Morgan would be employed, and John would receive a product. However, because the agreement was verbal, there was no

documentation to prove that the agreement was ever made. Morgan would have a hard time winning in court unless he found a way to prove that their contract existed.

If there were other neighbors present at the time the contract was made, Morgan would have a chance of winning. Witnesses who can testify to the existence of a contract validate it. Similarly, if Morgan made notes detailing specifics about the verbal agreements or even emailed John to confirm the agreement, John's agreement with Morgan could be considered a verbal contract.

Verbal contracts are rarely used in management because of their risk factor. It is risky to enter into a verbal contract because one party could claim they misunderstood or did not even agree to the offer. On the other hand, these contracts are easier to use and show trust and friendship between two parties. People who trust each other may rely on verbal contracts to make decisions that require immediate action. Thus, managers find verbal contracts realistic to use when they need to make instant decisions.

For all their downsides, verbal contracts are legally enforceable once proven to exist. Parties can prove the validity of verbal contracts by providing notes on the agreements. The notes must be specific to the agreement. An email sent confirming the details of a verbal offer can also be used as a verbal contract. So can a witness providing those details. In some cases, lawmakers consider a verbal agreement a contract if the behavior of two parties implied that there was an agreement in place, such as if the manager paid the supplier in return for equipment in the absence of a written contract.

Parties that want to enter contracts must ensure that they meet all the criteria for contractual agreements if they want their agreements to be legally binding. Depending on circumstance among other factors, companies could choose to either enter verbal contracts or the more formal written contracts. Verbal contracts are made by word of mouth whereas written contracts are presented in black and white.

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New Hire Employee Orientation Process and Procedures

Employees are the backbone of any given organization and as such the hiring process is very vital in ensuring a company's progress as it gives a person entering the company a perspective on what the company is about. A person's initial view and thoughts on a place in most instances determine and dictate how a person performs in the new environment.

Definition of terms

New hire employee

Hiring is said to be "The practice of finding, evaluating and establishing a working relationship with future employees, interns, contractors or consultants". (Hiring, 2018)

A new hire is therefore someone who has passed the hiring process and has been accepted for the particular opportunity.

Orientation

It is defined as "An introductory stage in the process of new employee assimilation, and a part of his or her continuous socialization process in an organization." (orientation, 2018)

Process and procedures

A process is a series of actions and steps taken in order to achieve a particular end and a procedure is an established way of doing something.

Orientation process and procedures

The orientation process is guided or streamlined by a general procedure or guideline that is summarized into three very basic stages as shown below:

General introduction

This is usually a very basic introduction by the human resource department of an organization and is usually divided into two parts: introduction to the firm as a whole including the infrastructure and the second is the introduction to the specific working area of the employee.

Specific Orientation

In this stage which follows the general introduction, the new employee is given job or task driven and specific orientation by his or her direct supervisor. this includes all the details regarding the particular department including basic facilities such as bath and powder rooms, parking facilities, email and phone and internet ethics while in the company. Some companies are known to have 'buddy systems' where other employees from the same department as the new hires take the role of directing and guiding them as they continue

knowing more of the workings of the company. It is also in this stage where in-depth company policy is made known to the employee.

Follow-up

In this stage, the supervisor of the new employee seeks to understand the issues and questions that the new employee may have regarding the workings of the company. This step helps managers and supervisors to assess the new employee while the new employee, in turn, feels appreciated in the working environment.

The orientation process is a long one that begins from the very first time that a new employee receives their offer letter. The offer letter can include a welcome and a brief overview of benefits, reporting time, supervisors (who to report to), and further, what to expect on the first day, week and follow up months. A simple act such as ensuring the new employee is on the company roster by the time of arrival can make a very favorable first impression which is, in fact, the main focus of the orientation process.

This process can now be divided into smaller units based on time.

Day One

This is the most hectic day for the new hire. It involves being loaded and bundled with lots of information regarding the company's workings.

It normally begins with a special welcoming meeting or meal from where an established member of the organization or the team where the new hire will be working takes up the role of tour guide thus giving the new employee all the nitty-gritties about the company's functioning and specifics in regard to their department. These further include details on banking and payment receiving with the local banks. Further, there is usually filling of relevant documents on this day.

This as covered in the procedure basic steps, is the general introduction and based on company size and policies, and in most cases, it takes more than one day to actually complete as there are many details to be covered before the employee actually begins working.

Week One

This orientation is usually done by the supervisor of the new employee. It involves the supervisor interacting with the new hire to help them understand what they may have missed out on the hastily done day one orientation. This kind of orientation tends to make an employee feel at home in the new company. By this time also, a new employee is able to have known a majority of the company's basic workings, so it also serves as a measure for the supervisor to gauge possible productivity of the new employee. Although it may not serve as an accurate measure.

Month One

By this stage in an employee's working life they are already well acquainted with people around their department and therefore they can actively participate in constructive discussions and decision making around their department. At such a time it would be prudent for the workforce supervisor to involve the employee in such discussions such that they may feel wanted and appreciated within the company and it may foster employee engagement. Further on the managerial side, the supervisor will be able to more accurately gauge the employees working capacity as an individual and also as a team member. This can greatly assist when the company takes up projects as then the supervisor would know what to task the new employee with and what to expect from them in terms of results.

Year One

This orientation usually serves as a method of assessing how productive the new employee has been and how they have been fairing in the company so far and it seeks to address any reasonable complaints about the job or work that the new hire may have. It seeks to reassure them that the company still appreciates them and wants their growth therefore motivating them. And a motivated employee is a productive employee. This orientation is best carried out between six and twelve months since employment.

Advantages of a Good Orientation Process

Increases Employee Productivity

A happy employee is a productive employee. Further, an employee who feels appreciated is a happy employee. The process of orientation helps an employee get settled and feel appreciated and wanted in the working area. This employee will feel obliged to assist and help out in any way possible as they would want to reciprocate the efforts of the people who oriented them and the company at large.

Promotes Teamwork

Orientation helps a new employee feel at home and in the case where a good teamwork-based network already exists, they are introduced to it during the initial orientation and therefore they join the team without initial delay.

Shows Commitment to Employees

An employee who is cared for and shown interest in in the initial stages of their joining a new place of work sees that the management cares for its employees and as such, they will develop a nature of wanting to work in that new environment. This simple act of orienting new hires drives home the point of employer commitment.

Avoids Confusion

If an employee is properly oriented during the first and initial stages, they will go straight into the productive part of the working force. If an employee is not properly oriented, they will first of all waste a lot of time to begin getting to know the workings of the company. They will further waste a lot of time getting to know people around the company and their way to facilities. This time is wasted as despite their desire to work, they cannot do so properly in unfamiliar conditions.

Fosters Employee Engagement

An employee who arrives at a new working area and is welcomed warmly will tend to want to be a part of that community and will want to assist in any way they can. Such an employee in time grows to love the company they work for as from the initial stages the employee is conditioned to feel appreciated by the company or organization. This employee will become emotionally engaged in the company's workings and therefore will want to do what is best for the company they work for.

Challenges Facing Proper Orientation

Lack of Planning

An orientation process that lacks the right amount of planning is as good as the absence of any orientation at all as it is usually not effective in any way and may at times be counterproductive even as it then shows employees the lack of commitment by the management and the organization at large.

Lack of Managerial Involvement

In most cases, the managerial authorities in a company help out very little in activities involving orientation and as such, it paints a picture of lack of interest in the new employees. During most of the times the managers only appear in passing and they do not bother to help out actively in the orientation process.

Ineffective Handouts

Some companies give out handouts as a method of orienting the new employees. These handouts in effect are supposed to be a measure of the company's workings and history and further, their policies. These handouts at most times fail to cover the details involved in the particular departments. They are usually a general summary of the company and do not cover the specifics of departments. If handouts are treated as a final orienting step, they fail to give a proper orientation to the new employees.

In effect, the employee orientation process is critical to the advancement of a company and in its growth.

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Internal Workforce Assessment

The workforce of an organization is its lifeblood; as important to its operations as the actual business a company will deal in. It therefore reasons that it must be kept at its optimal working shape, continually assessing it to make sure that all the "cogs and gears" of the organization are moving in the same direction and at the same pace. The process of assessing these employees revolves around the evaluation of the strengths and weakness that the workforce has and affect the output any company gives at a given time and keeping the organization as competitive as possible. The assessment, however, has to be done in such a way to ensure that not only are the employees fully assessed based on their skills and work output but the rights of every single employee are maintained and no overstepping of private employee "space" occurs.

Methods and Steps taken to assess the Workforce

Auditing Jobs and Skills

During this phase of the assessment evaluates every single job position within the organization's hierarchy and having a thorough evaluation of the strengths and weaknesses as well as the skills that are required for the position to make it a valuable part of the organization's operations. The auditing process revolves around the questions of:

- What jobs exist within the organization at the moment? Every role, rather than individual positions that are occupied, are listed to display the parts that a company works with and how they operate as a part of the larger whole.
- For each job, how many individuals are allocated to it? The individual positions now come into play here since some roles may be divided into several positions for better delegation and division of work. For example, a human resource officer and a human resource representative are two positions, yet the roles are similar.
- How essential is each job to the operation of the organization?
- The reporting relationships that exist between the jobs?
- In case the organization comes up with new strategies or does an overhaul of the existing policies and strategies, what are the new jobs required to attain the new goals?
- Of these new jobs, what are their anticipated characteristics and duties to the overall operation of the organization?

An audit of all the skills required especially for new projects within a company is an important part of the assessment in order to gear the organization for any changes. All the skills any employee has that have a minuscule use towards customer service are listed and are compiled into an inventory of sorts for the full assessment.

Organizational Capabilities Inventory

As the jobs are analyzed and weighed according to their value to the bigger organizational picture, so too are the existing employees audited and their skills and capabilities listed to view their performance and project it as the company implements new jobs onto existing ones. Here the Human Resource department of an organization comes into play as it keeps records of every employee within said organization. Using the databases that the Human Resource personnel keep as up to date as possible, employee records can be made easily accessible for an assessment. These records contain their personal details as well as listings of their capabilities, knowledge, skills and performance history and length. Due to the invasiveness of some of the data that can be viewed it is usually standard operating procedure to only use it for job-related tasks, such as the assessment, and must be as complete and thorough as possible while maintaining a non-discriminating quality due to how much of the data is important to the employees' career advancement. This inventory contains conclusive details of:

- Employee demographics such as their age, length of employment, the time they have served in their current capacity among other details.
- Career progression data such as the jobs that they have held at a certain time and the length of time served in the capacity, promotions as well as transfers and the salaries they have received during all that time.
- Individual employee performance data which focuses on their work accomplishments as well as the skills that they have displayed while working and any courses they might have taken at the organization's behest to grow their skill portfolio.

The data shows a progression, or regression depending on the work ethic of an employee, of an employee including their educational background, vocational training they have received, their residential details as well as mobility and geographical preferences on the job and off, aptitudes they have displayed on the job, interests and abilities that play any part in their work output, work rating especially focusing on their "*promotability*" as well as their retirement date and retirement preferences in case the date is close to the actual date at which the company is doing such an assessment.

This information, while easily accessible for assessments, is usually kept in high-security areas due to its sensitivity and possible damage that could occur not just to the employee whose information has been viewed or tampered with by unauthorized sources but also to the company as a whole. It cannot be used with abandon due to how much the data reflects on areas specific. For example, if an organization requires all its employees who still want to remain employed to take a training course for two months yet there might be some employees retiring within a month it would be pointless to force the new training upon them and also a misuse of the company's resources.

Employee Survey

While analysis of records may give a thorough picture of the individual skills but is open to contradiction or discrimination if the measures put to ensure honest data is recorded are not stringent enough. The employee records are also not likely to include very recent information such as a recently acquired skill resulting in them being insufficient for a complete picture.

For this reason, employee surveys are done in the form of interviews and questionnaires which aim at getting any missing information on the employees. Due to the bias most employees show towards themselves such data needs to be taken with a pinch of salt but it still gives a better perspective on the employee themselves since it provides information that only they can provide. Communication with the workforce is important since it enables even more realistic and accurate answers to surveys.

Compilation and Analysis

The compilation is mostly focused on skills available within the organization and the people with these skills. It must therefore be done in two ways: a listing of each person with the skills they have and the listing of the skill the organization finds useful with the names of every employee with the said skill.

The subsequent analysis focuses on the analysis of these personnel and skills as well as a review based on the employee's histories.

- An evaluation of the skill gaps that exist within the specific roles within the company. This will enable the company to be able to staff itself better based on performance and skills.
- People with skills that are critical to the operation and improvement of the company. These people are better placed in positions where their skills show the maximum amount of result to the output of the company.
- Apart from the skill gaps, there is an evaluation to see the gaps that exist in skills within specific groups within the company. This allows the organization to better spread its skills in order to balance the performance of the different groups within it. It allows all departments and teams within the organization to have equal spread of skills hence make for better performance.
- The organization's skills requirements for its growth in the future This analysis is used if the company has a clear goal for its growth in the future which shows clear requirements for the growth the company foresees. These skills are well shown both from current skill requirements and depending on the projects the company has waiting for execution.
- The analysis also involves an evaluation of potential successors for critical roles within the organization that may either not be performing well or are due for an

overhaul. This evaluation is vital for the growth of the company since it ensures it does not stagnate at any point since replacements for all important parts of the company can have new employees at a moment's notice.

Issues within the assessment of the workforce

The way in which the assessment takes place is dependent on many of the organization's specific internal factors. These include:

- The size of the workforce. The larger the workforce, the larger the number of roles within the organization as well as the skills available to it. This large number of employees makes for a larger list of skills making it more difficult when analyzing the skills available to the organization from its staff.
- When doing the surveys, it is almost impossible to take every employee's opinion and data into the survey's results hence making the survey only semi-efficient.
- The evaluation of skills only shows the existence of a skill but not the level to which an employee has attained the skill.

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Organizational Transitional Techniques for Corporate Restructuring, Mergers and Acquisitions, Offshoring and Divestitures

Change is a constant factor that managers have to deal with in their careers. More often than not, managers will be a part of an organizational transition process that requires them to manage change within the company while ensuring that the firm retains its value. Due to the prevalence and inevitability of change within organizations, managers need to know the various transitional techniques to use during different processes. This feature outlines the fundamentals of transition management and gives examples of common effective transition management techniques related to corporate restructuring, mergers and acquisitions, offshoring and divesting activities.

When is Change necessary?

Before understanding the basics of transition management, it is important to know when change is a necessary step for an organization. Managers need to distinguish between the need for major and minor change within the company. For instance, changing suppliers requires a minor change of the organization's strategic plan. On the other hand, restructuring to deal with profitability issues requires the company and all its stakeholders to change considerably. The purpose of transition management is to ensure business continuity even as the company undergoes significant changes to its processes and structure.

In business, companies transition for numerous reasons which fall into the categories below:

System Dynamics: companies may undergo the transition process to change the way they operate for one reason or the other. System dynamics may make companies smarter and faster in the way they operate.

Person-focused change: sometimes, companies can have staff overhauls. This type of transition is usually aimed at improving the overall productivity and overall performance of the company in question. Whereas system dynamics focuses on changing the processes within a firm, person-focused change dwells on changing the employee component of a firm.

Structure-focused change: company structure refers to the way a company is divided to promote function. It encompasses the processes through which tasks are completed and the method in which workers relate to each other in the chain of command. Structure-focused change therefore refers to any transitional process that changes organizational structure.

Profitability issues: this form of change occurs when a business changes its operations so as to raise capital fast. Changes that are aimed at improving profitability and performance of a company also fall into this category.

These four change models indicate that change is necessary for an organization when it is aimed at improving profit margins, reducing debt, securing a larger market share, improving the efficiency of organizational processes, expanding operations and even meeting organizational objectives, including its goals, mission and vision. For change to be effective within any firm, it must be aligned with the purpose of that organization. Similarly, any change companies make should be supported by both management and employees, if possible. After all, it is the human resource in companies that are responsible for the successful implementation of change within it.

Managers need to know how to manage change within firms to ensure that transition processes are effective and beneficial to the organizations.

Tips for Successful Transition Management within Organizations

An organization is like an organism. It lives and thrives only in certain environments. When conditions change, an organization can either survive by evolving much like other organisms, or it can die. Transition management equips managers with the necessary tools to prevent the loss of a company's competitive edge and its eventual performance decline in response to a change in the business environment. Below are three fundamental considerations managers should make during any transitional process regardless of the size of the firm and the type of change the firm is about to undergo.

a) Role Assignation

In any type of firm transition, employees and managers need to be aware of what is expected of them during the process. For example, if the firm is about to merge with another, managers should be able to tell who is in charge of coming up with an integration plan and who should handle due diligence processes for each of the companies. Employees should also be familiar with the new landscape and take part in procedures that facilitate that transition. Assigning roles during the transition period of a firm ensures that each person knows what to do when the time for change comes. Furthermore, when people have clear roles during this process, they are less likely to succumb to the disorientation and fear that comes with major organizational adjustments.

b) Understanding the Process

In transition management, understanding the process does not just refer to knowing what activities will take place during each phase of the transition. Managers also need to understand *why* the company is undergoing the change. They should additionally be able to communicate this reason for the change to their employees. Understanding why

change is necessary services three purposes during the transition process. First, it prevents the spread of rumors and misunderstanding in the workplace due to inadequate communication. Managers can only communicate what they know and understand. Secondly, understanding the process makes it easier to implement the strategies needed for the change to take place. Finally, managers and employees can tie the change to the mission and vision of an organization once they understand it.

c) Preparation

Every transitional procedure in an organization occurs in three definite steps: ending, transition and beginning. Managers should understand the activities the organization should undertake during each of these phases and communicate it to employees for change to be efficient and effective. Preparation helps managers to foresee activities in each step, possible challenges and possible solutions to those challenges.

The transition techniques needed for change management are different depending on a variety of factors. Managers need to ask several questions before settling on transitional methods to use. For instance, they need to know which type of activity is best suited to their company. Does the company want to restructure, engage in an M&A, offshore or divest its activities? Managers should also consider the resources available to the company, the challenges associated with various transitional techniques, and the impact of the change on the organization.

Transitional Techniques for Corporate Restructuring

Corporate restructuring is the process of modifying the structure of an organization to achieve organizational objectives. Organizational structure refers to the way in which an organization is organized in terms of the roles of its employees, method of supervision and coordination between different sections, in order to achieve its goals. Companies can have three corporate structures: functional, divisional and matrix. Change in organizational structure has to be managed for the company to retain its flexibility and edge in its industry. Without transitional management, corporate restructuring can result in major losses, high turnover rates and ineffective adoption of the new structure.

The following are some of the steps managers should take to ensure that corporate restructuring remains effective all through its design, execution and marketing phases.

Define Roles

Assigning roles during the transitional phase of corporate restructuring is an effective way for managers to ensure that employees are ready to take the next steps with the company. Assigning roles and communicating them is essential to the corporate transition process because it a) facilitates the acceptance of the process for employees and b) enables smooth transition as each member of the organization knows what to do.

Managers are typically responsible for initiating, coordinating and implementing corporate restructuring strategies, as well as inspiring employees to accept and promote the change.

Show need for Change

Change is difficult to accept, particularly when one is not given a reason for it. Managers can help employees through organization transitions by being open about why the firm needs the change. This could range from the need to cut expenses to enabling the firm to take a better position in the market.

Put together a Transition Team and Plan

Plans are necessary to the corporate restructuring process because they give managers the roadmap to implementing the change effectively. A restructuring plan should delineate what activities members of the firm should expect to participate in, the timeline for undertaking those processes as well as the personnel in charge of every phase of the process. After coming up with the plan, managers need to commit it to paper for evidence and reference.

Plans are only as effective as those who execute it. Coming up with a proper plan is only one step in the managing transition. The next step is to create a team of managers and employees in charge of coordinating, managing and implementing the plan. This team should consist of people who are familiar with the inner workings of the organization and who possess the necessary skills to facilitate its movement from one corporate structure to the next.

Get Input and Finalize the Plan

Putting people with the organization's best interest at heart in one room together can help them come up with a good plan of action. However, the transition team is not the only party that will be affected by a change in corporate structure. Managers need other employees for their thoughts regarding the changes to the structure before finalizing a plan to implement those changes. Managing the fears and expectations of employees is crucial to ensuring that organizational structural changes ae successful in the long run. Having them give their feedback and taking time to consider it is one way to engage employees and encourage them to invest in the process. After getting employee feedback, the transition team can then finalize the plan.

Deal with Obstacles

Not all employees will be happy about a change in corporate structure. Managers can give such employees options to leave them firm before implementing the plan. Generous severance packages as well as transfer options are the most common ways to manage these employees.

Mark Milestones

Once the plan is in place and the company has the necessary resources to implement it, managers can give the go-ahead. It is important for company leaders to mark and celebrate each milestone during the corporate restructuring process including the cessation of the use of one structure, the transition period, and the implementation of the next structure.

Transitional Techniques for Mergers and Acquisitions

Mergers and acquisitions are fast becoming popular business competition techniques for businesses. M&As refer to the procedure of integrating two or more companies with varied values and cultures into one cohesive unit. M&As can either be horizontal where firms operating within the same industry are involved in a merger/acquisition, or vertical, which involves a merger/acquisition between companies in different industries. In business, merging refers to combining two companies with almost-similar valuations whereas acquisition is the combining of two companies that involves one company 'swallowing' a smaller firm.

The reason M&As are common in the business world is that they are convenient and beneficial to companies. However, many firms have a hard time successfully integrating in M&As due to ineffective change management during the process. For managers to retain the flexibility, competitive edge and increased value that comes with merging with or acquiring another firm, they need to familiarize themselves with the transitional techniques for M&As. These include:

Creating Integration Plans

Integration plans show how firms plan to operate after an M&A. For companies to go through an effective M&A, managers from each side need to come together to create an integration plan. This plan not only dictates the manner in which the M&A will be conducted but also how the new company formed in the M&A should operate. Integration plans give managers and employees an idea of how to handle post-M&A activities and how to communicate with each other during the process.

Establishing Objectives for the new Company

Companies formed from M&As typically have objectives which differ from those of the original firms. Managers should work collaboratively to establish the mission, vision and values of the new organization before proceeding with a merger.

Understanding Cultural Differences

Organizational culture differs from one company to the other. To successfully integrate two firms, each side needs to understand the culture of the other. Typically, the

companies that result from M&As possess elements of organizational culture from each original firm.

Reassuring Stakeholders

Investors, customers and employees may be disoriented by an M&A. It is therefore up to the management of the original parties to reassure them that the business will continue performing well even after the M&A.

Customers and investors need to be informed of an M&A and its implications for the future of the firm. Informing them of this change and assuring them that the firm will continue delivering on its provision of products and services is usually enough to manage change for these parties. For employees, however, managers need to take a different approach. Encouraging employees from the different original firms to work together could mitigate the anxiety associated with such a significant change.

HR Restructuring

The next step managers need to take in this process is to inform employees about changes in their designations. Open communication during the human resource restructuring process helps to prevent the spread of misunderstandings and rumors among employees.

Downsizing

In some cases, companies have to downsize as a last resort. There are three options managers can use to downsize. They can either give their employees severance packages, redeploy them, or recommend them to other employers.

Transitional Techniques for Offshoring Companies

Many multinational firms use offshoring as a modus operandi. Offshoring simply means that a company sources and coordinates its tasks across national borders. Companies that operate in a number of companies rely on this method to conduct their operations. These organizations can offshore their activities in-house or by contracting suppliers in the foreign nation.

Offshoring is both rewarding and risky for companies. On the one hand, the company reaches a wider market and has a high production capacity because of its multinational status. On the other, offshoring has hidden costs and could result in loss of core competencies over time. When information about a company's production process and human resource tactics are shared across national lines, the form runs a high risk of exposing this knowledge to competitors. To prevent this, managers need to manage the transition from a local to a multinational company. The following are some transitional techniques managers can use for the process.

Create a Plan

The first step to any strategic venture, including offshoring, is to create a plan to guide managers and employees through the offshoring process. Creating a plan enables all party involved to know their roles and timelines during the procedure. This, in turn, prevents miscommunication and misunderstanding as the company starts sourcing and coordinating tasks across different countries.

Establish Sites

Offshoring requires a company to operate sites in a number of nations. Step two after creating a plan to bring the idea into effect should therefore be to establish a site in the other country to coordinate and organize the activities of the firm.

Coordinate

This is the most critical step in managing the transition for a company with offshore holdings. Managers can coordinate the steps involved in offshoring in three steps:

- Setting up effective lines of communication between the two sites
- Establishing a reliable means to transfer knowledge between the sites
- Coordinating the processes, tools and technological skills of the two sites. This involves training employees at the offshore plant how to operate like those in the original site and ensuring that they use common procedures to complete tasks.

By coordinating the activities of the different sites, managers are able to build the relationships between them and potentially managing company knowledge. Knowledge management, or the ability of company leaders to ensure the protection of company secrets, is crucial to the functioning of the company. If this knowledge goes beyond members of the company it could have significant financial drawbacks for the firm.

Transitional Techniques for Divestitures

Divestitures occur when parent companies ("mother-ships") sell off part of their holdings as assets with the view of increasing shareholder value and service offerings. Transition management in divestitures mainly applies to the pieces that are sold, also known as divested companies. During divestitures, managers need to manage the disruption of supply chains tied to divested companies. Failure to so could result in less funding for the divested firm, capability gaps as well as dual roles for employees. The following are methods and procedures managers can use to ensure they enable continuity of business during and after the organization divests.

Conduct Assessments

When a firm is divested, supply chain managers need to establish the needs and specifications of the 'new' company. What are its strengths and weaknesses? Which

target market will it serve? What will be the new roles of each employee in the new firm? How will the new company be structured? These are a few of the questions managers have to contend with before moving onto the next stage of managing transition during divestitures.

Create a strong Transition Services Agreement

Parent companies can save time and money by building strong a Transition Services Agreement (TSA) with the firm buying the divested units. With a strong TSA and due diligence, the selling company has leverage during negotiations. It can argue for a separation plan that allows it to enjoy a smoother transition and clearer separation. Managers should therefore ensure build strong TSAs before heading into the negotiation room. It would save the organization considerable financial obligations as well as help it manage risk during divestiture.

Fill Capability Gaps

Divested companies do not have access to the financial, physical and human resources needed to continue operation immediately after the process. It is therefore up to managers to fill these capability gaps immediately after the transition. One way for managers to do that would be to contract third-party logistics (3PL) companies to handle functions such as transportation on their behalf. In doing so, the company can continue with its production processes smoothly even after separating from the parent company.

Managing change in an organization requires managers to manage different aspects of it. Managers need to manage the day-to-day operations of firms so as to ensure the continuity of the business. They need to manage human resource because without it, implementation of change becomes impossible for the organization. Finally, managers need to manage the resources available to the firm because doing otherwise would be detrimental to the company. This feature highlighted just a few of the techniques managers can use to effectively manage transition in their firms.

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Metrics to Assess Past and Future Staffing Effectiveness

Anywhere you look, managers are placing more and more emphasis on the staffing function. The competition for talent is rising and companies are looking for more effective and innovative methods to attract, secure and retain quality human resource. In the past, managers relied on career advancement and professional development opportunities to promote the quality of their personnel. These days, managers rely on highly successful and efficient hiring processes to secure talent. One-way managers are able to optimize their recruitment procedures is by analyzing hiring trends and utilizing data-driven hiring. Hiring metrics are the most efficient way of learning about, understanding and using data-driven recruitment and selection.

Effective HR Metrics

Human resource metrics are the measurements that companies use to track the success of the recruitment and selection process. Positive HR recruitment metrics reflect on successful and efficient hiring procedures whereas the opposite is true. The more negative the metrics, the more likely a company is using an ineffective recruitment process.

Though there are numerous HR metrics that companies can use, managers need to understand what to look for in those metrics. Effective HR metrics make it easy to evaluate the performance of the recruitment team in an organization. The following are the qualities of an effective HR metric:

- The metric should be predictive. A manager should be able to make decisions and take action based on the data from these measurements.
- Measured over time. Data-driven hiring is only effective if the analysis has been conducted over time. For instance, ratios drawn from the past five years of a company can help managers predict the expected ratios for the next three to five years.
- Quantitative and qualitative. The metrics used to measure the success of a hiring process should be quantifiable (cost and time) as well as unquantifiable. The qualitative elements of a metric include factors such as employee retention, productivity and efficiency of the hiring process.

The most effective metrics for measuring the success of an organization’s hiring process possess the above elements.

Importance of HR Metrics

Many companies dedicate time and money to employing data-driven hiring because of the benefits of HR metrics to those organizations. These benefits include:

- Saving time and money: the hiring process is a costly one to businesses, especially when recruiters hire the wrong candidate. Using HR metrics help managers know which channels are the most efficient to use in hiring talent, thereby saving the firm considerable resources.
- Evaluating and improving the hiring process: using HR metrics, managers learn the most effective recruitment sources and techniques. They learn which channels bring in the most productive hires and vice versa. This information is crucial to organizations because it helps the design more effective recruitment processes. Furthermore, this data enables managers and recruiters to know what to improve in the selection process so as to optimize it. A successful recruitment process should produce quality, highly-productive candidates. HR metrics help organizations identify such candidates, recruit, secure and retain them.

Using effective HR metrics can help companies enjoy the benefits of optimized hiring systems.

Effective Human Resource Metrics: Examples

a) Cost-per-Hire

Cost-per-hire is the metric that measures the average recruiting expenses for each hired candidate. In essence, this metric helps managers assess the amount of money the company can lose for hiring the wrong candidate. Cost per hire is calculated by taking the total recruitment cost, both internal and external, and dividing it by the number of hired candidates. Though this metric does not give managers a clear indicator of future productivity of hired candidates, managers can use it to place more emphasis on the recruitment process.

b) Time to Fill

Time to fill is another popular metric among hiring professionals. Basically, this measures how long it takes to fill a particular position within the organization. Time to fill is calculated by counting the number of days/weeks between the period a company puts up a job posting and the time a new employee is hired. Managers can use this metric to gauge how long they would have to wait after an employee leaves to find a replacement for that employee. Time to fill also indicates the level of interest in the organization and talent pool availability.

c) Selection Ratio

One of the most common ratios to measure the exclusivity of a firm is its selection ratio. A good example of a selection ratio is the one used by management in colleges and universities. These higher education institutions have an admission rate, which is the percentage of students admitted out of all of those who applied to the school. Selection ratios are calculated by taking the total number of hired candidates and dividing them by

the total number of applications received. The more the candidates hired by the firm, the closer this number will be to zero. Some organizations, such as colleges and universities, express their selection ratios as a percentage.

d) Manager Satisfaction

How hiring managers feel about the applicant pool and the employees they select is a sign that a recruiting process is efficient or inefficient. Manager satisfaction is a rating that recruiters and other professionals involved in the selection process give to the procedure. The higher the rating given, the more managers can conclude that the process is efficient. Low ratings signal that managers need to change their recruitment sources and techniques. Manager satisfaction also influences the performance of an organization. When managers are satisfied in the process, it implies that they are confident in the candidates they picked. This sentiment boosts employee morale and improves productivity within the firm.

e) Candidate Job Satisfaction

The recruitment process also extends to the orientation of the employee with the day-to-day running of the organizations. The candidate job satisfaction metric measures the expectations of employees about their organizations and their jobs against reality. Managers can use this metric to judge whether they need to change their brand marketing strategy. They can also estimate likely turnover rates based on the response from their employees. Higher candidate satisfaction means that the hiring process is successful. Lower ratings signal unmet expectations, unrealistic job descriptions and preview during the hiring process, and a high probability of employee turnover.

f) Quality of Hire

Human resource is only as valuable as its performance. This metric helps managers measure the success of their hiring procedure by comparing the performance of new hires over the first 6-12 months and that of their peers. Quality of hire is determined by an organization's success ratio.

$$\text{Success ratio} = \frac{\text{Number of new hires that performed satisfactorily}}{\text{Total number of new hires}}$$

Determining the quality of hire gives managers insight into the quality of their recruitment strategies. Higher quality of hire ratings shows managers that their recruitment sources and techniques are efficient while the reverse is true. For this metric to be effective, management within the organization must know which indicators to use to measure quality and what the standard performance should be.

When combined with the recruitment source, the quality of hire metric can help gauge the quality of sourcing channel.

g) Source of Hire

Quality of hire is not the only metric that indicates whether a sourcing channel is efficient or deficient. The source of hire metric is a metric that managers can use to assess the success of past recruitment channels and thereby predict the future success of each, giving room for environmental changes. The source of hire metric tracks which sources give rise to a higher number of applications. They let managers know which sources attract applicants more to the organization. In doing so, the source of hire metric helps managers track the efficiency of the recruitment sources used by the company. Some common recruitment sources used by firms include social media advertisement, career page job postings, and internal memos and job boards.

h) First Year Attrition

This metric is highly tied to the candidate satisfaction and quality of hire metrics. First-year attrition assesses the level of satisfaction displayed by both managers and new hires within the first twelve months of hiring. Attrition refers to the termination of contractual employment. It can either be managed, whereby the manager terminates an employee's contract due to poor performance, or unmanaged, where employees voluntarily leave their jobs due to unmet expectations.

When first-year attrition rates are low, the recruitment process is considered effective. High first-year attrition rates should be a source of concern to managers. It either indicates that the quality of hire is low, which could set the company up for losses, or that the recruitment process oversold the company or did not clearly explain the job description for the position candidates were hired for. High first-year attrition rates call for management to change their recruitment strategy for the organization to not only attract but also retain talent.

These are just a few examples of the metrics managers use to gauge the success of the staffing function in organizations. For these metrics to be properly applied, managers must know how to calculate and understand how to use them.

Employee Termination Approaches and Strategies

Definition

Employee termination refers to the removal of an employee from their position within an organization either willingly, due to circumstances within the organization e.g. employee cutbacks, or forcefully, as is the case with misconduct.

While termination of an employee may seem like an easy and straight-forward process for employers, employee termination is as risky as it is complicated. Simply firing a person

may bounce back in the form of litigations that not only drain the business but waste a lot of an employer's time. It is important for any business person to know the proper approaches to take when terminating an employee to make it as simple and uncomplicated as possible while still maintaining legal high ground.

Approaches and Strategies for Termination of an Employee

The process of termination does not just extend to the time at which the employee ceases to be a part of a specific organization. On the contrary, a termination is usually preceded by many analyses that show the employee's history and clearly outline the reason that the employee is being terminated.

The termination of an employee is supposed to look at the following factors within their work:

- Discipline
- Work Ethic
- Cooperation with co-workers, subordinates and supervisors
- Any legal protection the employee may have
- Are the terms leading to his/her termination factual or based on opinions of others?
- Is the employee close to any major company altering event such as a promotion or a retirement or a transfer?
- The terms of the employee's contract and how well the employee has fulfilled them
- Work performance evaluations
- The specific terms that led to the termination of the employee

The most important thing an employer has to do to during the termination of any employee is to build a 'record'. This simply means to build a clear-cut outline of the employee's performance history to ensure that not only is the reason valid but does not conflict with any of the employee-employer contract agreements. These appraisals, when used for termination purposes, have to be done in a certain way that ensures it is a credible, unbiased and as legal as possible to avoid repercussions of a litigation where the document is invalidated. The performance appraisals are often used as evidence for an employee's negative work trends leading to their dismissal when such behavior is not corrected.

When using these appraisals:

Management must clearly show a commitment to following the legal procedures for appraising an employee

This is evident in their appraisals by:

1. Making effective evaluations and follow-up which focus on the employee's job description rather than what is non-verbally expected of them. Employees should be evaluated based on the tasks they are contractually expected to perform and if these are not met, an appraisal of the employee should reflect this leading to the employee being fired. The appraisals usually occur in levels, with supervisors and managers having superiors of their own who will appraise them just as they appraise their subordinates.
2. All employees who aren't necessary to let go can be trained to gain more skills that are required in order to remain key players in the organization. The employees who 'refuse' these training processes have to have the refusal reflected on their appraisal and can then be terminated since they no longer take part in the growth of the organization at large as is expected of every employee when training programs happen within their organization. For managerial employees, these include training in how to perform appraisals, in order to make the appraisals as properly-done as possible without discrimination or any holes in the performance appraisal that could be used to fight the document in court.
3. When the termination process is based on the legitimacy of the performance evaluation, it becomes even more critical to keep opinion and bias away from the evaluation. Those involved in any part of the evaluation should remain as objective as possible. Objectivity reduces cases of employees having grounds to challenge their termination especially considering how the history of the organization's previous terminations is likely to affect future termination attitudes.

Structure Company evaluations around the job content

The evaluation of any employees to be terminated should be structured to focus on the position and job responsibility of the employees in such a way to ensure that the company maintains order and credibility. This can be done by:

1. Tailoring the evaluations to the position in question or the position group within which the person serves. This makes for more general evaluations that have a uniformity to them. This can especially be useful when getting information about the personal traits of employees in order to determine where the problem in their work stems from; for example, some employees can have the tendency not to be able to be team players hence can't take part in any group projects within the organization which simply makes them liabilities.
2. Some problems that arise during the termination process are seen to have come from the beginning: at the hiring process. Employees are found to be unclear on their employment expectation which leads to frustration both by the employee and employer. Verbal promises made during hiring also make many employees complacent in their work eventually leading to being fired. It is important to clearly

outline the expectations an employer has to their employees in order to avoid a misinterpretation that leads to a complicated termination.

3. The evaluation of an employee has to be as specific as possible and reflect the past as completely as can be done and show any projection for the future. These would include goals, priorities and skill records that paint a complete picture of an employee's life within the company and what has led to the termination.

Be Specific and Objective

While terminating any employee it is best to avoid drawing out the process either due to personal reasons or guilt. A clear outline of the objectives an employee did not meet is expected from the employer in order to give a legitimate reason why the employee was terminated. Generalized reviews of the employee, such as saying the employee showed "poor work performance", are more likely than not to be disputed and result in lawsuits. Clear reviews are required for any decision to terminate an employee and should be detailed to show why an employee is "showing poor work performance".

A concrete example of the employee's misdeeds is expected as well in order to make the termination even more concrete and less likely to be challenged. Even if it would be almost impossible to review every task that the employee has ever performed, there are examples that stand out and point to the major factors that contributed to the employee's termination.

Subjective and gratuitous evaluations of employees should also be avoided at all points of employees' careers, even when they are positive comments. These comments may be used to poke holes in the termination process since they could show favoritism and lack of objectivity in the evaluation of employees.

Having more than one avenue of employee evaluation

Employee evaluations should be analyzed even before they are presented to the employee in question. Management level staff provide this front for the analysis of this data further and prevent mistakes that may have been made during data acquisition. Additional reviews are necessary especially when the termination of an employee requires an air-tight reason with no chances of having future lawsuits. The reviews also require the reviewer to look for any comment that may be ambiguous, embarrassing or damaging to the company.

Giving an employee time to defend themselves before getting fired or they resign

All employees should be given a chance to defend themselves and give their say on the matter that has led to their termination. Not only does it give new light to the employment situation of the employee in question but also results in giving an employer a better picture of how their workforce runs when they are no present. If the reasons are

valid for the termination of the employee, the employer can fire them with a clear conscience. There are, however, the rare cases where the employee is able to provide legitimate reasons that convince their employer not to fire them. It is therefore critical to allow employees the chance to give their take on their termination. Many organizations require the employee to sign the evaluation they did in order to authenticate it and prevent the chances of future lawsuits.

In cases where an employee is quitting, this is often where an accusation of harassment in the workplace comes up as the reason for the sudden decision to move and look for employment elsewhere.

Adherence to employee labor rights

There exist many rights to protect employees from sudden or illegal terminations of employment. When an employee has no contract for their employment their termination process is simple and requires no reason apart from the will of the employer. Written contracts on the other hand are more binding and often specify the conditions where an employee may be terminated. Employees cannot be terminated due to discrimination, public policies or “just causes”. This means legitimate reason must be provided to allow an employer to terminate their own workers. These coupled with all the reasons that lead towards the termination of an employee make it a hard process to terminate an employee.

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Employee Engagement Strategies: What and how?

What is Employee Engagement?

In any organization, employees are the primary building blocks and are the ones that fuel growth organizational growth. Without a driven employee force, even with the best managers, a company cannot grow and therefore employee engagement is a vital part of any given organization.

Employee engagement is the approach used in workplaces to ensure every employee has the best conditions available to them hence providing for better results and output from the tasks and jobs assigned to any single employee. According to an article published on Forbes, employee engagement "is the emotional commitment the employee has to the organization and its goals." (Kruse, 2012) Employee engagement is the feeling of belonging that an employee in an organization has such that they strive to give their best each day that they work so as to achieve the goals of the organization or company. This therefore translates to more success in the company and better interworking conditions. Using this definition there are three major types of employees with their engagements: engaged, non-engaged and actively disengaged.

Importance of Employee Engagement

Cause Marketing

Over the years there is a trend among many companies and organization where they take up a non-profit cause for company image and helping out in charity events. For such causes, a certain amount of devotion and dedication is required to advance the cause for the time during which the non-profit cause runs.

In real life situations, nothing is as tiring as convincing someone to get on board with a cause that they do not believe in, care about or even want to be a part of. In such a situation, engaged employees play a vital role in the advancement of the cause. This is because they are more driven to assist the company or organization in any way that they can. They like being part of the problem-solving group therefore they are more likely to volunteer.

Increased Productivity

When employees are engaged at work, the sense of belonging usually drives them to push harder as they believe the work they are doing is important and substantial to the company therefore they work harder.

Engaged employees are less likely to quit

If you are in a relationship and you are completely happy and content, then there would be no reason to break it off. The same principle would apply to a content and engaged

employee who has a good relationship with their employer. If members of your team feel content and appreciated, they are less likely to seek other jobs elsewhere. They further build connections with each other that they would not easily break.

Better communication

Engaged employees are more capable of associating and communicating with their co-workers than non-engaged ones and even with their customers. This is because they are more likely to remember the conversations they had with their customers thus they are more engaging and likeable. These engaged employees are more likely to have stimulating discussions with their counterparts in the office which is more likely to end in constructive brainstorming which may further lead to growth of the company.

Increased creativity

Engaged employees are more likely to come up with creative ideas and the creative ideas that arise have the potential to make more employees even more creative. This happens as the ideas that arise become a benchmark from which other employees learn from.

Disengaged employees usually have no interest in bringing new ideas to the table. They have little interest in advancing the bigger picture or being creative with their jobs.

Employee engagement strategies

These are the methodologies managers; team leaders or other supervising staff can use in order to motivate employees into fitting better within the organizational structure and promote their professional growth.

Employee who are better engaged have to find their work meaningful, feel valued and are secure both in their jobs and their contribution to the world with what they are doing. All these can be achieved using the right engagement strategy such as:

Using the right engagement survey

When companies take a survey, the companies often make the mistake of asking irrelevant questions which sometimes come off as intrusive. When employees feel harassed by such questions, they find it harder to fit into their new workplaces.

Any survey data must be specific, relevant and actionable for any team at any organization level. Data should also be proven to influence key performance metric.

Selecting the right managers

Sometimes the most challenging aspect of a workplace is a manager who is hard to work with and for. There are people who are simple not suited for leadership positions and end up making their subordinates uncomfortable and disengaged from their new work

Good managers understand that their success and that of their organization depends on employees' achievements. They seek to understand individual's strengths and provide opportunities for their employees to use their strengths in their roles. They further empower their employees, recognize and value their contributions, and even actively seek their ideas and opinions.

Companies therefore should treat the manager role as unique, with distinct functional demands that require a specific talent set and seek managers who grow not just the company but every employee. Managers must be coached properly to take up their roles to equip them with the skills they require to empower their employees in order to build stronger ties between employees and the company.

Share good practice and ideas between teams

Nothing motivates a person like seeing their work being praised and their ideas being appreciated so ensuring that one's employees have the opportunity to share and display their very best work. Peer to peer learning is a great way to foster engagement and create or strengthen links between your employees.

Ensure your employees have a voice

It is imperative to facilitate channels where every employee can raise issues, receive feedback and also give their own as well. Organizations should have forums where every employee is given a chance to voice their problems as well as opinions with no repercussions.

Understand individual learning styles and preferences

Understanding how employees learn can be key to understanding how they work as well. Some employees are comfortable with learning individually while others prefer collaborative learning. Observing this can help understand how employees work as well. Considering this learning preferences will allow for accommodation of all learners and make the employees more engaged.

Work on small manageable goals and increase gradually

Real change occurs at small or local workgroups in an organization and gradually grows and spreads to the rest of the whole company. As such, company leaders should set the tone from the top. Companies note the greatest benefit from engagement initiatives when leaders weave employee engagement into performance expectations for managers and enable them to execute on those expectations. Managers and employees must feel empowered to make a significant difference in their immediate environment. As employees are experts on themselves and their teams. Thus, it makes sense that they will have the best ideas to maximize performance and business innovation and better workplace experiences.

Challenges Facing Implementation of Employee Engagement Strategies

Communication methods

Current communication methods in companies are more of a hindrance than a complementary tool in implementing engagement strategies as they do not offer enough room for communication between the various echelons of the employment hierarchy and are as such a way to send orders only thus making employees feel that their input is not required. Furthermore, most of the time these emails go unread thus even though a person was interested, they might not have the time to read the entire email therefore missing out or maybe they get to access the email when it is long overdue therefore necessary talks may not be held as expected.

Rank based communication and thinking

People in many organizations tend to let their ranks get to their heads thus they work with a mentality of superiors and subordinates. This mentality cannot allow for constructive interactions with people having this superiority complex monopolizing the decision-making process of an organization making it even harder for the subordinates to feel as if they are part of the organization.

Non-white collar employees

These are employees who rarely use computers and other software that are mostly available to the managerial level staff within an organization. This, especially for companies that rely on digital communications between departments, affects the reception of memos and other company communications by these employees. This hinders employee engagement as these employees are less likely to feel engaged if they keep missing out on such communications. They do not get enough of an opportunity to feel emotionally engaged with the company.

Geography and language barriers

When employees are employed away from their homes in places with different cultures and languages, they are more likely not to feel included due to the barriers they face. This prevents the engagement of these employees as they will never fit in completely and are more likely to continue being treated as outsiders.

Employee engagement is therefore a vital part in an organization’s growth and progress and once a company finds ways to solve the most common challenges to employee engagement then surely results will occur as soon as they begin making good on the employee engagement strategies.

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Employer Marketing and Branding Techniques

Recruitment is an important procedure to any Human Resource professional. Hiring the top talent puts any organization is a better position to compete within an industry. However, selecting the right candidate during interviews and other phases of the selection process is not enough to build a high-quality workforce. Instead, managers should look at the recruitment strategy as a whole to better position them to recruit and retain highly skilled individuals. Employer marketing and branding is one-way managers can expose their potential talent pool to the values and structure of the organization, thereby creating a larger talent pool for hiring managers to select from.

Defining Employer Marketing and Branding

The first thing to note about employer marketing and employer branding is that the two terms are highly integrated but not the same.

An analogy to illustrate the difference between employer marketing and branding would be these two statements:

"*I am good at designing and fashioning cloth into couture pieces."*

"I have heard that you are good at fashion and design. Can I get a piece done within the next month?"

In the two cases, the personas are describing a similar sentiment but there is a difference in how they say it. The first statement shows the persona telling another party about the skills they possess. In the second statement, another party lets the object know that others perceive them as highly skilled in fashion and design. In the first case, the persona is marketing his skill. In the second case, his skill speaks for him. Others recognize it and contract him to work for them because of it. This is the difference between marketing and branding.

Managers market their organizations through campaigns that continually let potential candidates that these firms are good to employees. Typically, managers market firms as potential employers through advertisements that basically say, "Come work for us, we are the best." Employer branding does not work the same way. Employer branding refers to continually building an identity that others can associate with you. Marketing can be a form of employer branding. In branding, managers evaluate what is unique about their organization and then cultivate it. Branding can therefore be summarized as the act of creating a pattern and building an identity as defined by others. Managers define their company's identities I marketing. Candidates, stakeholders and the general public define the organization's brand.

Importance of Employer Branding and Marketing

- Employer branding and marketing achieve the same goal: they sell the company to interested parties and, in this case, potential employees. Highly marketed companies and those that have good brands in the eyes of the public often attract highly qualified candidates. Why? Because most people want to work for organizations that are known for how well they treat their employees. A 2017 HubSpot report stated that recruiting top talent is a problem affecting many employers at 56.7%, second only to attracting new business opportunities. Employer branding and marketing can help managers solve this problem in staffing (Zantal-Wiener, 2017).

- Employer branding and marketing is a long-term solution to recruitment problems in companies. According to the Harvard Business Review, management and CEOs are investing long-term HR strategies (Mosley, 2015).
- Catering to the needs of employees makes a significant part of employer branding and marketing. Companies that employ these strategies therefore have higher employee satisfaction ratings than their counterparts. Not only do these higher satisfaction ratings attract top talent to apply to these firms but also lower the turnover the rate for the organizations in question.

The benefits of employer branding and marketing to firms makes it important that managers understand and utilize these processes in the staffing function.

Employer Branding and Marketing Techniques

a) Approach Employer Branding and Marketing Strategically

Employer branding and marketing is valuable to the organization only if it is fully utilized. The best way to approach marketing and branding for an organization is to plan and implement it strategically. Managers must assess the availability and utility of resources within the organization before they implement any employer branding and marketing strategy. Similarly, it is important that the management set performance standards for each strategy to make evaluation easier after the implementation stage.

b) Take the Mission and Vision into Account

The mission, vision and values of an organization describe what the organization wants to be and the steps it must take to move in that direction. An employer brand is simply a statement of what candidates think of a company that they want to apply to. Therefore, the employer brand and the mission and vision of the company must be aligned with employer marketing and branding to be effective. Candidates may choose not to apply to a company whose mission statement and employer brand do not gel. Aligning the employer brand and company brand is necessary for this recruitment strategy to work.

c) Research Current Internal and External Perception

Building an employer brand and marketing that brand is difficult when managers do not know how employees and candidates perceive them. Therefore, managers should prioritize internal and external assessments to learn about the company's existing brand before formulating a strategy to change the brand. Conducting interviews and surveys is one method recruiting department can utilize to identify the company brand. Managers can propose to change the existing brand if it leans on the negative side or simply to promote it if it reflects positively on the organization.

d) Value Creation

In management, a company is only as valuable as its stakeholders and performance. Therefore, managers should assess the value of the employer brand to different parties before marketing it. They should, for example, question employees about what they think of the company's brand. They should also look at whether the company's employee and customer brand align with the overall company brand. Aligning the organization's employer and company brands is well and good, but not if it goes against the customer and employee brands.

e) Employer Marketing and Branding

Coming up with a strategy, considering the mission and vision, researching the market and creating value are steps managers can take before they use the following marketing and branding strategies. These strategies are designed to make the employer brand known to top talent within the industry. Managers can also use them to help market the company to these potential employees.

f) Highlighting Employee Value Proposition

What makes an organization different from its competitors? How does organizational culture affect the employees working in a particular firm? These are some of the questions that candidates interested in a company ask about it. Managers can attract more recruits to their companies by providing content about the company's policies, programs and rewards or in short, by answering the question, "What do you have to offer?"

g) Adding Credibility to Your Employer Brand

Say that a company states during marketing that it "provides the most conducive environment for employees." At that point, candidates could question the validity of that statement? Do they pay as much as the candidates think they do? What is it that the organization possesses that makes their employees appreciate their working environment? Businesses can lend credence to the assertions made during employer marketing by having employees speak about their experiences with the company. These

testimonials can be anything from short videos on the firm's career page or posts on the company's social media pages.

h) Simplifying the Application Process

Many candidates give up on the application process in companies either because the process is too long, too hard or too hectic. Managers can attract more recruits to their firms by:

- Making the application process mobile-friendly. It is easier for people to apply for jobs on the go using mobile phones therefore companies should invest in mobile-friendly applications.

- Making the job description for each post clear in the job posting. When the description is too vague, candidates could opt to apply to other firms, lose interest in the application, or come up with unrealistic expectations during the recruitment process. The last possibility is especially negative as it translates to poor performance, lack of candidate job satisfaction and high turnover rates. Furthermore, companies such as Glassdoor have made it easier for candidates to publicize their experiences during the recruitment process of any organization. Having a prospect report that a firm's job descriptions are unrealistic or that the job does not meet candidate's expectations could damage a company's employer brand.

i) Market through Social Media

These days, the use of social media is widely popular among hiring professionals and candidates. People use their social media accounts almost daily. Managers who want to publicize their job postings and build their employer brands can use social media to do so. They can ensure the pages stay up-to-date. Recruitment teams can give timely replies to questions on job postings, thus promoting the employer brand.

Finding the right people for the right job is as important to companies as finding the right firms to work for is to candidates. Employers should therefore utilize the marketing and branding techniques at their disposal to promote themselves to candidates.

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Negotiating during the Recruitment and Hiring Process: Skills and Techniques

One of the first things a manager learns to do during the recruitment process is how to recognize potential and identify talent. Hiring professionals have to sit across from candidates at some point in their careers. They therefore have to learn how to distinguish good candidates from those who would be a perfect fit for the organization. But what happens after that? How should managers proceed when they have the perfect candidate sitting across from them? What should they expect from these candidates and what should they know about what candidates expect of them?

Why Negotiating Skills and Techniques Matter

During the recruitment and selection process, candidates with solid CVs, good grades on pre-employment tests and promising potential usually have the advantage when it comes to negotiating compensation and benefits. After all, top talent is always in demand. Take the technology industry for example. IT firms are always looking for coders who can create and manage in multiple languages. They are always hoping to secure employees who can turn those organizations into the next Facebook or Amazon. The demand for highly skilled employees is high and hiring them is competitive. For managers to secure such talent for their organizations, they must therefore master negotiation skills to deal with candidates. Negotiating can make the difference between a candidate accepting an offer or taking a job with one's competition.

Negotiation Skills and Techniques

Negotiating both Financials and Non-Financials

Imagine that a candidate walks into a room expecting a pay of between $90,000 and $100,000. The manager in that firm is only prepared to offer $75,000. What can a manager do in such a situation that will not result in a candidate walking away from the negotiation table?

In recruitment and hiring, one of the biggest challenges managers face is higher compensation expectations from their candidates. When a person is highly qualified and skilled, they know what their knowledge and skills are worth, and they leverage it during the process. This is especially the case in highly competitive spaces such as technology and investment banking. Because of their skills, such individuals demand and expect more compensation.

Managers can differentiate themselves from their competitors by talking about more than the financial side of things during the recruitment process. They can leverage their companies much in the same way candidates leverage their skills. For example, in the case above, the manager could say a few words like, "So, you expect us to pay $90,000 when

you join our company. Your offer is fair, but at the moment, we cannot accommodate it. I'm afraid we can only afford to offer you $75,000 at present. However, our company does offer a range of options which could make up for the deficit."

Talent feels good when appreciated and rewarded. By offering a different incentive to candidates, you could get them to accept lower pay packages. Is the candidate a fan of a particular sports team? Include tickets to see a live game annually or a number of times per year. Does the candidate have a family? Remind them that your company offers four weeks of vacation time, extendable to six. Offering additional benefits even while talking finance is one way to secure talent during the hiring process.

Negotiating with all necessary Authorization

Take the example of the manager in the case above but with a slight variation: the company was willing to offer the candidate $80,000 instead of $75,000. In this case, opening with the $75,000 offer could allow the manager to negotiate lower pay for the candidate. If the manager added benefits to the $75,000 offer, it is likely that the candidate would accept the offer. However, what happens when a candidate demands an amount higher than the company is willing to pay? What would happen if the candidate in the hypothetical situation dropped $5,000 and presented $85,000 as the final offer?

There are two ways managers can deal with such situations. The first would be to do what the manager did in the first place: throw in the benefits and leverage them for all they are worth. Remember, what one company offers and benefits and what anther offers are rarely the same. So, make the candidate an offer they cannot refuse by adding benefits to their compensation that your competition does not offer. The second option would be for you to raise the offer amount.

Offering candidates higher pay is usually a last resort for many HR professionals. However, it is unavoidable in some circumstances. When it comes to such a situation, the best way to approach the negotiation would be to get all necessary approvals to raise the offer beforehand. For example: in our manager-candidate scenario, the company is prepared to offer $80,000. However, having done her research, the manager asks her superior for approval on a $10,000 raise on that amount. When the candidate sticks to $85,000 even with the added benefits, the manager is equipped to meet that offer.

Navigating the Conversation

In the negotiation room, knowing when to speak and what to say is as important as the offers and counter-offers. Knowing how to navigate the conversation when negotiating in the hiring process is a skill every manager should strive to possess.

There are three techniques managers can use to bring candidates around to their way of thinking. The first is slowly setting candidates up for their offer. Instead of going right

ahead and presenting the compensation package, for instance, hiring managers can go the benefits-then-pay way. First, the managers can talk about what the company has to offer in terms of intangible benefits. What this does is introduce the candidate to the company and getting them to agree that there are other benefits to joining the company aside form pay. For example, a manager could point out that the organization has a reputation for employee satisfaction. A candidate who has one their research would know and agree with that statement. The manager can then go on to point out that the company is renowned for having highly-skilled employees and how working in that firm would give candidates a chance to work with them. Using statements like this preliminary to making an offer raises the likelihood that the candidate will accept it.

The second technique has to do with using silence to one's advantage. After pitching compensation and benefits to a candidate, managers can pause instead of pushing for an answer. Managers can also use awkward silence to secure clients. For instance, after pitching an offer, managers can let clients reason their thoughts on the offers aloud, which could convince candidates to take the offer. Look at this scenario for instance:

Candidate: Based on what I have read so far, I thought my compensation package would amount to $90,000 on average, though anything between $90,000 and $100,000 works for me.

Hiring Manager: …

Candidate: …

Hiring Manager: …

Candidate: Oookay. Well, I am also open to taking on lower pay with the great added benefits if they are on offer since I like this company.

Technique number three with regard to communication in the negotiation room is mastering body language. As a hiring manager, you may come across candidates who would make such a great addition to a firm. After presenting them with an offer, you are anxious that they take it. However, that is not the impression you want to give. In such cases, recruiters and hiring managers need to control their body language. Fidgeting and avoiding eye contact by managers tells candidates that a firm wants them badly and gives them added advantage at the negotiation table.

Utilizing Loss Aversion

Loss aversion is the concept that losses are more apparent to people than gains. If giving potential employees a breakdown of benefits does not convince them to take the offer, a negotiation tactic that could is emphasizing loss.

Most candidates listen to compensation offers passively. However, managers can ensure that they pay more attention to the offer on the table by emphasizing what they stand to

lose by not taking the offer. For instance, if a candidate is reluctant to take on lower pay, a manager could draw attention to all the other benefits included in the package and ask if the candidate is willing to trade all of them for pay is marginally higher. This tactic makes candidates pay attention to the offer on the table, particularly the benefits that come with working for a particular organization.

Creating Mutually Beneficial Agreements

Negotiations are not just about one party getting what they want; they are about creating mutually beneficial arrangements. When negotiating with candidates, managers should emphasize the mutual benefits of the arrangements. This emphasis leaves all parties feeling that they have come from a win-win situation.

Negotiating is a necessary function for all managers, particularly when it comes to recruitment. Managers should therefore invest time in developing negotiation skills. When managers know how to present their offers to candidates effectively, they have a higher chance of converting applicants into new hires.

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Due Diligence Processes

Due Diligence is a term many managers hear when a firm is about to make a major change. Organizations conduct due diligence when they are about to enter major agreements or take part in significant financial transactions. The due diligence process is essential not only to organization heads but also to investors, brokers and equity researchers. Of course, different parties conduct due diligence on firms for different reasons. This feature describes the due diligence process as it related to firms participating in M&As, divestiture and offshoring. This information also applies to investors who want to buy into hedge funds.

What is Due Diligence?

In law, lawmakers conduct investigations on suspects and present their findings to advocates who then prosecute the perpetrators in court. The due diligence process is a lot like a criminal or civil investigation. Basically, it involves one party taking reasonable precaution by investigating another to ensure the information provided by the other party is accurate. According to Investopedia, due diligence can be described as "*an investigation of a potential investment or product to confirm all facts, such as reviewing all financial records, plus anything else deemed material.*" In conducting due diligence, the reviewing party looks at four areas: the financial performance of a potential investment, its commercial potential, its impact on the environment as well as its legal compliance.

In a management setting, due diligence is necessary before undertaking any acquisitions or divestitures. It is therefore surprising to note how little attention the procedure gets despite its importance (Richie and Davis, 2010). However, due diligence is only strongly recommended for private investors, but not necessary.

Importance of Conducting Due Diligence

a) Making Informed Decisions

Businesses withhold significant amounts of information from members of the public. Before making a deal with any organization, individuals and companies should look into the firms they are dealing with. Due diligence enables potential partners to understand the risks of purchasing a given investment. This is especially important to those acquiring companies. You do not want to buy a seemingly successful company only to find hidden gaps in the balance sheets a year into making the purchase. Once you understand the risks, you can make an informed decision about whether to go ahead with an acquisition or divestiture.

b) Negotiation Advantages

In business negotiation, due diligence comes in handy particularly to the buying or investing firms. Due diligence allows potential partners to assess the past, present and projected performance of the companies they want to invest in. If due diligence yields results showing that the asking price for a firm is higher than what should be given past and current performance, it gives the investor added negotiating power. As such, conducting due diligence could result in price reduction for the company to be acquired.

c) Compliance

Some parties involved in due diligence processes engage in them to meet legal requirements for entering a contract or completing a financial transaction. For instance, under the US Securities Act of 1933, security brokers must do their due diligence on any securities they are about to sell and disclose them to potential investors. If they skip on the due diligence part of the sale, they are liable for criminal charges.

Due Diligence in M&As and Divestitures

To do one's due diligence is necessary for M&As as well as divestitures. Due diligence processes provide insight into whether a company or security would make a suitable investment. The activities involved in conducting due diligence for companies can be divided into three broad stages namely: planning, information gathering and documentation and reporting.

Planning

For a due diligence process to be successful, it must be planned (Sinkin and Putney, 2014). The planning stage of due diligence involves developing a timeline follow through the rest of the process. This plan should detail what activities need to be completed and give a timeframe for completion. They also state which parties are responsible for every step of the process and what their roles are. Additionally, due diligence plans outline the available implementation resources (time and money), and how each should be applied during the process. After the planning stage of due diligence, the investigating party should be able to answer questions like: ‘what is due diligence?’ ‘Why are we conducting due diligence?’ ‘What are we going to do during this process?’ and ‘When are we going to do it?’

Information Gathering

This phase is arguably the most important one in the due diligence process. During this stage, investors go through the financial records and other relevant papers pertaining to the company they are investigating. Below is the information investigating parties may want to collect about their potential partners before making a decision:

a) Market Capitalization

Before going into business, investors must assess their potential profitability from the business venture. Market capitalization is a key indicator of the health of a business investment. Market capitalization refers to the size of the market that a company provides products and services. The size of the market is a strong indicator of the future revenue stream that is available to the company. A larger market cap is better as it shows a business will have recurring revenue streams upon purchase. Market cap also affects the volatility of stocks. The larger the market cap, the less likely it is that stock prices will fluctuate which is a good sign for investors.

b) Revenue and Profits

How much does a business earn? How much can it earn? What were the profits/losses for the business for the past two years? If the business made profit, what was the size of the profit margin? These are some of the questions that investors should answer when it comes to their potential investments. Business sites such as Yahoo! Finance and CNBC are dedicated to providing such information to potential investors. Trends in profit margins and revenue are key indicators of a company's financial performance in future.

c) Business Valuation

The value of a company is calculated in terms of its expenses, sales, revenue, and growth. Companies with great price-to-earnings ratios are considered more valuable than those with ratios found lower on the scale. Similarly, investors place more worth on firms with fairly high and constant earnings. Earnings may fluctuate over time, but companies with the more consistent and relatively high earnings may have higher performance. In this stage of due diligence, investors should also look at the performance metrics of competing entities. It is possible to start looking at one firm only to realize that you are interested in another one within the same industry.

d) Assets and Liabilities

The assets a company owns as well as its debts and earnings are important metrics to potential investors. They indicate how valuable a company is. They are also major factors to consider when negotiating the asking price of a firm. Investigating parties can check the assets and liabilities of an organization by going through its books and its balance sheets. Balance sheets are the fastest way to obtain this information. However, it is advisable to go through all available financial records to ensure that the figures recorded in the books and those recorded on the balance sheet match when conducting a due diligence check.

e) Past and Future Stock Performance

The gains and risks associated with an investment, particularly a company, majorly depend on the performance of its stock. By looking at SEC filings such as 10-Ks and 10Qs,

investors can assess the dilution and performance of a firm's stock. The more diluted a firm's stock, the less the price the company can demand from investors. Similarly, companies with strongly performing stocks for relatively long periods command higher prices and bigger valuations.

f) Expectations and Risks

The final stage of information gathering in due diligence processes is the assessment of risk associated with a potential investment. Several key factors play into risk assessment in management.

First, the past, present and forecasted business environment all play a role in business performance and valuation. Investors should therefore look up the firm's management, competitors and general industry before making a decision on whether to invest in a security/business or not.

Another key factor in assessing risk in business is financial performance. This is covered in all the steps above (checking valuation, market capitalization etc.).

Finally, investors can assess the risk they take on by making an investment by asking about the expectations of experts in the industry as well as financial advisors. A business could be a credible venture if a financial advisor vouches for it, or if experts in the field predict the success and growth of the company within that niche.

Documentation and Reporting

After conducting due diligence, equity research analysts, brokers, fund managers and investors compile the necessary paperwork. At this juncture, investigating parties are ready to make informed decisions regarding the companies in question.

This due diligence process is ideal for those considering an acquisition, disposal, refinancing, restructure, public listing or other similar transaction. Due diligence processes, in this case, involve looking over the financial performance of a company, its compliance with laws and regulations and its value and making a decision as to whether it is worth the investment. Individuals and organizations should conduct their due diligence before making any commitment to avoid future complications.

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END OF FUNCTIONAL AREA 2

Functional Area Three:

Learning and Development

Adult Learning, Training and Development – Theories and Applications

In today's world, e-learning is an essential part of career advancement and professional development. Organizations are competing for the top talent in each field. This makes it crucial for managers and employees to take advantage of opportunities to broaden their skillsets. Adult learning, whether in a physical or online setting, is one way for them to achieve this feat. Companies offering adult learning courses need to understand adult learning theories and applications to effectively and efficiently design their learning experiences.

Adult Learning Theory

Pedagogy practices differ when teaching children and adults. Adult learning theory refers to the teaching practices utilized in teaching adults the basics of corporate studies. Understanding adult learning theory is the key to designing how to create effective learning experiences for adults.

Adult learning not only includes the concepts, courses and the study materials that companies have to align to create effective learning experiences. On the contrary, adult learning also covers analyzing the course criteria, creating an effective plan and time period for the course, determining course essentials, allocating time effectively, and creating an attractive and engaging learning experience.

Adult learning theory comprises of a variety of training and development theories. Below, we will discuss the top three theories managers can use when designing and implementing effective adult learning programs in their firms.

First theory – Andragogy in Adult Learning

Developed by Malcolm Knowles in the early 1970s, the Andragogy Theory explains the difference between adult and child learners. According to the theory, adults bring their perspectives and experiences to the learning process. As such, their method of learning differs from that of children. According to Knowles, adult learners can be differentiated from children in the following ways:

1. **Urge for Knowledge:** Adults are interested in knowing “why” they are learning the course, that is, what benefits it offers them.
2. **Stay Motivated:** Adults learn because they want to. They learn because it fits their aspirations to do so. Knowing the motivation behind adult learning is important when selling a course to adult learners. When managers offer employees professional development courses based on the latter’s wants and needs, employees will be more motivated to follow through with the course.
3. **Interest:** Adults will only pay for an adult learning experience that they consider interesting and beneficial to their professional and personal development.
4. **Putting a foundation:** Effective instructive designers take advantage of adults' foundations in learning. As children, individuals learn how to research, rationalize options, analyses information, create ideas and implement them. Adult courses should take these foundations into account so as to be productive.
5. **Automotive thinking:** Adults have automated thinking capabilities. They are self-directed and appreciate the chance to put their thinking t the test in their learning experiences. Effective courses promote this quality in adult learners.
6. **Task-oriented learning:** Adults like practical learning experiences. Therefore, course designers for adult learning courses should accommodate task-oriented learning in their design process.

Theory 02: Transformational Learning in Adult Learning Theory

This theory is based on the assumption that adult learners should experience change after each learning experience. Transformational learning means equipping adult learners with the skills and values necessary for them to make a change in their professional and personal lives. In a corporate setting, transformational learning should help learners incorporate the corporate principles and concepts they learn in the classroom.

Transformational learning is vibrant, inspiring and engaging. They are the learning experiences that leave learners feeling invigorated and ready to implement change in the organization. They, directly and indirectly, change the attitudes, perceptions and behavior of the individuals who take them.

Transformational learning theory contains three stages of the adult learning:

- **Identifying the dilemma or crisis:** The motivation to take a course stems from the dilemma/crisis of the individual in question. Therefore, adults must first determine why they need a course before they take it.

- **Establishing personal relevance:** Next, learners must answer the question “what is in it for me?” Knowing why they are taking the course makes adult learners more committed to following it through.
- **Critical thinking:** In this stage, adult learners reflect on how the course has changed their beliefs and attitudes. Instructive course designers should provide the opportunity for review within each course.

Theory 03: Experience-based Learning in Adult Training

The Experience-based Learning Theory states that the real essence of the adult learning is just making a greater sense of experiences. This theory assumes that the best way for adults learn is to experience those situations. Under this theory, for instance, building a prototype is more efficient in teaching adults than memorizing numbers of definitions alone.

There are four stages involved in this type of adult training process:

1. **Concrete experience:** This stage encourages adult learners to develop realistic scenarios during the learning process. Adults are encouraged to learn outside the classroom to get “concrete” experience.
2. **Reflective observation:** Adults reflect on the cause and effect relationship of the events they observe in this stage. For instance, if the learner observes a change in the business environment, he/she needs to establish what impact that change will have on the organization.
3. **Abstract conceptualization:** This encourages learners to develop their critical learning abilities by showing relationships between experiences and thoughts.
4. **Active experimentation:** Active experimentation refers to giving adult learners a chance to put their newly acquired skills to the test in a corporate setting. An example of this stage is when a company promotes an employee to managerial level after taking a particular course. This employee has to put his decision-making skills to use to manage the operations of the firm. Since the learner is in charge of making decisions, he is experimenting using knowledge acquired from the course. This stage helps adult learners deal with real-life challenges more effectively in the corporate setting.

Training Program Development Options

Training is one of the most comprehensive and thorough ways of developing the skills and talents of a workforce. Regular quality training provides each employee with the skills and knowledge they need to improve their performance on the job and even rise to higher roles in an organization. As an HR professional, it is necessary to develop a training program and there are some guidelines that will help with the process.

Training Program Development Framework

There are a number of things you need to consider when developing a training program. These include:

- Needs assessment and learning objectives. Here, one determines the kind of training needs the organization has.
- Learning styles. This will entail the consideration of a range of styles of learning for the training programs
- Mode of delivery. How best can you get the message across? Will one-on-one mentoring or web-based training work better? Most programs include multiple modes of delivery.
- Budget. This is what is expected to be spent on the training.
- Delivery style. Here, you need to consider whether the training will be self-based or instructor-administered as well as other methods of delivery that apply.
- Audience. These are people who will receive the training, Are you mixing roles or departments? What are the positions of the people attending?
- Content. What will the training educate on?
- Timelines. How much time is needed to develop the training program? How long should the training last?
- Communication. How will you communicate about the training to your employees?
- Measuring the effectiveness of training. This is the process of determining whether the training worked. It deals with methods of measurement.

Needs Assessment

In this first step, one determines what the organization needs in terms of training, and this can be looked at in the three stages of training needs assessment:

1. Organizational assessment: this assessment determines the knowledge, skills, and abilities that an organization requires to achieve its strategic goals. It considers things like technological and demographic trends in the organization.
2. Occupational (task) assessment: the assessment focuses on particular tasks, abilities, knowledge, and skills needed for conducting work in an organization.
3. Individual assessment: this looks at the performance of each employee individually and determines what exact training they require.

Learning Objectives

Learning objectives are the things you want learners to be able to do, explain, or practice after the training period. A good set of learning objectives is performance-based and clear and should be measurable after the training. Some learning objectives might include the following:

- Explain the safety procedure in handling chemicals.
- Be able to show how to properly take a client's order.
- Be able to explain the organization policy on sexual harassment with examples of sexual harassment.
- Able to perform various customers' needs analyses using organization software.

Learning Styles

Learning styles are a crucial component of any training program. Research shows that classifying people into learning styles is not really the best approach towards determining a learning style simply because most people prefer a different style depending on the kind of message being conveyed to them. One study by Pashler et al. looks at personality and aptitude as key qualities when learning, rather than classifying people into learning style categories. There are three types of learners as follows:

- The visual learner. This type of learner normally has an image of the experience in mind.
- The auditory learner. This type of learner prefers to learn by listening to a lecture or to someone explaining how something should be done.
- The kinesthetic learner. This learner grasps concepts by developing feeling or feelings toward the experience. This kind of learner understands better from doing rather than observing.

Delivery Mode

The delivery mode chosen for training employees is different based on the kind of training needs intended to be taught. Orientation training may be best suited in a vestibule

setting. On the other hand, training on sexual harassment may be delivered better on a web-based training forum. When selecting the most suitable modes of delivery, it is essential to consider the audience and the budget limitations of the organization. Some commonly used delivery methods are vestibule training, job swapping, job shadowing, web-based, brown bag lunch, mentoring, and on-the-job coaching.

Budget

This is a question of what expense can and will be incurred during the training period by the company. The type of training to be facilitated will depend heavily on the budget. If you choose to have web-based training as your delivery mode yet you do not have the funds to pay the user fee for the needed platform, then the execution of the delivery mode would be difficult. Besides the actual training cost, the time taken from the employees for the training is also an incurred expense. What is the cost incurred by the company when employees are in training and unable to perform their job? A list should be developed that outlines all the costs, direct or indirect, that will be directed toward the organization.

Delivery Style

There are many ways by which they learn, such as auditory, kinesthetic, or visual. With this in mind, there are certain icebreakers, breakout discussions, and actions which can make learning processes interactive and productive. An interactive and involving game during employee training is role play. Other trainers make use of podcasts, online videos, and other interactive media delivery styles to deliver training. This tries to incorporate various styles of learning for a more productive training.

Audience

It is important to consider the audience, how long they have been with the organization or whether they just joined it, the department they work in, among other distinctive factors. Knowing this would help in the development of a relevant style of delivery for better training. For instance, if the audience is from the department of financing, then the illustrations you give them can have a focus on this line of work. If it is a mixed group, illustrations from multiple departments will do.

Content Development

The content of the training is the soul of the whole activity. This part also takes the most time to create. The development of learning objectives makes the training more focused. Learning objectives are like goals, they are what should be achieved after completing this training. Once the goals and objectives are in place, developing the content of the training can be simply done.

Timelines

Timelines are needed to ensure the training has been done before a certain event (s). Most of the time this is seen in safety training, where training on the matter must be done before employees start work. The length of the training session matters too. Determine whether it will take you a day, hours or weeks to complete it.

Communication

How will you communicate the available training to employees? In the case of say an orientation, one needs to communicate with staff, managers, and everyone else who is a part of the training about the timing and also confirm that it works with their schedule.

Measuring the Training's Effectiveness

After completing the training, you need to see whether the objectives of the training were met and whether it was effective. The Kirkpatrick model (Kirkpatrick, 2006), first created in the 1950s is a model for measuring effectiveness. It has 4 levels:

- Reaction: What was the response of the employees to the training program?
- Learning: How much improvement in knowledge and skills was seen in the participants?
- Behavior: Was there a change in behavior as a result of the training?
- Results: How did the company benefit from the training?

Review the performance of employees who went through training, as well as those who didn't to compare the effectiveness of the training. If the training did not do the job, you'll need to go back to the drawing board. If, however, it worked, then it can be implemented in the future.

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Adult Learning Processes

We are living in a time when there is a continuing flow of behavior science that illustrates how adult learning is different from children's learning. There is a huge difference between what it takes to motivate an adult and a child to learn. Adults often need to be shown what is in it for them. They need to know what they will benefit from their efforts to learn this new way of doing things. Human Resources is often given the role of instructor, and with this comes the need to understand how the adult learning process works so that they can properly facilitate the training experience for their employees. There are many different ways of explaining how adults learn, as different authors have illustrated in past years. Malcolm Knowles considered that adults learn differently in ways than children. Knowles identified the following characteristics of adult learning:

Self-concept

This entails moving from dependency on others to autonomy and self-directed learning.

Experience learning

This would involve drawing from past experiences for future learning.

Readiness to learn

It is need-specific to the current condition.

Orientation to learning

This is the application of information in current situations to solve immediate issues.

Motivation

Motivation should come from a source of personal inspiration and desire rather than from outside conditions.

Malcolm Knowles also identifies three different types of learners:

1. Auditory learners: These are a set of learners who have a preference for hearing information. Therefore, the process of learning that suits them would have to tap more into them listening to the information.

2. Visual learners: These are learners who get the most out of visualizing the information being conveyed to them. A process of learning that suits these people is one that allows them to see most of the information and commit it to memory.

3. Tactile/ Kinesthetic learners: These are learners who like to have a physical, first-hand involvement in the learning process. A process that suits the tactile learner is one that makes the earning process involve them physically, with a sense of touch and a hands-on approach.

How Knowles' Adult Learning Principles Can Be Implemented

Adults are internally motivated and self-directed

Over the years, it has been established that adult learners will be reluctant to learn if they feel like the information, actions or ideas are being imposed on them. Therefore, a great learning program should facilitate the employees' movement toward a self-directed and responsible form of learning. The learning program should move from more to less structure, from less to more responsibility, and from more to less direct supervision. This should be done at a pace that is rigorous but not overloading to the employees.

You can achieve this by developing a rapport with the employees; by understanding them, you increase approachability and a better learning experience. Involving the employees by showing interest in their thoughts and opinions and leading them toward inquiry rather that damping facts on them also improves the learning process. Giving the employee feedback, both negative and positive, and reviewing and acknowledging their goals and achievements also encourage them to learn from you and from each other.

Adults relate their life experiences to learning experiences

Employees prefer to be given the opportunity to use their existing foundation of knowledge and life experiences and apply them to their new learning experiences. To make the most out of this, the HR professional should learn more about their employees, their interests and their past personal, work, and educational experiences. Then, it makes it possible to help them draw on their past experiences when solving problems in the workplace. A reflective learning opportunity could also help the employee examine the existing biases or habits based on life experiences and hence move them toward a new understanding of the information presented.

Adults learners are practical

Practical fieldwork experiences are one of the most effective ways to give an employee a clear understanding of learning components. They get to interact with real clients and in these real-life situations, get a more practical sense of learning. When you move your employees from the classroom and textbook, you take them to a place they can take a front seat in problem-solving. They get to see first-hand how what they are learning applies to the work and real-life context. You can make the learning experience practical

by promoting the employees' active participation by allowing them to do rather than just hear and see. You can give the employees plenty of practice opportunity in implementing what they have learnt in various relevant departments of the organization and doing with ample repetition so that it promotes the development of the new skills, confidence and competence.

Adults are relevancy-oriented

Adult learners want to know that what they are being trained on is of actual relevance to them and what they intend to achieve. One way the HR professional can help employees see the relevance of the learning process is by asking them to do some reflection on what they intend to learn before the learning experience or even what they learnt after the learning experience and how they think they will apply it in the future and use it to meet their goals within the organization. Regular learning sessions coupled with an assessment or analysis of what was taught is a great way to find out whether what they are learning is helping them. You can also use the assessment as a reference point to show others who are yet to go through the learning process that it will be relevant to them and what they are doing in the organization.

Adults are goal oriented

Employees will feel a need to learn only when they see the need to do it, that is, only when it will help them manage more satisfyingly their real-life tasks or problems at the workplace. Therefore, you can trigger their urge to learn new things by facilitating their preparedness for problem-based learning and increasing their understanding of the need for the skills or knowledge offered. This can be done by providing meaningful learning experiences that are linked to the personal, client, and fieldwork goals, providing real case studies as a basis from which to learn about their departments' aims, functions, and expectations, and finally asking them questions that motivate reflection, inquiry, and productiveness at work.

Adult learners like to be respected

When you treat employees with respect, they reflect the same respect in their work and learning. Therefore, respect for your employees can be demonstrated by taking particular interest in them, acknowledging the wealth of experience that they bring to the organization, regarding them as a colleague and an equal in life experiences and encouraging them to express their ideas, thoughts, feedback, and recommendations on the learning process whenever they feel the need to.

It is very important to understand that adults learn in a different way than younger people and for various reasons. For this reason, adult learning theory can become a variable tool

when incorporated into professional training and development programs. In this piece, we have taken an extensive look into Malcolm Knowles' principles of adult learning. His theory and principles of adult learning can help to facilitate greater integration of knowledge, information, and experience in employees for their improved overall performance.

To effectively integrate these adult learning principles, the elements of each principle ought to be adequately applied to any Human Resources training and development initiative. Adult learning processes like this one by Knowles can only work with a professional HR management team that is determined to implement every aspect of it correctly into the organizations training employee training program.

Only when previsions are made to ensure the successful application and implementation of each of these areas will a training program and initiative have the chance to be successful. It's worth noting that there are many other adult learning processes that an organization can tailor to suit its training program.

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Training Program Facilitation, Techniques, and Delivery

Learning covers a wide variety of terms or concepts. In an organizational context, learning particularly involves the continuous process of equipping employees with new skills and knowledge so they can stay updated on any developments in their positional requirements. Learning also erodes organizational competitiveness. The technology and financial sectors are some of the areas in an organization that continuously need to be updated, and this is done by educating the employees. This makes the learning process a crucial one that needs to be of priority over other aspects in an organization. The human resource department has a pivotal role in facilitating and delivering learning in the organizational context and hence, the implementation of these actions by HR professionals ought to be proper for the learning process to be successful.

Facilitation of the Training Program

On-the-job- learning

Learning can be on the job or through training. When it is facilitated on the job, it is mostly from peers and colleague and it is achieved by employees working together or sharing work that would help them pick up and learn new skills and talents at the workplace. There are many companies that support and encourage teamwork and collaboration of employees at the workplace. Such companies like 3M can be termed as true learning organizations as their organizational culture is set towards ensuring their employees are always learning new skills on the job. The HR professional must enable learning to take place while employees are on the job.

Conducting periodic training in technical and soft skills

Business trends are changing every day, with factors like technology and finance being the greatest contributors to it. Employees need to be familiar with the latest trends in technology and science concepts in their field of work within the organization. The HR professional also needs to ensure that soft skills training is imparted to the employees on a regular basis. This ensures that employees are capable of handling leadership challenges well and that they can accomplish goals through fulfilment and actualization. Multinationals like IBM and Fidelity allocate each employee a certain number of hours for training to allow them to stay ahead of the curve of technological development. Learning is a continuous process that does not stop at whatever level. Therefore, the HR department must make all this new information available to employees at all stages in the organization.

Creating interaction in management

It is undeniable that senior management has been in the game longer and has a deeper and wider understanding of how things should be done in an organization. Therefore, HR can create meaningful interactions between the middle and senior management so that the senior management can share their knowledge and experiences with the managers at lower levels. This will help the younger employees in the organization learn and grow as individuals and it would also empower them from an organizational perspective. The richness of senior management knowledge needs to be tapped into in order to reach other employees who can benefit from it. It is the responsibility of HR to facilitate this process of knowledge sharing.

Triggering insight from within employees

The best learning happens when an employee discovers the insight for themselves. It is on HR to fuel the process that ensures every employee ignites a spark of creativity and an urge for learning. HR can do this by making sure that the employees and the organization grow together as a unit.

Training Program Techniques

There are very many methods and materials that coupled with the right techniques of training can help to prepare and equip employees to do better at work. Picking one specific method of training may not maximize on the training initiative, however, using multiple different methods for each training session or within each session could be a more effective approach towards educating employees.

Before considering a training technique, ask yourself these questions:

- What are the training goals of the training? It could be to teach new skills, to teach new techniques to old skills, among other reasons.
- Who is being trained? Are they new or old employees, or is it upper management? Is it a particular department?
- What is the budget for the training?
- How much time has been allocated for the training?
- What training materials and resources are at your disposal?

Classroom or Instructor-led training

This continues to be one of the most popular training techniques. This technique has many types that include:

- Whiteboard or blackboard
- Overhead projector

- Video portion
- PowerPoint presentation.
- Storytelling

The instructor-led technique is efficient when presenting a large volume of material to all sizes of employee groups. It has a personal, face-to-face experience. The same information is conveyed to everyone at a time. It is also cost-effective and interesting to employees. However, it may not be interactive, the success of the training mostly depends on the effectiveness of the teacher, and scheduling with large numbers of employees can be hectic.

Interactive techniques

Training sessions can be broken up to incorporate interactive sessions that keep employees alert, attentive, and involved such interactive methods include:

- Small group discussions
- Quizzes
- Case studies
- Active summaries
- Question cards
- Role-playing
- Q & A questions
- Demonstrations
- Participation control

Interaction with the employees during training is crucial since it keeps them engaged in the learning and this increases their receptiveness to the new information. Training is also made fun and enjoyable. It allows veteran employees to pass knowledge to newer employees. The methods can, however, be time-consuming and also be less structured.

Hands-on training

This is also called experiential training and can be implemented in the following ways:

Cross training: This method allows employees to experience other jobs. This enhances the employees' skills not only in their department but also in other jobs within the organization.

Demonstrations: These are a great way to teach employees how to use new equipment or conduct a new process. The method also teaches safety skills and encourages engagement in training.

Coaching: Job coaching improves employee performance. It focuses on individual needs of every employee and generally has no set of training.

Apprenticeship: It allows employers to shape inexperienced employees to fit the current and future jobs. The technique gives young employees knowledge in a trade of profession. It combines supervised training with classroom instruction.

Drills: They are a good way for employees to practice their skills, for instance, evacuation drills help in training emergency preparedness.

Computer-Based Training (CBT)

CBT has become more popular with the growing trends in technology. Computer-based training formats vary and are often used to support their forms of training techniques. CBT techniques include text only which is the simplest form of CBT, CD-ROM, multimedia, and virtual reality. These techniques are easy to use, can be easily customized, are uniform, and are great for helping employees develop and practice new skills especially where they are used interactively. The techniques, however, require employees to be computer literate, to have computer access and there is little to no interaction with the trainer.

Online or E-Learning

Many organizations are coupling computer-based training with online learning methods. Some examples of this method include email, web-based training, audioconferencing, tele- or video conferencing, webinars or web meetings, and collaborative document preparation. This method is cost and time effective for the company and is convenient for refresher training. However, they also require computer literacy and are often not customized to the employees' individual needs.

Integrating these methods interchangeably in various training sessions will effectively maximize all their benefits.

Training Program Delivery

Training delivery is the conveyance of the training content to employees. Delivery can be in these forms: lecture method, discussion method, e-learning, simulations, equipment simulators, business games, in-basket techniques, case study, role play, behavior

modeling, on-the-job training, job instruction technique, apprenticeship, coaching and mentoring.

HR is tasked with selecting the right combination of training facilitation, techniques and delivery methods that will ensure productive training sessions for the company.

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Instructional Design Principles and Processes

Human Resource Development is a practice that brings training, organizational development, ad career development together to encourage improvements in the concerned individual, group, and organization in both performance and productivity. HR professionals aim at enhancing employee and customer satisfaction and ultimately an improvement in the profitability of the organization. HR professionals, therefore, play a major role in encouraging employees to participate in activities that improve their performance in management and customer satisfaction. With this major role comes the need to create and implement systems that identify competencies, establish goals and project the expected outcome.

Although there are various HR sub-roles that are used to achieve an improved and productive workforce, there is a particular interest in the functions and outputs of the role of Instructional Designer.

Instructional Design, also referred to as Instructional Development, is training design. It is associated with the systematic approach of analyzing human performance, determining the underlying reasons for those problems in performance, selecting solutions that address the problems, and finally implementing interventions to solve the problems such as training, performance support tools, organizational restructuring, and employee reward programs.

The Instructional Design Process

Every organization has a customized way of developing training programs for its employees and management. Some organizations prefer to follow a linear process while others prefer an iterative one. Some companies would rather complete an entire training program in one go while others would prefer to identify the tiny segments within the greater training program and develop them concurrently through collaboration.

An organization's decision to go by a certain process is influenced by various factors such as training needs, client expectations, training development time, tools, budget, flexibility, complexity among others. Regardless of the path chosen by an organization, there are certain steps that remain compulsory in every Instructional Design process. For the HR professional, understanding the importance of each step of this process is crucial because it will help them to successfully achieve the desired output of the training, without respect to the particular path chosen by the organization.
Here are eight processes that lead to an effective and credible Instructional Design for a successful training program:

1. **Needs Analysis**

Analysis can be said to be the most important step in the process of developing an instructional design. When conducting an analysis, one cannot limit their efforts of understanding to just the training and business needs. The analysis should cover multiple areas that include the audience, content, technology, and expectations. These needs are discussed below:

- **Business and Training Needs:**

The business and training needs of an organization are not the same. A business need helps you understand the holistic need for the training while the training need helps you understand how the intended training will help to meet the business needs of the organization. A good interpretation of the business needs will help to evaluate the impact of training on the organization after it is implemented.

- **Audience or Learners' profile**

You can analyze the learners' profile on the basis of their roles, responsibilities, experience at the job, educational qualifications, age, technical proficiency, geographical location, among other factors that give you a better understanding of the people you are dealing with. You should also get information about their existing knowledge on the topic, the challenges they face, and the learning gap that the training needs to fill up.

- **Content**

Although an Instructional Designer is not a Subject Matter Expert (SME), they still require an in-depth understanding of the content of the subject to be trained on. Reading the source content, a couple of times will give one an understanding of the key message. You can also schedule a sit down with an SME who can give you the fundamentals of the content.

- **Technology**

New technologies and tools are being developed on the daily. These developments affect how training is facilitated and delivered to learner employees. Hence, it is important to understand the technology that the organization and learners are most conversant with. HR, therefore, needs to stay up-to-date with the changing trends in technology, and with that weigh the pros and cons of each tool, and recommend the best option for the training program.

- **Branding**

This is what gives an organization its unique identity. Hence, the writing and the graphical standards that the organization follows need to be understood. This can be done by looking at previously designed courses by the organization for reference.

2. Identify Learning Objectives

When you have the needs analysis ready, then you can determine the learning objectives. Learning objectives guide you on the content that needs to be known and that that is just good to know. It also determines the emphasis that every piece of information requires during the training.

3. Develop Design

This is the process of creating a design for the instructional design. It can also be described as the design development stage. During this step, the content to be taught is segregated into small chunks of information that are then organized in a logical sequence. When the list of topics is ready, the instructional approach for the course is determined. The approach can be story-based, problem-based, game-based, or video-based among other forms. The Instructional Design should also contain interactive and engagement points. This can be achieved by incorporating captivating activities, reflection questions, motivational videos, and interactivity, among other things.

4. Create A Storyboard/ Process Flow Mapping

This is a visual document that allows you to organize your content with visuals and present a flow for the topics. In this stage, you identify the type of content you are dealing with. It could be principles, processes, facts, relationship, or classification. The presentation of the content should be using relevant text, images, characters, development notes, and icons to name a few. At the same time, you can develop other related documents, such as glossaries, voice-over scripts, and job aids and incorporate them in the process flow mapping. This gives a holistic delivery.

5. Develop the Prototype

Creating a functional prototype is important before beginning the complete development. A prototype will help to visualize how the storyboard will transform into a functional module.

6. Develop Training

After process flow mapping and developing a prototype, the initiation of the development of training can be done. The final creation will include visuals, interactivities, knowledge

checks, and assessments according to the approved storyboard. To improve the development of the training, one can also download ready-to-use eLearning templates from the internet. The templates are visually appealing, and they give room for catering to your content type, introduction, process, assessment, scenarios among others. Plus, they allow unlimited customization.

7. Deliver Training

When it comes to delivering the training, the delivery is flawless as long as every step before it was properly and carefully crafted. With a clear understanding of the needs of the organization, the learning objectives, and the best way to convey the training to learning employees, then the education process becomes successful.

8. Evaluate Impact

After conducting a successful training program, there is one step left to determine whether the training, in fact, was beneficial to the trainees. This will require an evaluation of the impact of training. Evaluation typically can be done at these two levels:

- The learner's level: Here, the analysis is to determine whether the learner found the training engaging and beneficial to them and their work.
- The organization's level: At this level, assessment is done to evaluate whether the training had a positive impact on the business and whether it helped to achieve business needs.

Every organization has a customized way of creating an employee training program that has a high chance of producing positive results. The HR professional has the role of customizing the above steps to suit the particular organization's Instructional Design process.

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Techniques to Assess Training Program Effectiveness, Including Use of Applicable Metrics

When an organization facilitates training programs for its employees, the expectation is that it will boost employee productivity, creativity, and competitive advantage, and this altogether should trigger a return of investment (ROI) that is impressive. Unfortunately, it is not every training program that lives up to its potential. Sometimes, an ineffective training program could cause dire consequences for an organization. Other times, if the training program was, in fact, productive, it could lead to favorable improvements in the organization. In light of these possibilities, it becomes necessary to determine whether the training program was effective or not as soon as it is completed.

What is Training Program Effectiveness?

Training effectiveness can take different forms. One way you can look at it is as a positive return on financial investment. Training program effectiveness can also be perceived as the performance improvement of learners in the training program, for instance, an increase in productivity or teamwork activity. Since the Human Resource Department plays a senior role in facilitating training and development programs within an organization, it is important for them to understand why assessing employee training program effectiveness is a necessary step for a complete process.

Why Measure Training Program Effectiveness?

Many companies all over the world invest heavily in employee training and development as it has proven to be an effective method for bringing growth and development in businesses. Research conducted by Training Industry Magazine found that employee training and education spend in the US alone are growing by 14% every year. Employee training and development not only enhances the knowledge and skills of employees but also plays a role in boosting employee engagement and retention. With the growing focus on continual learning and development, organizations need to be keen on identifying reliable methods and metrics for measuring effectiveness and ROI of employee training programs.

Evaluating Training Program Effectiveness

There are several ways to measure the effectiveness of employee training. When it comes to assessment, the more the data collected in measurable outcomes, the easier and more accurate the results of the measurements are, and this makes it easier to determine the organization’s ROI due to the training.

Training metrics are a popular technique of assessment that organizations are using to catch nasty issues of ineffective training before they can be repeated and from there to improve the quality and effectiveness of employee training efforts.

What are Metrics?

Metrics can be described as the broad measurement of something and aim for a quantifiable result such that it is easy to compare with other metrics. When we talk about training metrics, Key Performance Indicators (KPIs) come to mind. The two, however, shouldn't be confused. KPIs are a deeper measure of a particular aspect of the training. KPIs are often used to implement metrics.

The usefulness of training metrics is determined by their ability to be measured through KPIs or sub-metrics. Therefore, when planning to measure training effectiveness, the details of each metric set need to have very detailed KPIs.

Some of the most important training metrics fall into these categories:

- Activity and engagement metrics
- Proficiency and business impact
- Learning experiences

Activity and Engagement Metrics

Keeping in mind the time, planning, and resources that an organization puts into a training program, it is worth knowing that the learner employees are in fact engaging with it. If there is no engagement, then it means that they are not learning. And if they aren't learning, then they are not getting any closer to the strategic training and development objectives that you had set for the training. Some areas to keep an eye out for with training metrics are:

- The time spent on each activity: Are the employees struggling with any particular activity? Do they require support? Is the activity just too difficult?
- Time taken to complete the course: Are the employees taking too long to complete the course? Is the course too easy, difficult or time-consuming for them?
- Course completion rates: How many learner employees manage to complete the course?
- Activity completion rates: What exact activities are not being completed by learners? Why?
- Learner drop-off rates: How many employees are not completing the course?

- Learner drop-off points: Where in the course were most learners lost? Why?

With a good Learning Management System at the organization's disposal, the above metrics can be gathered automatically. The insight from these metrics can be used to change and test different variations in the course to improve its effectiveness in future training.

Proficiency and Business Impact

The aim of every training program is to improve the skills, knowledge and behavior of employees. The training metrics related to this main objective can be simply calculated. When you are measuring improved knowledge and understanding, then pre- and post-testing comes in handy. To measure how employees are faring with their newly acquired or improved competency, the use of assessment like quizzes and eLearning simulations can determine how well or not so well employees are doing.

Although measuring training and development may be simple, difficulty may arise when measuring the extent to which the new knowledge and skills have been practically applied by the employee. The training metrics below measure the effect of the training directly seen in the business:

- **Job impact:** Have there been any changes in productivity, customer service rating, sales, or proficiency of operations?
- Time to job impact: How much time has elapsed between the completion of the eLearning course and a notable improvement in the organization's performance?
- **Business impact:** Is there a relationship between the training and change in profits or achievement of the company's strategic goals?
- **Training ROI:** Has the cost of developing, facilitating, and delivering training reduced and that of training ROI improved?

Behavioral changes can be difficult to measure but some particular performance changes can be quantified.

Learning Experience

The training metrics above give you a better understanding as to whether or not the training program in place was effective. In addition to that understanding, HR management needs to understand how employees felt about the learning process. By measuring learning experience, the HR professional is able to determine whether employees found the training too easy, difficult, unrelated to their career development goals, and this can impact the company's recruitment and even retention of employees in future. Measuring learning experience is done using surveys and feedback tools. Employees can rate the following:

- The relevance of the training
- The quality of facilitation
- The quality of learning materials and content
- The ease of navigation throughout the course
- The appropriateness of the assessment
- The overall experience during the training

Today, there are tools that make it very easy to simply incorporate a survey at the end of an eLearning training course for employees to respond to.

The Kirkpatrick Evaluation Model

In the 1950s, University of Wisconsin Professor Donald Kirkpatrick created the Kirkpatrick Evaluation Model for evaluating training. This widely used model helps to measure the effectiveness of customized corporate learning programs. The model features four levels of measurement as follows:

Level 1: Reaction. This level measures how learners have reacted to training and the usefulness of the training.

Level 2: Learning. This level measures the skills and knowledge gained by employees from the training.

Level 3: Behavior. It measures how the training has impacted the employee's performance an attitude on the job.

Level 4: Results. This level measures the tangible results of the training, for instance, increased productivity, employee retention, reduced cost, improved quality, faster task completion, improved morale, and increased sales, among others.

The main goal of training is to improve employee performance and ultimately the organization's performance. Therefore, it is crucial to implement effective techniques to assess training program effectiveness so that the learning goals of the training are certainly and properly achieved.

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Career and Leadership Development Theories and Applications

Career Development

Career development is the lifelong individual process which involves planning, managing, learning, and transitions at all ages and stages in work life. In an organizational point of view, career development is described as an organized approach that is used to match an employee's goals with the business's current and future needs. An employee's work-related preferences and needs are constantly evolving and in the same way, the organization constantly adapts to the economic, social, and political changes.

Career Development Processes

Typically, there are two processes in career development: career planning and career management. Career planning places its focus on the individual while career management is having a focus on the organization.

When it comes to career planning, evaluating an individual's skills, talents, experience, talents, and potential abilities occurs. This gives direction to a person's career. HR professionals are often the people who assist with these activities. However, there are many online tools that can assist an individual through the process on their own.

With career management, it involves implementing and monitoring employees' career paths at an organizational level. The individual plays an active role while the organization typically provides the development programs and opportunities related to internal career progression opportunities and succession planning. Career management from an organizational perspective aims at assisting with aligning workforce talent with new business objectives and goals, positive morale, and for employee retention.

Roles in Managing Career Management

In addition to the individual employee and HR, the direct line of management and organization leaders also play a role in career development.

The individual employee holds the primary responsibility for their career. The employee needs to be proactive in planning their career progression without depending on the organization to direct their path. The employee is mainly responsible for being aware of their current assessed traits and skills as well as their need for increased knowledge, skills, and experience in line with their career aspirations.

The direct line of management supports the individual employee to assess their current effectiveness and potential and provides a broader view of the organization's career

paths. The direct supervisory management acts as the coach, appraiser, guidance counselor, and resource referral in the employee's career development planning.

The HR professional is heavily involved in the development of career pathing, personal development programs, and skill development training to enable the employees to achieve their career goals and aspirations. HR is responsible for creating a skill inventory database along with work and educational experiences of the current workforce. This helps the organization assess its existing workforce talent. HR also monitors training and development needs and creates programs that meet these needs.

Organizational leaders play the roles of communicating the organization's mission and vision to the employees, linking the organization's initiatives and changes with the aspired talent needs, fostering a culture of support and providing an internal opportunity for career development.

Career Development Programs

Many organizations have full-fledged career development programs, some self-paced and optional to employees and others created with a particular outcome in mind like management development programs. Typically, a model for a career development program will include these stages:

- Occupational preparation: Here, occupations are assessed, and when one is decided on, the necessary education and skill levels are learned
- Organizational entry: In this stage, the employee obtains and decides on job offers from organizations they want to work in, or, they learn the internal changes within the organization and decide whether they prefer that.
- Early career establishment: The employee learns a new job together with organizational norms and rules for fitting into the job, organization or industry. Here, they gain career skills and work experience.
- Mid-career: The employee evaluates their career objectives, and with this may choose to shift career direction.
- Late career: This is the last phase where the employee focuses on retirement planning and choices associated with life consideration as to work hours. At this stage, career progression is not in the employee's career plan.

Dual-Ladder Program

Dual-ladder career development programs allow mobility for employees without demanding that they be placed into the managerial field. This program works best for employees not interested in pursuing a management track. An objective in the dual-ladder program is to increase complexity and value to the organization.

Succession Planning

It systematically identifies, assesses, and develops talent as the key component for business success. This process is always ongoing and enables an organization to plan or recover whenever talent is lost. An effective succession plan focuses on identification, development, and preparing the placement of high potential employees for future opportunities.

Leadership Development

To have leadership development, an organization must clearly understand and define its effective leadership competencies, characteristics, and behaviors that are effective for in its culture for giving desired results.

Leadership is the ability to influence others towards certain results or goals. It involves keeping an organization's mission and vision always in sight, providing direction on achieving the mission and vision, and providing the tools and means to attain them while encouraging people to pursue their vision.

The following are possible development opportunities for developing leaders:

- Fast-tracking assignments for broad exposure in their discipline
- Assignment to special project such as a task force
- Mentorship from higher management and formal coaching
- Participation in formal leadership development training programs
- Exposure to good leaders as role models
- Attendance at meetings that expose one to other core functions

When it comes to global leadership, the HR professional must know that leaders and their development need to have a global mindset and an additional set of competencies. Executive Coach Marshall Goldsmith identified five factors that are most essential according to his book *Global Leadership:*

- Sharing leadership
- Building partnership and alliance
- Developing technological savvy

- Appreciating culture diversity
- Think globally

Leadership Theories

1. Situational leadership theory

It is commonly referred to as the Hersey-Blanchard situational leadership theory. The paramount concept of this theory is that there isn't a single best style of leadership. Good leadership is relevant to the task, and the greatest leaders are the ones that adapt their leadership style to the maturity (the capacity to set high but attainable goals, willingness and ability to take responsibility for the task, and relevant educational and/or experience of an individual or a group for the task) of the person or group of people that they want to lead. The Hersey-Blanchard Situational Leadership Model has two main ideas: leadership style and the individual or group's level of maturity.

2. Behavioral Leadership Theory

This is a managerial grid model developed originally in 1964 by Robert R. Blake and Jane Mouton. It identifies five leadership styles based on the concern for people and production. The leadership styles are:

- Middle-of-the-road style: Balance and compromise
- Produce or perish style: Control and dominate
- Country club style: Yield and comply
- Impoverished style: Evade and elude
- Team-style: Contribute and commit

3. Trait Theories

The theory of trait leadership was conceived from early leadership research that had a primary focus of finding a group of heritable attributes that differentiated leaders from non-leaders. The theory asserted that leaders were born, not made; the focus was on personal mental and physical attributes and characteristics. The five traits identified are dominance, intelligence, high levels of energy and vitality, self-confidence, and technical or task relevance knowledge. The perspective of the theories has been criticized immensely over the years.

4. Contingency theories

The most famous situational contingency theory is the Fiedler Contingency Theory by Fred Fiedler. It holds that group effectiveness depends on an appropriate match between a leader's style and the demands of the situation. Fiedler's theory marks a shift away from the tendency to attribute leadership effectiveness to personality alone. The theory states that the three factors determining the favorable of the environment for the leader are position power, task structure, and leader-member relations.

Knowledge of the career and leadership development theories and applications is important for the HR professional as they play a crucial role in facilitating and delivering employees' needs for career and leadership development.

Organizational Development (OD) Methods, Motivation Methods, and Problem-Solving Techniques

Organizational Development (OD) Methods

Organizational development, or OD, is the process or function of structured analysis and planning for strategic organizational accomplishment. It entails the design of organizations and strategic application of resources, such as human resources, supply and service resources, and financial resources, which result in the organizational ability to accomplish its mission through greater efficiency and effectiveness.

Theories and Applications

There are many theories of organizational development, one of which was described by the University of Pennsylvania. Organizational development is described as involving three things:

- **Organizational climate**

This is the personality of the organization. It embraces the attitudes and beliefs about organizational practices, employee satisfaction, and stress factors, among other elements.

- **Organizational culture**

These include the deeply seated norms, values, and behaviors including elements of assumption, values, behavioral norms, behavioral patterns, and artifacts.

- **Organizational strategies**

This is the design and implementation of change and includes the key steps of diagnosis, action planning, intervention, and evaluation.

Organizational Development Methods

The Human Resources department plays an active role in drafting up an intervention plan and the techniques that will be implemented to facilitate organizational development. The following are methods that HR professionals can use to help the organization as well as its employees move closer to and fulfil their potential.

Survey Feedback

This method entails the collection of data using questionnaires. The information gathered is intended to help managers win decision making regarding matters of the organization. The responses in the survey feedback will cover quality of work, salaries, working hours,

working conditions, and employees' attitude towards the above mentioned. The data is then gathered, analyzed, and interpreted. It helps to point out problems, assess the results, and start the process of drafting solution plans.

Sensitivity Training

Sensitive training is a technique that asks employees to interact so that they can better understand and relate to each other. When employees can understand each other, then they become better acquainted, create bonds, put aside any judgment against one another, and become prone to be more motivated and efficient at work. Sensitivity training not only increases self-awareness but also increases one's awareness of other people.

Team Building

Team building over the years has been increased popularity as an independent constituent of Organizational Development. Team building activities are built to promote the power of the employees of an organization working together in harmony. Organizational development can be enhanced by encouraging work group dynamics and providing an understanding and safe workplace.

Brain Storming

In organizational development, brainstorming would typically involve 6-8 managers coming together and laying thoughts on the table to solve a problem. Brainstorming is targeted at promoting creative thinking and at the same time bringing team leaders together. The method helps leader engage in a lucrative decision of rectifying a familiar problem. The people involved are expected to critically assess the matter at hand and then contribute ideas or new angles on solving the issue. The exercise does not involve an expert; thus, every leader takes a front seat in the discussion.

Management by Objectives

This method that is a part of management development can also be useful in organizational development. It is used as a method of reviewing and assessing performance. The method entails pointing out the objectives of the organization and handing them over to managers. Then, the managers are meant to produce results in a time-conscious manner. This technique is used to measure and improve the performance of managers. This technique is usually conducted in four steps:

- Objectives set by top management
- Individual targets and objectives
- Autonomy in choosing strategies
- Performance review and appraisal

Process consultation

This is when an expert or an OD consultant gives feedback to the trainee and offers insight into solving certain problems. Process consultation can help members of the team experience a change of perspective and try out different problem fixing suggestions. Since an expert provides clear insight, the information is very valuable as it offers team members and top managers guidelines on how to approach and handle work-related issues within the organization.

Quality circles

This method needs up to twelve participants who will come together on their own accord to discuss important work-related matters and finally come up with effective solutions to be implemented by the management team. The quality circles technique dates back to the 1960s and works best when conducted once a week during a few of the working hours. Quality circles boost morale, reduce costs, and promote quality in the workplace.

Motivation Methods

The contemporary motivation of human beings in a work environment is based on the early scientific studies conducted by Herzberg, Skinner, and Maslow among others. An HR professional must understand the differences between hygienic factors and motivational factors. McGregor's X-Y theory of motivation impacts decisions about the tool to use and the approaches to take on the basis of personal beliefs and orientation of the employee.

Motivation is a crucial and complex subject that HR professionals are faced with every day. There are many challenges that develop relating to motivation, and each is unique to the other, sometimes not previously experienced. Every functional area of HRCI is subject to employee motivation or demotivation at the workplace. Therefore, it is on the HR professional to understand the basic methods of motivation. Some of the methods for increasing motivation within employees at work include:

- Creating an upbeat, positive work environment
- Setting professional goals and objectives
- Creating individual incentives for each employee
- Recognizing employee performance and achievements
- Introduce a profit-sharing program to employees

- Solicit employee input to determine employee satisfaction
- Provide employees with professional enrichment

Problem-solving Techniques

In any organization, it is common to come by tough situations at the workplace. Problem-solving is a difficult phase, but it is not an impossible one. There are many techniques available for solving virtually every problem.

Problem-solving can be approached in four stages referred to as the methodical four-step process.

1. The problem must be defined as well as what caused it
2. Various options for solutions need to be determined. This typically entails searching for a solution
3. The solution options obtained must be evaluated and one chosen from among them
4. The chosen solution is then implemented, and the outcome assessed

Creative Problem Solving is a formal process coined by Sidney Parnes and Alex Faickney Osborn. The method emphasizes the following:

- Separate the idea from evaluation: When brainstorming for ideas, you should list is all down separately. Then, only after capturing all things should you begin to prioritize or evaluate each idea
- Judging will shut it down: One thing that is often done wrong is judging a creative idea on the spot. To avoid inhibiting the flow of ideas, begin to evaluate them only after the brainstorming is complete
- Restate problems as questions: When a group is trying to solve a problem, they can be directed into thinking of creative ideas as open-ended questions are directed towards them
- Use a positive approach: Solving problems on a positive note keeps positive thoughts and ideas flowing

Psychological problem-solving tips

For many years, human beings have found new ways of completing their tasks and lately complete them efficiently. The famous trial-and-error technique is a method that was formulated in 1911 by American psychologist Edward Thorndike.

Reproductive thinking

After Edward Thorndike, many more psychologists took his theory and concluded that problem-solving can happen through reproductive thinking. This is when solving a problem is done by using past experiences and reproducing them to solve the problem at hand.

The HR professional is tasked with determining the best approaches to organizational development, motivation, and problem-solving methods for an organization. A good understanding of these techniques will improve their effectiveness when implemented.

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Task/Process Analysis

Task or process analysis can be defined as the systematic identification of fundamental elements of a job, and the examination of knowledge and skills needed for the job's performance. The information acquired from task analysis in an organization is taken and utilized by human resource management (HRM) for developing training programs, institutional objectives, and evaluation tools.

It is one of the stages in the process of need assessment. To be able to facilitate task analysis, the HR professional looks at the conditions in which the tasks are performed. The conditions include performance standards, safety conditions, time constraints, the environment in which the job is conducted, and equipment. The observations create a foundation of the description of tasks or work activities that a person's job requires. For a particular job, the analysts interview each employee, their particular supervisors and every other subject matter expert, requesting them to complete a questionnaire asking about the importance of frequency, and difficulty of the tasks they perform at work. The information gathered from the questionnaires are what will act as a basis for determining the tasks that will be focused on during employee training.

Task Analysis Life Cycle

Task analysis procedures are separated into 5 categories as follows:

Time recording

In this category, the actual time for each activity is captured. The time may be recorded by the employee themselves or by use of automatic time data collection. Here, the exact amount of work time based to definable rules can be captured in real time.

Prioritization

Here, the strategic decisions are facilitated. Prioritization is based on the importance or urgency of the activity. Employee task scheduling and resource planning are placed across all the activities by employees.

Monitoring

Monitoring is a process that measures task-related performance with the use of particular indicators of performance that help to keep track of how company strategy is performing. It typically uses 3 main factors: cost, priority, and time. At this stage, deep knowledge on where the shortcomings in the process are is necessary for facilitating future training and improvement.

Analysis

This category is very critical to life cycle success. It allows one to make an analysis of the records preciously collected through monitoring and to compare them with a priority time plan. The analysis makes it possible to distinguish discrepancies between the execution of the time plan and the priority time plan.

Optimization

Here is where strategic decisions and priorities are filtered on the basis of the analysis. Employee task scheduling and resource planning also go through revisions and are finally incorporated in all employee activities in the organization. The developed cycle is then looped so as to facilitate continuous task analysis improvement within the organization.

Task Analysis Methodology

Task analysis merges the methodologies of time, risk, and task management. These are: Business Intelligence (BI), Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), and Business Process Management (BPM).

Task Management Strategies

These describe how employee tasks will be ordered so that they boost employee performance at the office. The decisions made focus on determining the order of completing tasks. When the hardest tasks are done first, it allows for a simpler, less stressful attempt to complete the other remaining tasks. Strategies include:

Cycling downhill: This is the completion of the hardest task, then the next hardest and so on.

Prioritizing by importance: This entails finishing the most crucial task first followed by the next most crucial one on the list, and so on.

Prioritizing by urgency: Here, the most pressing tasks are completed first in that order on the list.

Eisenhower Method: This method dictates the completion of tasks arranged according to importance, from the bottom up.

When to execute task analysis

Task analysis should be performed at the beginning of the development process and before the design work will essentially benefit these processes. Task analysis also supports the following steps and features of the design procedure: gathering information, construction of business and content strategy, wireframing and prototyping, and conducting usability testing.

Task Analysis Types

Task analysis allows analysts to observe employees in action and to know in depth how they perform tasks and reach goals. The process assists to identify jobs that the organization and its programs must support. There are very many types of task analysis, the common ones being:

- **Cognitive task analysis**

This analysis is targeted at understanding the activities that require problem-solving, decision-making, focus, memory, and judgment.

- **Hierarchical task analysis**

This analysis concentrates more on decomposing high-level job subtasks.

How to perform a task analysis

A task analysis can have multiple levels of issue questions ranging from general to very specific. With market research, competitive analysis, and internet metrics evaluation, one can identify the top priority goals by use of various research techniques.

Task analysis is a crucial tool for assessing and reducing human error. Most task analysis techniques provide a description of the observable behavior in detail with fewer other pointers to how the task is arranged.

Benefits of Task Analysis

The long-term analysis and investigation of each aspect of an organization should be a regular and constant activity in an organization. There is always something that can be improved in an organization, and task analysis us the best way to pinpoint it. Here are the benefits of task analysis:

- **Eliminating errors**

Mistakes and common procedural errors are discovered and cut out through process analysis. One powerful ask of task analysis is the large amount of time it allows people to get to grips with modern working reality.

- **Developing staff**

One of the problems associated with task analysis at a high-end scale is that is it not a widely-taught subject hence most people are not aware of the particular aspects of task analysis. When your workforce understands and accepts task analysis, it helps them to develop and make genuine initiative at their tasks.

- **Setting Leadership standards**

When the HR professional takes the lead in showing genuine skills of understanding the way forward, then it becomes easier for employees to fall in line and work with them. By showing them the benefits of task analysis, employees will be willing to follow you to improve individually.

Task Analysis Approach

Task analysis involves a detailed account of mental and manual activities. It as well covers information on the duration, complexity, frequency, and environmental conditions and other factors that affect task performance in an organization. Here are some of the approaches to take when facilitating task analysis:

- **Take time to improve**

Like any other development process, it takes many practice hours to improve an organization using task analysis. This means that the analysis process needs one to build small steps along the way, take incremental improvement, and see development in the long-term.

- **Find the Answers**

This is a great way of moving an organization forward and trumping the development curve. It is the best possible way for a business to make noteworthy adjustments to how it works and how it performs.

- **Make the right calls**

By making the right judgment calls in task analysis, it enables people to work towards a common goal. It helps to understand what the end product of every process should be.

Examples of task analysis

Job requirements

Task analysis prepares a guide for starting employees to use. Comprehending these skills and equipment necessary for efficient production helps new employees fill the gaps where old employees cannot.

Allocation of time

Using task analysis ensures valuable company time is used effectively and efficiently.

Function and productivity

Process analysis aims at ensuring productivity is used to its maximum and the significance of tasks within the organization is known.

Making changes

Carrying out a task analysis affects the process of making decisions particularly in staff and equipment changes. The findings of an analysis may dictate different ways of doing things to improve the employees' performance and ultimately the organization's state.

Task analysis is a popular tool that is benefiting organizations worldwide. The HR professional ought to have a deep understanding of how it works.

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Coaching and Mentoring Techniques

Coaching refers to efforts done by a manager called a coach to develop the trainee's skills and knowledge so as they can meet the required standards of a certain job. Coaching, in other words, is a development in which a mentor supports a client in growing. Mentoring is a broader process in which a leader helps an employee or a trainer to balance both professional and personal lives while still building his/her career. Coaching in today's climate is becoming more advantageous as it helps employees take ownership and responsibility for their actions and self-development.

Coaching works best when one creates a one to one session where issues are dealt with, criticized and explored, hence making workers feel supported. Mentoring is of equal importance, not only for one to learn skills from the mentor but also to gain professional socialization and personal support hence leading to success in one's field of work. Coaching involves very many techniques. Some of which are:

- The grow technique
- Wheel of life method
- Daily diary
- Pain and pleasure
- SMART goals
- Finding role models

The GROW Technique

GROW is an acronym that stands for goal, reality, options and will. The grow technique is a set of questions that help the client achieve their goals by asking questions that switch their minds to thinking positively. As regards goals, clients need to have specific, measurable and realistic goals. The reality in the grow technique helps clients visualize and understand the reality in their current situations, skills, time constraints, attitudes, process and how close or far is one from achieving the goal. Clients need to look at an overall picture and break it into smaller details and from different experiences and knowledge they have, hence realizing new options and possibilities. Once a client understands and believes in the goal, they can begin to perform their tasks efficiently. Will gets you to think about starting the task.

The Wheel of Life

Today, the wheel of life is the most used coaching technique whereby it helps clients look at all areas of their life, consider them each at a turn, and allow them to consider which

area is off balance. This technique also gives one a visual presentation of how the way of life is currently and how it will be like in the future. By doing this a client can identify their goals if they had not done that before. In a practical sense, organizations are required to draw a circle and add several spokes to the wheel that represent all important elements in their tenure, which can either be positive or negative. Organizations need to label the spokes to a scale of their best understanding. After this, one has to take each spoke at a time and take a few seconds to think of it and range each element on a scale of how happy the organization is happy with that part of its tenure.

Daily Diary Technique

This is a simple and quick way for organizations to see themselves moving forward by keeping a daily diary. When organizations begin to see themselves moving forward, they realize their hidden feelings, and this helps them destress. The diary also helps organizations spot routines and patterns for both positive and negative feelings. Since the diary is updated on daily basis, it helps the organization see what they have achieved in a day and keeps them motivated. Organizations are required to commit themselves to keep a diary for their eyes only, add to the diary every day and keep the diary safe. In a months' time organizations are required to re-read all the ads in the previous month to notice how much they have moved forward and whether there is any positive pattern being developed.

Pain and Pleasure

The power of PAIN and PLEASURE is the pain behind all decisions. Everything done by humans is done either to get away from pain or to gain pleasure. All humans have some motivational pain and pleasure thresholds that will always kick start them into action, the trick is knowing where once pains or pleasure threshold is. In most cases people sit in the middle where they find it hard to become motivated, leading to deficiency of decisiveness and resulting decision-making.

Employees are asked to write down actions that they have been putting off for ages and by taking each action at a time ask themselves why they have not been taking that action previously. Clients also need to ask themselves what will happen if they don't make the changes today and what will be the most possible outcome, short term or long term. In addition, what pain is associated with not making the changes? Clients need to know the benefit and pleasure they will gain by making the changes.

SMART Goals

People don’t achieve their goals generally because they are not realistic and achievable but because they fail to set SMART goals. Smart goals are specific in that they are specific objectives, clear and well defined. This is important to the employees since it helps them know their requirements and it’s also important to the coaches, as it helps them assess what the employees have done in comparison to the aimed goals. Often, there is monitoring of the progress while work is underway, there is a need for a coach to know when a task has been done, and when the objectives are completed.

Achievable goals make sure all tasks are done in order, and in case of goals not reached, no one is to blame. The goal of the employee should be one that is of adding value to organization especially in achieving the set strategies for higher goals. In addition, objectives consist of a description by when the task should be completed and by what period. By the coaches providing a period of task completion, it gives the employee pressure to do their task on time and make sure that time frame is not the cause of failure to meet their objectives.

Finding Role Models

For one to accelerate their learning and improve their resources, one can easily learn from other employees considered as role models. Having role models is critical and every employee needs positive examples to follow. Without them, employees are bound to fail. Most coaches act as role models to their clients by being at their best practice.

Mentoring Techniques

Some of the mentoring techniques include:

- Collaboration
- Celebrations and rewards
- Building trust
- Providing feedback

Collaboration

Mentors should provide some personnel to the new staff within the company to assist them in the new work environment. The personnel help the new staffs learn about the organization in an aim to have their tasks achieved. They assist green employees to settle fast in their working positions. Mentors may be required to work with teams of different clients and help them achieve in their projects. Mentors also have to make sure effective communication and understanding is maintained amongst teammates.

Rewarding of Clients

This is a motivating factor to most workers as they feel that their good work is appreciated. When workers reach their goals at their different places of work, mentors have a role to take note of the achievements and take a step toward rewarding the workers. An institution rewarding their workers builds respect for the mentors and helps employees see that do the mentors not only criticize them but also share in the employees' success.

Building Trust

In most organizations, the mentors will build trust between them and the employees as well as among themselves by encouraging free conversation amongst themselves. Mentors should honor the employee's schedule, meetings, calls and consistently showing interest and support to them. Honest mentors also build a lot of trust towards employees.

Providing Feedback

Most companies tend not to give feedback to their employees in regard to performance. Mentors help employees get feedback on the task they are doing whether positive or negative. Positive feedback makes most employees feel motivated to continue working perfectly. In cases of negative feedback, the mentors give criticism that is constructively aimed at improving the conduct of the workers.

Effective Communication Skills and Strategies (For Example Presentation, Collaboration, Sensitivity)

Communication is the process of transferring information from one place to another, which may be with spoken word or voice, use of print media, visual or non-verbal.

Effective communication skills are the techniques by which information can be well transmitted and received. It is the ability to pass information accurately, clearly and as required by the intended person. In order for one to communicate effectively, there certain procedures and plans that should be followed which are referred to as communication strategies. It enables one to plan on how to communicate to the public be it stakeholder's colleagues or people from different diversity.

Communication strategies enable one to keep her mind open to situations that are unfamiliar and also being alert on how to interact differently. It also sensitizes one on the existence of gender roles which differ. Through communication strategy, there is consistency and reliability.

Principles of Communication

Effective communication skills entail verbal communication in which it implies delivering information through the use of mouth which is the spoken word and it is done either by phone or face to face.

It also entails non-verbal communication which is the act of passing information through the use of body language, gestures, tone and facial expressions. It portrays a person's emotion by use of their bodily expressions.

There is also written communication in which information is conveyed by jotting down words and it's much easier for people who have face to face phobia.

For one to communicate effectively various factors are considered;

- Active listening. This is paying attention to what is being said. It involves listening more than once with full concentration and avoiding interruption and reflecting on what you have heard. After listening, one can give feedback, a summary, or even ask open-ended questions. It is a sign that the message was well received and understood.
- Asking questions ensures that the medium or channel for communication remains open. It strengthens the relationship by illustrating that you have both interests in what you are saying.
- For communication to be effective it requires presentation. The presentation is the act of talking to a group, addressing a meeting or giving a briefing either in a formal or informal setting. Presenting information clearly and effectively is a key to getting your message, ideas or opinions across and is essential in today's world.
- For your presentation to be effective, you must first prepare for what you are going to present be it a topic or a discussion. One has also to organize the presentation materials in order to give a clear and a well-structured delivery. When organizing, you write your presentation and also decide on the method you are going to use to present your work. Once you are done you make presentation notes that will give you a guideline to what you are presenting and work with visual aids which are necessary for further understanding and present data.
- In order to present effectively, be passionate and connect with your audience. This would require being honest with your audience and letting them know what

matters and how to get their response. You need to be there for your audiences' needs by keeping in mind what they expect from you. You should make it easy for them to comprehend and give feedback.

- Concentrate on your main points by giving the key message and letting it be direct to the point. Maintain good eye contact with your audience and even smile to them in order to build a good rapport with them.
- Grab your audience attention and get hold of it by either entertaining them or giving them a story. Make the presentation lively. Be audible by using your voice effectively for the audience to get what you are saying.
- Enhance body language to pass across your message. Gestures should be open and confident and ensure you moving around the stage and to your audience.
- Be composed, relax, breathe, and be in a position to enjoy your presentation. If stressed, you can take a few moments and be yourself.
- Have a sense of humor even when things are not good. The audience enjoys laughter and through laughing it relieves stress which improves the overall mood of the conversation
- Leave an impact on your audience that will make them have a change towards the information given.
- Mind the language choice you use for the words you describe yourself with can have a dramatic effect on their overall receptiveness to your communication techniques.
- Have empathy. One can note the mood of a person by the way they carry themselves. You can discern if they are emotional or not and likely be able to know if their emotions are causing a problem.

Collaboration

This is a matter of sharing ideas with each other to achieve a common goal with the aim of using different strengths within individual components. Collaboration aims at improving results through teamwork, results that wouldn't be realized when done individually. Through the implementation of a good communication strategy, the whole project will flow seamlessly.

Effective communication skills and strategies are achieved through adopting an open-door policy. This is where things are done in public and open plan environment is encouraged. Here, everyone is part of the team and transparency is encouraged.

Two-way feedback is a way of giving a detailed and constructive response and it comes as a mode of increasing team communication.it enables your team to be self-evaluated.

Be able to clarify roles and responsibilities which help to clarify conception, expectations and behavior of each different role.

Building the team spirit enables a better communication among members.it grants members an opportunity to get to know each other better and creates a surrounding in which members know their part of an investment outcome.

Proper utilization of time enables members to use their time wisely by coming together during breaks and solve issues affecting them face to face.

Making good use of cloud-based work collaboration software which enables members to access information quickly and easily.

Be reliable and members should have trust in each other and be able to be counted on a certain task. Also be tolerant in that you accept each other the way they are for we all come from a different dynasty. We should keep our differences aside and embrace each other.

Always do a follow-up. Attend to every message you receive and every message you send. Make your audience aware of you receiving the message or you are sending back.

Respond don't react. You need to be able to reply to both facts and feelings and don't rely on feelings alone. Don't let your opinions overshadow or replace facts.

Deliver your messages in a horizontal manner. Communicate with others on the equal field.

Sensitivity

A set of skills enables one to learn and be able to understand people from a different diversity of life and be able to attend to them.

By being sensitive one has to be clear concise and avoid using words that could cause misinterpretation of a message being conveyed. One should mind the words he uses to avoid hurting people's feelings.

Be able to learn the way the other person communicates in their language and it will be easy to pass the intended information.

Use the right form of non-verbal signs and gestures as they might relay different information to the people involved. Our body language speaks volumes about what we are thinking and feeling, and it can relay sensitive topics to be discussed

Enhance greetings before occupying a person's space.it brings a good feeling before passing your information

Show respect to the one you are communicating to as your language and non-verbal communication will show that.

Be in agreement. This is a good way of making people want to communicate with you.

Acquiring effective communication skills and strategies is paramount especially for the HR professional. Through effective communication, they can easily get through to employees and foster a strong relationship with them.

Employee Retention Concepts and Applications

The SHRM's Future of the U.S. Labor Pool Survey Report found that three out of every ten employees in the workforce are retiring each year for the next twelve years. At that rate of retirement, a large knowledge gap is created and an emphasis on passing institutional knowledge on to employees through replacement or succession planning becomes a necessity. Although many plans may be designed to manage the knowledge gap, the plans will only work as designed if the identified candidates or employees remain employed within the organization. This responsibility is assigned to Human Resources management. Hence, it becomes an essential requirement that every HR professional has a deep understanding of employee retention in an organization.

What is Retention?

Employee retention is the ability of an organization to keep its talented employees. Retention is important and for this reason it has been prioritized by many organizations in today's globally competitive marketplace. Here are some of the factors that make employee retention of great importance:

- Today, there is an improved economy rebounding from the recession that has caused the job market to improve
- The retirement of the baby boomers and a likely shortage of skills and knowledge
- The increase in global competition
- Economic factors resulting in the cost of lining substantially decreasing
- Advancements in technology
- General motivational differences

Employee Suggestion Systems

Having an employee suggestion system is a strategy for employee engagement and involvement. This strategy goes hand in hand such that when employees feel that their

opinions actually count or their perspective is heard, then they are more likely to turn away from third-party representation.

Employee suggestion systems whether anonymous or not can provide management with a way to hear the workforce not only for their positive ideas but also for their negative issues or perceptions.

Very many improvements are discovered through employee suggestion systems that are considered at upper management levels in an organization. It is often the case that HR is the gatekeeper bestowed with the responsibility of screening or compiling employee suggestions. It is therefore important that employee suggestions are acknowledged and given serious attention thought, and consideration, and that the responses are given in a timely fashion.

Employee focus groups

When an organization's management requires a large cross-section of employee suggestions or perspectives, an employee focus group will do the job. The focus group should incorporate employees from various units, functions, and facilities in an organization. Surveys are a good way to solicit the input from the entire employee population and so are survey instruments that can compile the input for HR. However, a focus group offers the opportunity to have a two-way dialogue with the employees for purpose of clarity and probing. The employees during this whole process must feel safe providing sincere and honest feedback. This is one of the reasons why either an HR professional or an outside consultant is required to conduct employee focus groups.

Ways to improve employee retention

Many companies have once or twice seen a continuously reducing retention rate. Businesses see high employee turnovers as a problem and often turn to methods of retaining their most valued workers. In an increasingly competitive world of business, top talent is at its highest demand. Therefore, if a company is not doing its best to keep its most talented employees happy, another organization may just swoop in and steal them away. We have looked into employee suggestion systems and employee focus groups as employee retention techniques commonly used in today’s organizations. Here are some other methods that HR professionals can use to ensure that talented employees stay with an organization for many years:

Creating the Right Culture

One way of finding employees who feel a strong bond with their organization is by creating an environment that attracts them to it. The organizational culture needs to match the type of employee that you want to employ regardless of whether you will convey this using a by-the-book, strict workplace approach or by using a casual, laid-back way.

Recruiting the Right Employees

When in the process of screening candidates for hire, the HR professional needs to pay close attention to the possible signs that the candidate may turn out to be a job-hopper. Although there is nothing wrong with people switching jobs from time to time if it is for their own career advancement, you should still look for someone who is interested in developing together with the organization rather than merely getting the skills and experience to take elsewhere.

Offering Training

An organization expects that its professionals begin the job fully trained and certified. However, many organizations still are unwilling to invest in helping them meet those credentials. Whether you choose to send employees to a learning center, or you provide them with membership to an eLearning site, you need to ensure that you take their education seriously as they see it is an investment in their career, which is a motivational factor for employee retention.

Providing Guidance

Every employee should be fully aware of their roles and responsibilities within the organization. They should always know their duties and how they are performing at them. This can be achieved by having a job plan in place for them and providing them with regular feedback on their performance. If the employee is left unsure about their duties in the organization, they are more likely to feel discontent d start seeking employment somewhere else.

Paying Employees Well

Although it may be difficult to pay competitive salaries when the organization is working on low funds and a tight budget, think about the cost to replace employees. The organization would have to incur as much as 30% to 50% of an entry-level employee's salary just to replace them. Employees often find that they can enjoy a 10% to 20% salary

increase by simply moving to the next job at the other organization. It is cheaper for the organization and encouraging for the employee to give them an improved pay to retain them.

Avoiding Punishing Competence

Managers tend to put a lot of time into employees who are struggling and leaving the talented lot feeling completely neglected. With time, this could result in resentment from star employees because they feel unsupported and unnoticed. Therefore, HR professionals need to keep appreciating top talent to retain them.

Being More Flexible

Most employees prefer more flexible working conditions. If you expect your employees to be available to the organization even off office hours, then you need to be willing to understand when they come to work a little late or when they need to take a day off early.

Offering Benefits

Small organizations often struggle more than big ones to provide benefits for employees. While you do not need to beat big business in healthcare options, you can instead offer them things that they cannot find elsewhere, for instance, the work-from-home option, flexible vacation offerings and performance bonuses.

Providing Unique Perks

You can provide perks to your employees without denting the organization's budget. For example, Silicon Valley offers free meals and nap pods to its employees. You don't have to meet that standard, but you can come up with your own creative perks such as getting VIP tickets for employees to special events or even special discounts at retail stores.

Keeping Things Casual

Although you are trying to be as attractive an organization as possible to your employees, the problem may be with the bosses. Research has it that most people quit their bosses, not their organizations. Create an environment where employees feel rewarded and gratified, rather than pushed around by superiors. That will get you ahead of most bosses out there.

Employee retention does not need to be a dreaded activity. HR can accomplish better retention rates by simply connecting with employees in the above-mentioned ways.

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Techniques to Encourage Creativity and Innovation

What are creativity and innovation?

Creativity is the ability to think of something new and novel and bring it into existence. Innovation, on the other, hand is creatively thinking about something that already exists and adding change onto it through study and experimentation. It is also concerned with the necessary work done to make an idea viable. Simply put, creativity is imagining, and innovation is doing. Creativity and innovation as a whole, take place in many institutions, workstations, and many more. In the current world, creativity and innovation are so adverse and prominent since it takes place in many aspects of life.

Digital agency AKQA's Rei Inamoto wrote, "Creativity and innovation are about finding unexpected solutions to obvious problems or finding obvious solutions to unexpected problems. We should use our creativity to provide better businesses and solutions rather than constantly trying to disrupt what people are doing."

How to encourage creativity and innovation:

As described above, innovation requires many brains put together so that an existing project or idea to be put into conclusion. It, therefore, has to include a lot of stakeholders for an innovation to sail through. It can, therefore, be promoted in the following;

1. **Train your staff**
   Your staff may be capable of coining new ideas but be unfamiliar with the necessary skills involved. Training sessions on techniques like lateral thinking and brainstorming will better equip them with the prowess to see through their creative ideas.
   Part of their training should include lessons on how to calm negative responses.
   Being a creative and innovator requires one to know how to balance the positive and negative views. Therefore, it is important to equip your employees with the necessary tools to handle feedback without being demoralized.
2. **Challenge your staff**
   Avoid laxity and complacency by challenging your staff to try new ways to how they approach their work. Ask them if they have looked into all possible methods of handling or tackling their assignment.
3. **Try reverse mentoring**
   Reverse mentoring is the process that brings together a senior and junior employee I the bid of learning new skills and gain different perspectives. Instead of being set in your ways, you will find that combining the respective knowledge individually acquired by these employees will produce innovative ideas bubbling between them.

4. **Get rid of intellectual arrogance in the workplace**

   Within any organization, intellectual arrogance is the biggest enemy of implementing innovation. When you disregard your employee's ideas simply because they rank below you, you hinder their creative thinking process.

   To promote a culture of innovation, your leadership team needs to be receptive to ideas from everybody in the organization no matter their stature.

5. **Encourage change**

   Constantly encourage your staff to switch up the way they approach their work. Broadening of their horizons can be a great way to spark new ideas.

6. **Encourage Risk-taking**

   With creativity comes a certain level of risk-taking. If your employees feel like they have room to experiment, they will exercise the right amount of risk. Encouraging creativity involves acknowledging the upside (innovation) and downside (failure) of while eliminating the fear associated with the latter. If you want to reap the benefits of risk-taking don't penalize people if their initiatives fail once in a while.

7. **Embrace failure**

   Employees are often afraid that if they make mistakes in the workplace, it will either discredit them or jeopardize their future in the company. This fear stifles innovation. Encouraging and fostering innovation within an organization requires you to be more open to failure by embracing learning loops. Instead of shunning failure, allow them to learn from their mistakes.

8. **Promote the implementation of extraordinary efforts**

   To be a good innovator, you should work on how you do things. A famous author once said that "Ordinary efforts yield ordinary results while extraordinary efforts yield extraordinary results." This should, therefore, be a sign to show that doing the same thing the same way repeatedly yields the same result while doing something a different way each time will ultimately yield the best solution to the problem.

9. **Incentives for creativity and innovation**

   Reward your employees for ingenuity by recognizing their efforts to be more creative and innovative. Actively recognize creativity through award schemes.

   You could also acknowledge that even though not all ideas work out, you appreciate the efforts put in to put out a rich flow of suggestions regardless of their implementation.

10. **Provide a suggestion box**

    Actively solicit ideas from your employees. Placing suggestion boxes around the workplace acts as an appeal for new ideas from people. It quite literally shows that your doors are open to new ideas.

11. Make innovation important

Ensure that your employees know that you expect inventiveness and want to hear their ideas. Unless they understand how integral creativity and innovation is to your company and what it looks like, then your efforts will turn futile.

12. Create a homogenous work environment

Hiring employees with varying backgrounds, knowledge and experiences will give rise to a varied number of creative ideas. By nurturing diversity, you avoid groupthink.

13. Brainstorming amongst colleagues

Allocate time for new ideas to be. A team brainstorming session will prove more effective than the separate individual efforts of the members. Individuals in the team can work together off each other's comments; bouncing and fine-tuning ideas. Not only will it create an environment for creativity, but it will also improve staff synergy.

If need be, you should also give them individual room to self-reflect on their ideas.

14. Open boundaries

A flexible and relaxed work environment greatly increases your employee's productivity by letting ideas naturally flow. A positive attitude and a low-stress environment will sustain better mental flexibility and liberated thought.

15. Act on ideas

Creativity and innovation are only worthwhile if it is seen to completion. Allocate resources and time to develop and implement worthwhile ideas that were pitched. Failure to act on ideas will result in demotivated employees and the failure to benefit from potential innovations.

16. Cross-fertilize and Create innovation teams

Come up with groups comprising of members with diverse skill sets and working styles whose sole purpose is to converge and innovate.

Cross-fertilizing can be achieved through in-house shadowing and short-term job swaps.

17. Pause and get out of the office

Creativity and innovation are not only restricted to everyday office routines. Encourage your employees to go out into different environments and let inspiration hit from wherever. Being cooped up in the office all day may rid your employees of their creative juices leaving them in a rut.

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END OF FUNCTIONAL AREA 3

Functional Area Four:

Total Rewards

Applicable Federal Laws and Regulations Related to Total Rewards

The government has seen fit to get more involved in the labor industry in order to set standards to prevent employee mistreatment and the denial of rights that are their rightful due. Laws have therefore been set that protect employees from discrimination (either due to gender, race, and sexual orientation), harassment and denial of opportunities due to employers who have an ulterior motive or any bias against an employee. The laws are broken down into various categories which ensure employees are not only treated fairly but also feel comfortable in their places of work. These categories are:

1. Having 1 to 14 employees: 53 laws
2. Having 15 to 19 employees: 63 laws
3. Having 20 to 49 employees: 67 laws
4. Having 50 to 99 employees: 73 laws
5. Having 100 or more employees: 74 laws
6. Being a federal agency: such agencies must follow the normal laws but have an additional 6 laws focused on employee issues.

Laws affecting employers and employees:

1. **The Davis-Bacon Act of 1931**

For any work exceeding $2000 done by contractors and subcontractors of federally funded projects, laborer and mechanic wages must include fringe benefits at least equal to those of the area the work is being done in.

2. **The Copeland Anti-Kickback Act of 1934**

This law prevents federal agencies, their contractors and subcontractors from demanding or manipulating an employee into giving up part or all of their wages to their employer in order to be able to keep their job.

3. **The National Labor Relations Act of 1935**

This is the oldest labor law and is the basis on which many labor laws exist on. It gave employees the right to negotiate for their own wages and rates of pay, join or start unions and protect employees from unfair labor practices by employers.

4. **The Fair Labor Standards Act of 1938**

This law was the first to set a standard for all employee requirements which should be met by an employer or else legal action could be taken. It also set standards for employee treatment beyond the necessary standard minimum wage which is given by the government, maximum working hours, overtime compensation and prohibited child labor.

This law was the first major step forward for employees as it protected their work and ensured it was fairly compensated ensuring no employer could force an employee to work beyond their required hours in order to protect themselves from being dismissed.

The law touched on all employers who:

- Run public agencies
- Private employers who grossed sales of over $500, 000
- Those operating a hospital or school
- Employees who work in communications and transportation
- Employees who regularly mail, telephone or telegraph for interstate communication.
- Employees who handle shipping and reception of goods for interstate commerce
- Employees who often cross state lines in their lines of work
- Employees who work for firms involved as contractors in clerical, custodial or maintenance work for firms involved in interstate commerce.

This law prohibits dealing in goods that were produced by underpaid employees, overworked employees or child laborers.

The law began the precedent where employers were required to keep complete employee records that recorded their: names and social security number, address, date of birth, sex, occupation, time and day(s) of week the employees work-week starts, hours worked every day and work-week, rate of pay, records of earnings, records of deductions as well as date of payment.

5. The Labor-Management Relations Act of 1947

This law was enacted to protect employees from underhanded agreements between their unions and the management or employers of any organizations. This law demands open and fair discussion and compensation for any disputes discussed between the employee representatives and employers ensuring employees are compensated fairly if they raise grievances.

6. The Labor-Management Reporting and Disclosure Act of 1959

This law goes further to protect employees from corrupt labor unions and representatives. It demands labor unions are as open as possible in all their negotiations, any elections done are subject to review by the Department of Labor, criminals cannot hold offices in unions, financial reports for all unions must be reviewed by the Department of Labor and their laws and policies can be reviewed by the Department of Labor if they look oppressive to either employees and employers.

7. **The Equal Pay Act of 1963**

The law enforces equal pay for all employees by their employer. It prohibits employers from discriminating on the basis of sex by paying employees of one gender less than their counterparts of the opposite sex on a job with equal requirements of skill, effort and responsibility.

8. **The Consumer Credit Protection Act of 1968**

This law set the limit for how much of an employee's wages an employer can withhold or garnish in order to satisfy creditors or remain without debts. The law also prevents any employer from dismissing any employee in order to avoid paying wages or without all the employee's wages paid out in full.

9. **The Employee Retirement Income Security Act of 1974**

The law makes it optional for an employer to establish pension plans but once they are set up, the law governs how they are run and maintained. It establishes minimum standards to ensure employee benefits are established and maintained in a fair and financially appropriate manner. It covers employees engaged in interstate commerce, but public-sector employees are not subject to it.

10. **The Copyright Act of 1976**

The law was set to protect any authors of creative work from having any part or all of their work printed, duplicated, distributed or sold without their authority and express permission. This had the benefit of ensuring that authors received a fair share of earning from their work which could otherwise have been sold or stolen without any reward to them.

The 1998 revision of the law extended the protection to be the whole of the author's life plus 70 years for general copyrights and 95 years for works made for hire or those copyrighted before 1978.

Use of such works within an organization must first be agreed upon by the owner with permission through a lawyer in a written understanding.

11. The Unemployment Compensation Amendments Act of 1992

The law set a certain amount of money from an employee's paycheck that was free from taxation or fining in case the employee had their employment terminated. It was designed to prevent excess financial strain on employees who had just lost employment and was set at 20 percent of the employee's savings.

12. The Economic Growth and Tax Relief Reconciliation Act of 2001

The law adjusted things such as the pension vesting schedules, retirement plan limits, permitting pre-tax catch-up contributions by participants over the age of 50 in certain plans and modification of distribution and rollover rules.

13. The Fair and Accurate Credit Transactions Act of 2003

The law requires an investigation on an employee that could lead to termination of employment or loss of benefits to be conducted by an independent third party who has no relation to either the employee or employer.

14. The Pension Protection Act of 2006

This legislation was focused on protecting and increasing the pension plans of employees from employers who were limiting the amount of money being put into said pension plans. It demanded an increase of payouts to the Pension Benefit Guarantee Corporation and changed some core rules that governed the Individual Retirement Accounts.

15. The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010

This is one of the widest and most far-reaching legislation made to protect employees and force employer equitability. The law gives mandates affecting agencies and the financial service industry. It points to things such as compensation packages, golden parachutes, rewards for whistleblowers and a requirement for CEOs to keep records of all reward and benefit packages of employees under their employment.

These laws were engineered towards protecting the earning of an employee as well as their benefit, including retirement benefits, in order to minimize the chances of an employee being mistreated and denied their rightful reward. They are common regardless of the number of employees an organization has and employers who break them are liable to pay a large fine or serve a jail sentence as defined by the labor laws.

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Compensation Strategies and Philosophy

Compensation is, for the most part, dependent on the policies put into place by the Fair Labor Standards Act, commonly called the Wage and Hour Law. This law sets minimum wages for all employees as well as other earnings an employee is entitled to such as overtime, transport costs among others. Compensation strategies are therefore used by an organization to manage employee pay and benefits in a manner that is efficient but also lawful in order to create a healthy work environment. It is used as a guideline in a well-outlined document to clearly show the organization's approach when handling all aspects of employee compensation and works to erase any external competition for the loyalty of employees.

When creating a compensation strategy, an organization should consider the following factors, and how they affect the organization's overall expenditure:

- **Administrative structure**

Compensation is largely dependent on the structure of an organization as it acts as a guide on who gets which benefits. The structure of an organization is also the basis on which salary evaluation, job evaluation and performance are done. The compensation strategy to be used is the cornerstone of creating an environment which encourages performance and a healthy engagement between peers in the workplace as well as between superiors and subordinates.

- **Developing clear and well-defined salary ranges**

Pay structures within an organization are the building block on which the division of benefits depends. If a company has poorly defined structure, benefits will be divided just as poorly which results in mass employee exoduses to firms that have better-outlined structures. These structures define basic salaries and clearly outline the range in which a certain salary falls under, hence making it easier to divide benefits to employees. Organizations hire experts or use their in-house financial teams to develop pay structures depending on factors such as geographical region, company margins and job descriptions.

- **Salary audits**

Even with well-defined pay structures, a company has to conduct a series of surveys that look into the pay structures of other organizations in the same market. With the findings, an organization is able to create competitive and rewarding salary brackets for all its employees. The salaries must be competitive while still being within a range the company can afford in order to remain profitable and able to grow. Market changes play a major part in these audits. Sometimes, careers begin to lose their ground in the employment market. Therefore, it is up to organizations to keep updating their job descriptions and reward system so that they remain competitive in their niche in the market.

- **Budget allocation**

While the compensation may at first look like a matter of simple allocation based on an employee's basic salary, the organization must look at their profit margin and then begin the calculation of benefits. The company has to calculate how much of its after-profit capital should go to their benefits allocation. For example, if the next financial year has some big projects on the way, an organization may decide to reduce the amount of money put into rewards from 50 percent of the profit to 30 percent. Then the organization structure decides who receives what benefits and who doesn't. In an organization, higher level management may receive fuel allowances and travel compensation along with other basic benefits like health while lower level stuff only receives standard benefit and performance-based benefits. How much will go to health benefits, how much will go to pension savings, how much will be included in the travel expenditure? The budgeting of compensation is highly dependent on the company (except for government workers who have their pay standardized by the government as their employer) and is often what keep employees or makes them move to other firms.

- **Benefit packages**

Benefit packages act as part of an organization's incentive program to lure new employees and retain its current ones. Being competitive means offering a benefits package that makes employees stay rather than one that forces an employee or prospective employee to look elsewhere. Health benefits, retirement plans, house benefits among others are key in the modern world and have a lot of influence on an employee's decision to stay or leave.

- **Performance analysis systems**

While benefits are tailored to keep employees interested, it is vital for a company to have its objectives met by the work employees do. An organization has to set up a benchmarking platform on which they measure each employee's work output and how much incentive they take on their own in order to build on the organization's agenda. The most common is using a set of annual development goals which the company then measures up against the performance of employees. Benefit and reward disbursement can then be made to be conditional on an employee's performance for the part of the financial year being analyzed.

- **Legal Compliance**

Not to be forgotten is the legal portion of benefit distribution: benefits need to be given in a manner that follows the labor specifications. Things like overtime that have specific allocations must be handled with precision due to the legal ramifications of ignoring the set government standards.

Compensation Strategies

Considering size of merit

This strategy usually focuses on rewards based on the performance of an employee rather than any generalization notion. The best performing employees receive larger benefits compared to their counterparts who will only receive the most basic package required by law. This acts as a reward and motivator for the employee who has received the benefits and an incentive for the coworkers who were left out ensuring they work harder the next time in order to be on the receiving end of the boon. This method also prevents any chance of making wrong or biased decisions since they are all based on the employee's measurable performance.

Pay increase on promotion

Since employees who have received a promotion are likely the best performers in their job categories, it is always followed by a salary increase. This is usually a motivator to continue giving good performance as well as a motivator to those looking for promotions.

An organization has to manage how these promotion-based increases in salary are done in order to prevent large and obvious disparities among employees who work within the same pay range. If salary increases also revolve around performance, a single employee could end up earning up to two times what his or her counterparts earn. Despite having earned the large increase, it is likely the workmates of this employee would feel spurned which makes increases in benefits more suitable as rewards and incentives.

Anomalous Salary

Sometimes, either due to changes in corporate structure or implementation of new job evaluation methods, it could be noticed that an employee is receiving a salary or a benefit package that does not fully compensate them for their performance. An anomalous salary increase refers to the significant, on often permanent, salary raise such an employee receives when their performance is reviewed.

If another employee, under the new structure, has a salary that exceeds their performance, the organization can hold them within their current pay level indefinitely until their output increases, rather than lowering their pay. This acts to prevent any salary cut disputes and also acts as an incentive for them to increase their work performance.

General salary adjustment

This system is used sparingly and only when the company has had a good year which results in the necessity to give employees an increase to show appreciation for the good work done.

If misused, this method results in the loss of faith in the meritocracy of the company, seeing that all employees enjoy this bonus, without paying too much attention on individual efforts.

Automatic salary progression

This method is also based on the policies a company has in place for the growth of an employee's earnings. For example, it could be set that the employee's salary should be increased by 50 percent for every 7 years that they have worked within the company. This method can also lead to problems since it doesn't use merit/performance as the determining factor for compensation.

Compensation strategies form an important cog in the working of organizations all over the world. How these strategies are formed and implemented will leave a huge impact on employee morale, retention and the company's bottom line.

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Compensation Policies, Processes and Analysis

Compensation is a fundamental block on which employees and employers 'bargain' and create a working relationship. Compensation refers to the monetary value employers put on a worker's work. This could be in the form of salaries, incentives, bonuses or even raises. Compensation is used to give value to the employees' work and relies on the processes of job evaluation and definition. When a job is evaluated, an employer checks through a job's requirements and responsibilities and determines how much work the job entails and how important it is to the overall working of the company. During job description, a position is evaluated based on its requirements and functions and then it is analyzed and placed within a salary range. It is from this salary range that an employee's compensation will be determined. This relationship between employers and employees

based on compensation and also inclusive of benefits and associated programs is often referred to as the "total rewards" derived from this relationship.

Employers are subject to standards set for employee compensation that ensure:

- Compensation and benefits conform to the government's laws and regulations and are as fair as possible.
- Payrolls and similar accounting functions are operating and ran with updated information which will be used for compensation.
- Compensation policies have been clearly set up and implemented.
- Assessment of compensation policies to ensure they remain competitive yet fair to both employees and employers.
- Evaluation of the programs involved in the compensation process to make sure they remain up to date and relevant.
- Training of employees so that they may understand their roles within compensation programs and how they are involved in the creation of the policies.
- Development of ethically sound compensation policies and programs that remain fair to the employees regardless of factors like age and sex.

Compensation Policies

When coming up with sound compensation policies, an organization must first perform a job evaluation which helps to create a pay structure that is streamlined and well-defined. The job evaluation, therefore, allows future compensation processes to be based on work done rather than using a haphazard method that will end up being unethical and unfair to everyone. **Job Evaluation Methods**

- **Job Ranking**
  Compares two or more jobs using their responsibilities and functions to come up with a comparative compensation plan for both jobs.
- **Job Classification**
  Classifies jobs based on shared characteristics. Within these classes, sub-divisions are created that divide the jobs based on requirements and responsibilities and eventually a pay structure can be created.
- **Point-Factor**
  Here key job factors are chosen and given a monetary value which then helps in compensation calculation based on these factors that make the job what it is.
- **Factor comparison**
  This method compares several key factors that round off what the job is all about and then assign monetary work based on the degree to which the skill is needed.

These four are the best evaluation methods but can be complemented by others such as market evaluation.

Compensation policies rely on the resulting data which tells which factor is of more importance within a certain role and hence which one should be compensated to a greater degree. Compensation policies can be implemented using base-pay systems such as:

- **Flat rate system**
  Each employee within a certain job is paid the same regardless of performance or seniority. It is most often used in government offices where the employer is an abstract entity that cannot measure the performance of so many of its employees hence the standardized pay. In more private workplaces, this system can cause dissent as there is no way to get paid for your work's worth and even the lazy employees receive the same rate of pay as their outgoing counterparts.
- **Time-based step rate system**
  Compensation is increased progressively based on the time an employee has served within the organization. This is another system most often used within government offices and agencies but is often adopted in private sectors and combined with a performance system.
- **Automatic step rate**
  The pay structure allows divisions within the pay ranges and when an employee attains a certain condition, e.g. a level of seniority; they are moved to the next step.
- **Step rate and performance combination system**
  This system is a lot like the automatic step rate system except for the fact that it is reliant on the performance of individual employees. The system allows for a more efficient compensation system that adds incentives for the employees since they are all capable of getting to the next step if their work performance.
- **Performance-based merit pay system**
  The compensation of an employee is not just reliant on the job description of a person but on the work, they do and how they perform in terms of helping the organization achieve its goals. Employees within a company with such a system are usually employed and begin earning at the bottom of their pay grade. Subsequent performance reviews will show whether an employee has improved, and a compensation increase is made accordingly.

- **Productivity-based system**
  This system is the alternative of the performance system used in assemblies and plants to motivate employees to get maximum work output. The system increases the employees' compensation based on the amount of output they provide.

- **Straight piece rate system**

In this system, the amount of compensation is directly proportional to the amount of work the employee is able to do. The focus lies on the amount of work rather than quality hence this system cannot be used alone and should be mixed with another such as the performance-based system.

- **Differential piece rate system**

Here the employee begins at base pay and as soon as their work output target is met, they are moved upwards to a better paying category. Like the straight piece rate system, it focuses on the amount of work done rather than quality and hence cannot be used alone.

- **Person-based system**
  - **Knowledge-based system**
    A person's rate of compensation based on their knowledge of a specific field. This system is seen in the more knowledge-based fields such as law and medicine.
  - **Skill-based system**
    In fields where skill is a determining factor in how much time will be used for operation, this system is used. Highly skilled employees will earn more than their less skilled employees. An example is that of machinery operators in factories or construction sites. Operators who can operate more machines and work with each faster will receive higher salaries than those who can only operate a single machine or handle the machinery with less skill.
  - **Competency-based systems**
    Competency, while abstract can be used to determine what each employee will be compensated for their work. For example, an administrative secretary with higher organizational and language skills will be paid higher and be more sought after than one who isn't.

The process of making pay increases has to be carefully structured by the employer in order to have the best impact on the employees. It is also affected by many external and internal factors of an organization which makes the choice for increments difficult.

- General increase
  This increase is independent of any factors and occurs when an employer simply wants to grant an increase in pay to all employees under their employ. This often occurs when an organization enjoys a very successful year or during the festive season.
- Market-based increase

Due to the stiff competition within the labor market for skilled and knowledgeable professional, an organization is often forced to match its employee compensation with market rates to keep their employees from leaving.

- Seniority increase
  Using this increase method, the longest-serving employees are given pay rises that are proportional to the length of time they have been employed in the company.
- Lump sum increase
  As a result of union action or strikes and go-slows, an employer may be forced to give the employees a large compensation in order to settle the dispute. This sum is often released in moderate amounts over a period of time rather than the more common disbursement of the whole amount in a single amount.

These policies are used when considering the different compensations for employees in an organization. Rarely are any of the compensation systems used on their own: more often than not a combination or two or more of the systems are used to give employees extra incentive. An organization has to do an in-depth analysis of which systems work best for their organizational structure.

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Budgeting, Payroll and Accounting Practices Related to Compensation and Benefits

The budgeting, accounting and payroll of compensation is usually a drawn-out process in every organization, requiring concise communication between every department within the organization. Compensation is the main incentive which a company can use to motivate its employees while benefits are the rewarding system which enables the organization to remain competitive in attracting new employees and keeping old employees from moving to better organizations. When dealing with compensations and benefits, an organization needs to follow the set legal guidelines while ensuring every benefit package is geared towards making their employees feel appreciated in a bid to keep competitive in how they pay their employees. A balance has to be struck in order to reward good work and encourage 'lazy' employees to do better without crossing any legal territory that should be avoided. Based on the strategy of compensation distribution that an organization has in place; the budgeting and payroll practices may differ slightly but are relatively the same since the money processing and disbursement is always as part of the employees' salaries.

Budgeting of Compensation and Benefits

The budgeting for an organization's compensation is usually done depending on factors such as the size of the organization, which greatly affects the funding available to different departments in the organization. Factors that affect the budgeting include:

- **Cost of living adjustments**

This is a pay increase necessitated by an increase in the cost of goods and service over the course of time. This increase makes for a necessary adjustment to budgeting since the law specifies how the salaries of laborers must be structured relative to the consumer price index. Such an increase has to be made across the board for the organization's employees and is paid as a lump sum or over a period of time depending on the negotiations between employers and employee unions.

- **Premium Pay**

Premium pay is a provision available to employers to enable them to get more man-hours from their employees and allow employees to get paid for overtime. Premium pay involves compensation for overtime and is an important factor to consider when budgeting for compensation and benefits. Employees who put in the extra hours have to be paid accordingly.

- **Hazard Pay**

For companies that operate in hazardous environments or dangerous working conditions, for example copper mines, the company offers hazard pay as a motivator so that it can get employees to work in such dangerous conditions. Budgeting in such companies must include payment of hazard pay and bonuses for the employees to ensure they don't lose these employees to competing businesses who could offer better packages. This is especially important since such businesses are very sensitive to the loss of their labor force and could accumulate huge losses which can be difficult to recover.

- **Travel Pay**

These are the benefits given to employees who have to travel out of their way in order to perform some company transaction or any other work required by the company. These employees are usually due to a significant bonus that not only covers the travel costs but also tries to make up for the inconveniences they experience during their travels and giving up their personal lives.

Payroll

The payroll affects all employees within an organization since not only does it touch on salaries but also on their compensation and benefits. It is classified under the administrative functions within an organization as performance is usually used as one of the determining factors while working on the payroll. The payroll fulfils roles such as:

- Ensuring legal compliance of federal, state and local laws in terms of following all labor laws.
- Keeping periodic and constant records of the company's financial state.
- Generation and maintenance of records about employees and the organization which makes for data that can be used for future planning.
- Control of financial transactions and security of the company's funds ensuring they are not misappropriated or misused.

Payroll Administration

Payroll functions must ensure compliance with both the documented structure of the organization as well as federal, state and local laws. The administrative requirements of the payroll function are many and require delicacy in their handling to ensure correct paychecks and legal compliance. The payroll must contain a master file which contains information on:

- Every employee's personal date: full legal names, gender, date of birth and social security number.
- Every employee's employment data as listed in their job's description
- Tax and payroll data
- Form 1099

- Payroll data for the organization

Payroll Systems

The system an organization uses for its payroll is up to the company's choice but has to be chosen based on:

- Its capability to handle all the organization's diverse payroll needs. The focus is placed on the system's ability to receive timely and accurate results from the data it is fed. The system should be able to store all this data but allow for easy and fast access for all authorized personnel.
- It should have inbuilt checks that make sure transactions and processes are free from errors or fraud in order to be used in a way that complies with the federal laws on payrolls.
- If outsourced, the system should be cost-efficient and handled with the high level of expertise required to get correct and timely results. It should be reliable and be backed by a vendor who is accountable and preferably has a history of dealing with that kind of solutions.

Accounting

Accounting, usually handled by the accounting department, is focused on developing a financial summary that creates the entire payroll. The most important part of accounting, at least by employee standards, is using the reports of supervisors to create paychecks that are in line with the organization's compensation standards. This involves the handling of:

- Base Pay
- Benefits
- Incentives
- Allowances
- Adders to the base
- Retirement benefits

These are then further analyzed, based on federal, state and local laws to calculate earnings, taxes and tax withholding (either federal or state), if any are involved, preparing the actual paychecks for every individual employee under the organization's employment, preparing the payroll register, updating employee payroll registers, preparing government filings, creating a general payroll ledger and tax payroll, and finishing payroll reports.

Federal withholding taxes are derived at this point when an employee fills out the required Form W-4 and the Withholding Allowance Certificate, depending on an employee's marital status and the number of dependent allowances that have been

claimed in the certificate. The amount calculated is published by the IRS to be made fully accepted and legal.

State income tax withholding is also calculated using the data provided in Form W-4 and allowances are published in state publications for the purpose of future state accounting.

Other common payroll deductions made by accounting to be reflected by an employee's paycheck are:

- City and county taxes
- Employee contributions e.g. union fees
- 401K contributions that are disbursed automatically
- Health savings including any additional benefits the organization offers to its employees
- Flexible spending account

The employer also has to file several declarations for both their employees and the employing organization including:

- The federal unemployment taxes
- Statement Unemployment Tax
- Compensation premiums for workers
- Social security taxes of an employer on behalf of all their employees

The resulting data is used to create employment records that outline both employer and employee transactions:

- Product expenses
- Payroll tax expense
- Compensation for workers in the form of insurance payments
- Payables such as FICA, FIT, Medicare, SIT, SUTA and FUTA

The importance of the compensation and benefit disbursement process and practices lies at the core of all profitable organizations and are for this reason closely overseen by the government using laws that require the filing of so many returns. The process itself is perhaps the most important part of an organization's financial structure.

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Job Analysis and Evaluation Concepts and Methods

Job analysis involves the activities done within an organization to ensure accountability within a certain position, whether now or in the future. The analysis focuses on a position's roles, responsibilities and functions within an organization based on previous holders' performance and the organization's ultimate expectations.

This has led to popular debate on how such evaluations work to undermine positions, especially since they often lead to major and minor organizational restructuring. Many employees feel that such evaluation methods undermine their work and are a way to make them take on responsibilities that lead to either their release from a position or assumption of duties they feel are above their line of work.

This, however, is contrary to the true purpose of such evaluations. They are usually geared towards growing an organization in a way that identifies weak links in the hierarchy so that the chain of command is more streamlined. The analysis focuses not just on the position's holder, as is popularly believed, but on the position itself so as to remove redundancy where organization roles are involved.

Job Evaluation Methods

- **Job Ranking Method**

Job ranking works by comparing one job with another and then determining differences in duties, responsibilities and essential functions. This analysis is often used when an organization wants to do away with repetitive positions or wants to better define existing roles.

- **Job Classification**

This method grades jobs into groups based on similarity and each grade is given a class description. Each class is then benchmarked based on essential functions and knowledge, skills and abilities needed and factors that stand out. Based on this, a job is evaluated in terms of monetary worth or to determine its value to the organization.

- **Point-Factor Method**

The point factor focuses on the key factors of a position and then uses them to place monetary value on the job. For example, an accountant would require higher level of accounting certification than an administrative secretary. An accountant with more accounting diplomas and experience under their belt will be ranked hire, and hence be of more value, than one with less certification and experience.

Using the Hay Plan method, the focus is put on 3 factors and then evaluation is done. For example, in an administrative secretary's position, these factors could be communication skills, time management skills and language and transcribing certification.

Using the Factor Evaluation System, duties and responsibilities are listed and ranked, and the most important and recurring factors are used to evaluated job worth.

- **Factor Comparison Method**

This method of evaluation works by ranking each 'value-worthy' factor for the job in question and assigning a dollar value for each level within the factor's various levels. This method is commonly used in union negotiations to get better work rewards for employees.

Job Description

The most common methods of job analysis and evaluation revolve around the review of the job description of the job in question. Job analysis works with the concept that every job in an organization has a preset and predefined description. This description defines what the job is all about (its responsibilities, functions, roles, qualification requirements) and the bio data of the position's holder (names, social security information, contact information such as addresses and telephone number, education certification and past experience handling similar positions).

Most often, organizations will try and identify the responsibilities, roles and functions that make the job such an integral part of the larger organizational structure. This process is usually a responsibility of the supervising officer of the position which is being evaluated in order to provide a better and more detailed understanding of the job definition. While the core of the job's definition will rarely change, except in case where the company does a major structural overhaul, in-house complaints can result in relief or addition of some roles and responsibilities that the position's holder takes care of or needs to take care of.

The analysis begins by looking at all the responsibilities assigned to a specific job including official communication made by the previous holder of the position in order to get an accurate picture of what the job entails. This could have been through office letters, bills, statements, memos (both internal and external), checks, receipts of company purchases (including those made during business trips) and documents produces during the holder's tenure (for example, project proposals, hiring processes – if the position has such power), and notes made by assistants and supervisors.

If all this yields the expected results, an analysis is done on the duties assigned to the position. What makes the position such an important one in the organization's chain of productivity? It is at this step that the complaint investigator and job description review could point out duties and responsibilities that should either be made part of the position's duties or be removed in order to either increase the company's streamlined operations or improve the interactions within the hierarchy of command. For example, it could be discovered that two directors are issuing contradictory orders to the same sub-department resulting in standstills as the sub-department tries to work out which order they should follow. The evaluation would have to perform an analysis of who should give instructions, for example, acquisition and purchase instructions of a certain kind, to this sub-department.

Next, a review of the position's essential functions is done for example, what orders are processed in the office, what production process is controlled there, which employees are managed by the position's holder etc. A clear distinction is made between essential and incidental functions of the position: a manager in charge of a factory's production process may be coincidentally involved in the repair and maintenance of the factory's machinery as well as worker welfare. Sometimes the confusion of a previous person's incidental responsibilities may lead to them being viewed as core functions which if left unchecked by evaluations leads to crossovers between job descriptions that accumulate and lead to the inefficient running of an organization.

Job Qualifications

Analysis of a job can then proceed to an examination of the job's expected qualifications. Job qualifications are usually outlined in general in the Uniform Guidelines on Employee Selection Procedures. The jobs are categorized according to the qualifications they need which include education, experience required in a role of similar responsibilities, etc. Standards can be set by an organization for the minimum requirements they want in order for their employees to handle the responsibilities within each position. The analysis is done in order to verify the correlation between each requirement and actual work requirements. Sometimes the job description may change, which results in a similar change in the qualification such as a new level of required experience.

Some qualifications are abstract in that they will be handled in different ways by different people leading to different work outputs and cannot be analyzed with perfect accuracy by most reviewers. Mental and physical requirements of a job position are variable and may not always be constant. A job requiring a lot of brainwork, such as quick, critical thinking and language skills, will be mentally demanding and a provision for testing a prospective candidate's reaction to working under pressure could be made during a job interview. If a job requires a lot of physical activity, then the qualifications would have to

stipulate such requirements as the position's responsibilities cannot be handled well enough by a person who is inactive and physically unfit.

Job Competency

Competency is a major measure of a person when trying to match them with the job's description. While a person may be qualified and well aware of their responsibilities, competency is the measure of how well a person works in the role given. This can be viewed in four ways:

- **Skill competency**
- **Knowledge competency**
- **Ability competency**
- **Behavioral competency**

The Point System for Job Evaluation

This system gives points to a person based on predetermined factors an organization may require and marks the points out of ten in each case.

- Mental development – Including the knowledge a person has
- Experience
- The difficulty of a job
- Functional variety – Especially of the essential functions
- Inventiveness
- Freedom – e.g. surgery has a 1 on this scale while art may have a 9 (the higher the number, the more the freedom)
- Magnitude – Impact of a job on the rest of the organization
- Supervision

Job evaluation is often a long and cumbersome process, but it is a necessary part to building and maintaining an organization.

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Job Pricing and Pay Structures

Job pricing refers to the range in which a particular job can be paid within current market conditions. Pay structure, on the other hand, is an organization dependent hierarchy which specifies salary ‘levels' as well as how different positions within the organization are rewarded. Job pricing and pay structures offer a kind of control that allows a certain level of uniformity and fairness while marking payments of various employees regardless of managerial preference or any bias that may exist.

Job Pricing

Even within job brackets, the pay of any employee is usually affected by three common factors:

- **Age**

While this matters less today due to the growth and shift in the current world, experience and physical age of an employee is often a factor in how much pay an employee gets. More experienced employees are likely to get better pay than those who have less experience.

With time, the size of rewards for a certain job may either increase or decrease. It is very unlikely for them to remain constant. For instance, a study shows that today, an engineer makes twice as much as they did five years ago. This is a case where the reward increased for the employee. It is evidence that with time, job pricing does change.

Level

While the job titles and responsibilities of two employees may seem similar at first glance, in-depth analysis by a firm would show subtle and, sometimes, obvious differences in responsibilities which create differences in overall work output.

For this reason, organizations are likely to set up ‘levels’ within their internal hierarchy that adjust reward and hence overall pay, making even similar employees earn different amounts of pay.

- **Geographical Location**

An organization doing a job pricing survey and analysis has to consider its geographical location and set wages that are relative to the environment around it taking into consideration that its own profits are affected indirectly or directly by these geographical factors. For example, the taxation system in location A could result in losses if the company uses a financial structure based on a location B.

When doing a job evaluation, a company has to take into consideration:

- **Its key jobs**

These are the key roles that are stable and in turn provide stability to the company. These could be managerial positions, directors or human resource positions. These jobs would be paid at a standard rate, be stable and have well-defined and unchanging responsibilities.

- **Compensable factors**

These are the factors that differentiate each job for what it is and what makes it unique compared to all other jobs likely to be in the organization. Rarely do such factors exceed ten and they require special levels of experience, responsibility and education.

- **Other factors according to the overall worth**

These could be factors such as knowledge requirements, the degree of difficulty (both physically and mentally) among others. While not necessities to the various positions, they play a part in making sure roles are filled with qualified people who in turn create a smooth business environment.

- **Divide the factors into a degree-range in priority**

This is allocating value and worth to each of the key factors identified. For example, skill could have an importance of seven out of ten points while knowledge could be at nine out of ten. This data can be used as a subtotal in the results which is then assigned a monetary equivalent.

- **Look at the results and analyze them**

Pay Structure

Pay structure begins after an organization has done internal job pricing through job evaluation using current market surveys. The focus is usually placed on dividing the organization's pay into grades that the organization further divides using different set ranges.

Pay Grades

Pay grades are set up depending on the results of an organization's job pricing evaluation. They are an organization's way of differentiating jobs that have similar or almost similar values. The process of creating grades is based on an organization's structure and can have as many or as few grades as seen fit. They are most determined depending on the:

- Structure of an organization
- Size of an organization
- Difference between highest and lowest job

- Promotion policies
- Pay increase policies
  There are different systems that can be used to increase an employee's pay. They could be:
    - **General Increases**

At random times, an organization could decide to increase its employee's salaries across every pay grade. This is often due to a growth in the organization that allows a more attractive pay system compared to when the company was at an earlier stage of growth. Such increases are independent of market forces or employee performance.

- **Seniority Increases**

Based on the amount of time an employee has worked in an organization, employees with a longer work record could be given significant raises in their salaries as a form of 'thank you'. In most organizations, this increase is coupled with an evaluation of job performance which makes the increase apply only to those employees with a longstanding history of good performance over a long time.

- **Lump Sum Increases**

Large, sudden increases of wages that are either as performance bonuses or annual planned increases are called lump sum increases since they refer to a large 'lump' added to existing salaries. They rarely affect the base pay or most other benefits received by the employees.

- **Market Increases**

These are due to factors that force organizations to increase their pay rates in order to remain competitive in the market and not lose their employees. This could either be due to lower job pricing, fewer benefits or poorer employee reward and compensation packages.

Pay Ranges

They determine the upper and lower edges of the pay structures within each grade. Quartile and percentile analysis show the spread of the various pays to various employees in a pay grade and determine policies such as compensation.

Other factors:

Jobs pricing and pay structure creation and implementation are dependent on other factors which are independent of the work-reward system already established during job evaluation.

Premium Pay

This is pay that some organizations create as an incentive for employees to get more output and make them be more proactive. A prime example is the overtime pay some organizations give to their employees as a way to get them to work for more hours over and above their usual work days. Sometimes the premium pay is part of a state's labor laws and the company is forced to include it in their pay structure regardless of the job pricing they may have done.

Hazard Pay

In companies with the risk of injury and maiming, hazard pay acts as an incentive to make employees, who would have otherwise never agreed to such conditions, work in an environment that carries a big risk of bodily harm.

Travel Pay

For employees who are required to travel and stay in new cities, towns or places, travel pay is used as an allowance by the company so that it may be able to carry out business activities and have employees willing to go to represent them. This pay goes a long way in making employees appreciative in their work environments and ensures all work is done efficiently and in time.

Advantages of Job Pricing and Pay Structures

It allows a company to create a well-defined pay structure that works on merit, skill and responsibilities making the payment process more streamlined.

The structures allow for more efficient cost management and control.

It aids in organizational planning such as budgeting and project planning.

It provides a career framework both for employees and prospective employees.

Disadvantages of Job Pricing and Pay Structures

The structures may appear to be very rigid and bureaucratic as they set ‘prices’ on employee heads which often limit performance.

The structures prevent market competitiveness.

The administrative costs of such structures are costly to support and implement, especially due to the intensive research required.

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External Labor Markets and Economic Factors

External Labor Markets

Simply defined, labor markets are a means by which labor demand (number of available job types) is matched with the labor supply (number and type of available workers). External labor markets are a component of labor markets that is a system companies use to look outside its own organization to outsource workers and employees instead of giving the job to somebody who is already working for them. These external laborers have a level of fluidity when it comes to their posting and wages.

External labor markets are ever changing markets becoming more and more competitive as globalization opens up new labor pools and markets. Some authors (Morris, 2004; Kalleberg, 2006; Wilton, 2010) identified five key factors that affect and transform external labor markets. They are:

1. Variations in the composition and availability of economically active populace.
2. Demographic situations
3. Legal restrictions.
4. Fluctuations in the unemployment rates
5. The shifts in the requirements for skill-sets.

In HR planning and execution, understanding the external labor market is crucial because this is where HR draws and hires labor from and could possibly loose labor to. Without an in-depth understanding of the external labor market, HR departments will fall short on their recruitment methods.

When looking to tap into the external labor markets, HR management should modify their selection methods or strategies in relation to industry factors and the current labor market.

Labor Market

a) Labor Shortage

The obtainability or unavailability of qualified workers to occupy your job positions can affect the HR selection methods of external labor. In the presence of labor shortages, the labor market is tight narrowing the scope of viable applicants. As a result, your recruitment methods will include outsourcing passive candidates. Candidates labelled as passive are workers who are not actively looking for work, the sole reason being that they already hold employment positions elsewhere. This process should not entail any poaching but instead, act as an avenue to look for flexible outsourced labor that you can use from time to time.

Combining both active and passive candidates will broaden your pool of potential candidates within the external labor market.

b) Early Recruiting

Increased labor shortages may require you to look for and tap into potential candidates before they embark on their careers. This works as part of your company's long-range staffing strategies.

Campus recruiting can be viable sources of potential candidates. In order for this type of program to sustainably work, it requires the establishment of relationships between the organization and campus communities such as university career services department.

c) Hiring Process

When the economic situation changes, the organization also needs to screen these progressions and find out how they influence the organization's staffing process.

Industry factors:

a) Industry Competitors

There are always those business opponents who offer better pay incentives or guaranteed chances for professional growth. Their "generosity" tends to stifle the flow of potential employees who come to an organization. The trick is to match your competitor's benefits through tangible rewards and focusing on the organization's strengths. Such as offering flexible scheduling, job satisfaction and security, and collegial work environments.

Changing the way your recruitment process in the face of industry competition might also incorporate streamlining and shortening your selection process. This is to avoid long tedious processes that put off candidates from application to hire date.

b) Authoritative Influences

Authoritative variables are resolved outside of individual associations and influence compensation. Administrative impacts incorporate work guidelines, and particularly least wages. Numerous businesses depend on a low altitude, low wage (least) transient workforce. Any expansion in the lowest pay permitted by law influences both the rates paid to the representatives and the business' wage level. What is more, authoritative prerequisites, for example, pay value and business value increment the managerial weight and cost to the business - these expenses may influence the wage level of an association and subsequently, its wage rates.

Economic Factors

Economic factors are the fundamental data about the immediate market and economy taken into consideration when an organization is looking into recruitment and hiring of labor. Externally, these factors answer questions like, what are the compensation and salary rates in the industry and how is the economy affecting employment? Within the human resource planning of an organization, economic factors generally discuss the availability of capital for salaries, training, and, equipment.

The basic of external labor markets in respect to economic factors are:

1. **Demand of Labor**
   Simply described demand of labor is derived demand from an organization's core product. When an organization's consumers demand their product or service, this translates into the company's demand for employees and laborers.
   This means the more an organization succeeds in its specific market, the more they will need to tap into external labor markets.
2. **Supply of Labor**
   Supply of labor is defined as the number of workers of a given form of labor who would apply for employment within certain wage rates.
   Factors that influence laborers supply of labor:
   i. **Substitution effect of a rise in wages**
      Higher wages result in workers giving more value to work and employment as opposed to being unproductive. The substitution effect causes increased productivity as wages upsurge.
   ii. **Income effect of a rise in wages**
      The opposite occurs when increased wages cause workers to clock fewer hours; this is referred to as, income effect. The foundation of this trend is the mere fact that in this case, workers get a higher income by clocking fewer hours.
      Therefore, as wage increases, laborers will tend to work less because they get to attain their target income whilst spend fewer hours working.
3. **Wage Determination**
   When workers sell their labor, the price they can charge is influenced by several factors on the supply side and several factors on the demand side. The most basic of these is the number of workers available (supply) and the number of workers needed (demand). In addition, wage levels are shaped by the skill sets workers to bring and employers need, as well as the location of the jobs being offered.

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Executive Compensation Methods

Executive compensation refers to awards, both financial and non-financial that an executive receives from their firm as compensation for service offered to an organization. Generally, it comprises of a mixture of salary, bonuses, fringe benefits, perquisites and is ideally configured to comply with the existing legislation and tax laws as well as serve the desires of the organization and the executive.

Compensation forms an integral part of the motivation of executives and therefore has a direct influence on the performance of an organization. An adequately compensated executive is likely to offer their full commitment in pursuing a company's objectives as opposed to one who feels that their efforts are not adequately awarded.

This explains the general rise in executive pay from the 1980's as companies struggled to attract top talent that could increase stockholder value in large companies. Executive pay is generally higher than that of an average worker. Recent studies have indicated that executive pay should be aligned with social goals, for example, public health goals. It forms a core part of corporate governance and is generally decided upon by a company's board of directors.

Executive compensation methods

This refers to the ways in which executives are rewarded for their service to an organization. They include the following:

- **Salaries**

A **salary** refers to any form of payment that an employer gives to an employee as a reward for service offered to the firm. Salaries are generally contained in employment contracts between the two parties. Salaries are normally paid over a specified period, more commonly monthly and are contrasted with piece wages where each additional unit of work outside the contract is paid separately. In the context of running a business, a salary can be defined as the cost of acquiring and retaining human resources for running operations and in this case, is referred to as a salary expense or personnel expense. For purposes of accounting, salaries are recorded in payroll accounts.

Salary scales are determined by such factors as the availability of workers with the required skills, the economic conditions of the area where the business is based and the existing legislations in the area of operation. When determining what to pay, the

placement of the role organizationally is given first consideration, and this can be determined by job evaluation or classification. The second consideration is the job-relevant skills and experience the person applying has; this may affect their placement in the salary range if they are hired.

- **Short-term incentives (STIs)**

In today's business world, top executives are often paid salaries and some additions to the base pay, mostly dictated by performance. In the event of incremental revenue turnover, for instance, a sales executive is awarded an extra payment on top of the base pay. Similarly, increased profitability and revenue growth may attract additional pay to the CEO.

The additions to base pay which are provided to employees after a positive turnover in the organization are referred to as short-term incentives (STIs). It is common for top executives to be awarded short-term bonuses that can equal up to 50% of their salaries. Other senior managers may receive between 25% and 50% of base pay. There are certain employees who are viable recipients of STIs. The following are some of the workers who can receive STIs if ever the event occurs: organization members, work units, team members, and individual contributors. Although STI programs can and are enjoyed by everyone in the organization, the major recipients of the bonuses have remained to be the top executives and senior managers. A combination of salaries and short-term incentives is termed as total cash compensation (TCC)

- **Long-term incentive plans**

A long-term incentive plan (LTIP), refers to compensation plans that are designed to benefit the employees and, in the process, spearhead the long-term objectives of a company. While formulating these plans, compatibility of the company’s plans for long-term growth and terms of the LTIPs is given priority. Employees are motivated to focus more on plans and policies that foresee high performance and prosperity of a corporation and in the circumstance provide them with an opportunity to earn more in terms of compensation. Properly designed LTIPs help corporations stay afloat in a competitive business environment by providing incentives to attract high performing employees that help gear the company in the right direction of predetermined growth.

Types of LTIPs

Retirement plans

This is one of the most important and common types of LTIP. The retirement plans are designed in such a way that both the employer and the employee with regard to the set legislation and regulations governing taxation contribute to them. There are specially set procedures that determine how much an employee takes home from the company after retirement. Retirement plans are designed in such a way that employee's retention is guaranteed.

A company, for example, retains part of its contributions to the plan for a period of up to five years upon employment and after full vesting; the employee is entitled to all the benefits on the contributions made by the company. This is a prudent way of ensuring retention of high performing workers that is paramount to meeting the company's long-term objectives. An example of a retirement plan is the 401(k)-retirement plan.

Stock options

This is a type of LTIP where an employee is required to offer services to a company for a stipulated period of time after which they are rewarded with the option of acquiring company stock at a discount with the balance being paid by the company. Restrictions, however, are placed on this provision. In the event of an employee terminating his working relationship with a company within the first three years of employment, it is required that they give up all stock that had been gifted to them. These restrictions are normally in place for five years upon employment after which the employee is fully entitled to the stock and reserves the right to take with him all the stock in the event that he stops working for the organization.

From the above discussion, it is notable that the paramount goal of Long-Term Investment Plans is to promote the retention of the workforce that comes with the benefit of a more experienced group of workers in relation to meeting the company's objectives.

- **Employee benefits:** Employee benefits refer to the various types of non-wage benefits that are awarded to employees on top of their fixed periodic fixed salaries. Examples include housing, free utilities, tuition reimbursement, group insurance, disability income protection, retirement benefits, sick leave, vacations, employer-student loan contributions, domestic help and other specialized benefits.

They are also referred to as fringe benefits, benefits in kind or perks. When an employee decides to exchange salary for any of the above benefits, it is referred to as salary packaging or salary exchange arrangement. These benefits (although not in all circumstances) can be taxed in some countries, at least to a certain extent. Employee benefits increase the economic well-being of employees and this raises worker retention rates across the organization as well as the employees' performance.

- **Perquisites:** A perquisite refers to any casual emolument or benefit attached to an office or position in addition to salaries or wages. They mostly take non-cash forms but may also include reimbursements of expenses incurred by the employee by the employer. Sometimes they may also be referred to as fringe benefits (section 17(2) of the income tax act)
- **Insurance:** Insurance is a form of insulation against uncertainties in the working environment. It is a form of risk management where employees cushion employees against changes such as fluctuating profitability, change in the working environment, and health among others. An insurance policy for the workers removes the element of fear and adequately motivates the workforce by saving them large sums of money in incidences such as disease and accidents thus saving enough to meet their needs.

It is evident that the chief executive officers of companies provide a level of talent that is required to produce a desired product, which is a strongly performing organization. Their skills and responsibilities are extreme, and hence they deserve the large compensations they get.

Non-Cash Compensation

Effective employee compensation does not necessarily imply monetary reward for work done. Using the right kind of non-cash employee compensation can create a visible boost in employee motivation consequently boosting performance and output. Non-cash compensation thus refers to non-monetary benefits that are awarded to employees for work done or appreciation of their efforts. It can be in the form of a company car, subscription of membership to country clubs, discounted gym memberships, good health insurances, generous retirement plans among others.

More traditionally, it may encompass aspects such as healthcare insurance, social security, unemployment and workers compensation. The idea behind non-cash benefits is to build a community and support system that helps to shed off the burden of living and eliminate work stress to enable employees to focus on work rather than worry about

life and therefore maximize the output. Non-cash compensation is a common strategy employed by high performing managers to boost performance. The financial implications while implementing these strategies may seem costly at the start but in the long run, tremendous results are realized thus proving the cost-effectiveness of the same.

Types of Non-Cash Compensation

Employees have a wide range of needs, some of them psychological that cannot necessarily be met by monetary rewards. Non-monetary compensation addresses some of these needs in the most effective way and it can take the form of any of the following;

- **Training**
  Development of both hard skills and soft skills in the employee acts as a morale booster as it makes them realize that the organization or company is committed to helping them reach their full potential. Offering training programs on occasional basis works best as a compensational strategy especially if it meets the development goals of the employee.
- **Awards and honors**

  The need for human beings to be recognized and appreciated makes this an important non-monetary compensation tool. Creating internal motivational contests among employees and awarding winners with symbolic awards, for example, a title such as "employee of the month" has very minimal financial implications but the overall effect on improving employee's performance is tremendous. Appreciation of skill and performance through awards may seem costly in the short run but with time the actual financial value comes second place as the overall performance of the organization shoots up.
- **Improvement of the office environment**

  The quality of the working environment matters most in as far as employee performance is concerned. By providing general improvements such as increasing office space, providing a personal closed office, creation of parking space and installing properly functioning machines typically matters quite a lot to employees. The quality of the conditions in the office represents a form of compensation with plenty of potential as workers generally feel that the employer has their comfort at heart. Those who mostly work in the offices will be motivated to stay in for long hours thus improving productivity.
- **Provision of a mutually friendly working schedule**

  This form of non-monetary compensation focuses on working towards meeting the organizations objectives as opposed to struggling to fit in a fixed schedule. It

is friendly both to the employer and the employee as both of them will attain satisfaction in the end. Working on fixed schedules creates work stress on the worker in an effort to beat deadlines and thus the quality of the output/work may be compromised. It can also create a sense of being dictated upon by the employer hence lowering the level of motivation to work.

- **Insurance**

  This is aimed at creating a sense of safety in the employee by insulating them against changes in the working environment, health issues, profitability of the organization among other risks and uncertainties. The elimination of worry through insurance enables employees to operate to the maximum of their potential. The company, in this case, is referred to as the insurer while the worker is the beneficiary.

- **Perks and other fringe benefits**

  The workers are entitled to such benefits such as discounted memberships to country clubs, free parking, and discounted gym memberships, paid vacations, off days, health insurance among others.

Benefits of non-cash compensation

Non-cash compensation offers an incentive for companies to attract top talent employees. Logically, employees are more likely to attach themselves to organizations that offer an additional amount of benefits on top of their salaries. This enables businesses to cope with the high levels of competition for a highly skilled and talented workforce. Top performing employees often prefer organizations that offer perks such as working under a top manager who is committed to helping employees reach their full potential. Such a manager will put in place programs such as training programs in special skills that will increase an employee's competitiveness in the working environment thus is a vital form of motivation. Companies that offer additional training and education benefits to employees are more likely to attract more workers even with smaller cash packages.

Increasing and maintaining high morale and satisfaction in the workforce is a major goal of top managers and employers. Non-cash benefits often offer a wide platform through which this goal can be met. Satisfaction and comfort of employees is a requirement for

top performance. Non-cash compensation aspects such as offering health insurance packages, providing an ample working environment, paid vacations for purposes of breaking monotony, retirement plans among others often provide a certain level of satisfaction and comfort that allows employees to perform to their utmost potential. Long-Term Investment Plans, for example, play a big role in motivating workers to stay in the organization for longer periods of time thus minimizing labor turnover that is detrimental to the performance of organizations. Non-cash benefits can, therefore, be used to meet the lowest level of needs and thus boost performance.

Non-cash compensation helps lessen the huge burden of household expenses on employees. This is one of the reasons why workers place a high value on the non-cash compensation parts. Medical cover plans and health insurance premiums, for instance, can save the employee thousands per month which can be used to cater for other basic needs such as food and clothing. This helps eliminate stress from the cost of living, therefore, enabling the employees to focus on their work and improving on the quality of their output.

Companies that offer benefits such as a rich retirement plan have a higher likelihood of attracting and retaining employees. This is because the employees feel that the company's policy is coined to promote long-term relationships with the employer. Savvy workers will always aim to be attached to work with an organization that promises long-term commitment with fair wages and benefits rather than those that offer huge pay cheques. Offering retirements benefits increases the likelihood of retaining the works thus enhancing experience and commitment towards pursuing the company’s goals and objectives. Drafting of retirement plans that require the employee to work for the company for a specified period of time before full enjoyment of the benefits is guaranteed increases the likelihood of retaining workers and minimizing high levels of labor turn over.

In conclusion, HR professionals have no room for underestimating the power of non-cash compensation in relation to pursuing a company’s objectives or goals. Although huge pay packages often have a prominent luring effect on professionals, well meditated, planned and executed non-cash benefit schemes help counter the effect of huge pay packages in an environment of business completion. An organization that is aiming for top performance through nabbing top talents should look towards non-monetary compensation as the way to go. In the context where the company cannot offer more money or richer benefits, due to hard economic times, for example, employing non-monetary compensation in impacting the lives of workers in terms of developing their career and improving quality of life can enable you to stay on top of the competition.

Benefits Program Strategies - Policies, Processes, and Analysis

Benefits programs are just but a collection of functioning policies developed and established by institutions to help cover the employee against defined risks with the aim of improving the workforce by building on the employee morale. The programs are basically motivational in nature and are developed through varying process and procedures depending on the nature of the company for example private or public companies. The nature of the organization plays a great role in determining whether the program will run in the entire lifetime or just for a short period of time.

Different companies employ different techniques in the successful running of their business operations. The organization's most valuable influencers are its employees. The productivity of a company's workforce is what determines its success or failure. On that note, as the Human Resources manager, it is quite important to always value and check into the employee requirements. The HR professional needs to utilize the right information and its correct translation to adequately contribute to an organization's benefits program strategies. HR likewise adds to the hierarchical procedure by planning an arrangement of execution evaluation and remuneration. Executing this action in a straightforward and equitable manner will:

- Influence the representatives
- Articulate the association's assumptions about worker execution
- Help in worker improvement and preparing exercises
- Aide in pulling in, looking after, creating, and holding magnificent laborers.

Examples of the benefits programs

Different organizations have given benefits programs aimed at improving employee performance. The motivation builds the morale and creates a sense of belonging which greatly influences the outcome at the end of the business or rather the financial year. Examples of the common benefits programs include: Paid time off, Health insurance, Vision insurance, Life insurance, Retirement benefits and other covers.

The Human Resource department is obligated to add to the authoritative technique as this reflects in the enhanced capacity of the association to perform and subsequently meet its objectives and goals. The HR professional needs to be a change specialist and interior expert in implementing benefits development strategies.

HR contributes to change by giving guidance and support to both employees and the organization's administration. It also offers enrollment and training to employees to strengthen the workforce. The efficiency of an organization relies on the workforce behind it. Since HR plays an active and huge role in managing employees, its team needs to have only professional representatives who are fit for the demanding role and who can facilitate notable change within the organization. Change should be seen in arranging forms, supervision, strategies and different zones, which altogether represent a change in efficiency.

How to create an effective benefit program:

1. **Drafting of the Policies in the benefit programs should follow a given procedure for them to be inclusive and sustainable**

Besides, the process should include the employee themselves with the team of experts. As a matter of facts employees in different societies and organizations have set of requirements which they would prefer to benefit. This forms the basis and objectives of the benefit programs. The process, therefore, begins from the employee consultation, all the way to the analysis of the problems.

2. **Identify the discretionary advantages that are important to incorporate in the program**

It is worth noting that the programs should only cover the essential ones. Some benefits complement one another, therefore, they should not all be cramped up under the same program. This is to prevent wasting resources that would otherwise be allocated more productively. For instance, two health-related issues that can be solved using a single policy should be merged because their policies complement one another.

Therefore, by identifying the specific discretionary advantages that have been developed over the years and made into industry models, you will meet the various benefits needs of employees. A good program will help to contract and retain gifted staff. Some of the benefits programs that have been crafted and perfected over the years to attract employees are medical coverage, extra security, paid and wiped out leave programs, retirement designs, and adaptable pay designs. These benefits have progressed toward becoming staples of advantages designs in numerous businesses.

3. **The program should achieve a couple of focused objectives**

To start with, it should give monetary assurance/assistance to representatives and their families in case of sickness, accidents or emergencies and when one retires. The program

should not only cover the employees during their working period, but it should be a lifetime benefit program. This is because employment opportunities are not permanent; people have to retire at some point. Secondly, the program should advance positive worker confidence and bolster the efficiency of the organization. Finally, the program should function as an enlistment device that will attract and retain employees in the company, all without costing the firm more than its worth. For some entrepreneurs, outlining an advantage program that meets these criteria is a troublesome assignment without a doubt.

4. **The program should be able to cater to different tastes and preferences**

This plays a great role in determining the effectiveness of the program. The needs of the employees are what form the baseline for the formulation of the program. There continues to be more development in the creation of infallible benefits program designs tailored to benefit and retain the employee. In as much as there are many designs to choose from, it is crucial to ensure that the programs the organization implements offer the most preferable advantages for employees of that particular organization. Regularly these additional advantages will require the representative to pay a higher premium or commitment to join or take an interest.

An Analysis of Benefits Programs

The benefits programs differ in their nature depending on the company. Notably, all the programs are employee-based as they have functions that complement one another. In as much as the formulation and implementation of the policies differ, companies have to take into consideration the views of the employee as they are the target group.

Human Resources, as a business partner, have a duty of banding together with others. By bringing various employees from various departments together, HR creates a sense of belonging for workers. It also creates a mood of understanding and this quality makes it that much easier to make decisions as one unit. Synergy is accomplished when employees come together and work collectively. Their partnerships make them more productive than they would be operating individually.

It is necessary for HR to make associations with the administration of an organization in order to facilitate HR exercises and to create ideal outcomes. The partnerships are made between HR professionals and business partners in the organizations that include corporate workers, administration, management, and all other departments that make up the organization. HR experts are entrusted with the prerequisite of understanding the

diverse perspectives and necessities of every partner. Some HR business partners are Sales and Marketing, Operations, Finance and Accounting, and Information Technology.

In conclusion, the benefit program aims at improving the workforce and increasing the productivity of the organization as a whole. Every company has an ultimate goal of making profits and succeeding. It is worth noting that most organizations that accomplish their objectives do so by treating their employees in the best ways possible, meeting their needs not only as workers but as people with needs outside the office. Employees need motivation, and this is best provided by the benefit programs. The end product is a happy employee and an organization achieving its objectives.

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Fiduciary Responsibilities

Providing a retirement plan for employees is one of the most caring decisions any employer can make. Unfortunately, running and managing a pension plan is a very challenging task that most HR professionals find threatening. Over the last decade or so, there have been plenty of regulatory complexities, litigation cases and scrutiny on compliance when it comes to managing pension funds.

The Employee Retirement Income Security Act of 1974 {ERISA} is the benchmark to which the protection of plan's participants is based. Failure for HR managers to follow the rules of the Act could lead to corporate and personal responsibility.

Who is a Fiduciary?

A fiduciary is a legal term that refers to any person holding a position of trust on behalf of another person. They are entrusted not to abuse their position by making an undue profit or serving their self-interest instead of those of the person who has entrusted them.

In plain English, anyone who has been vested with the authority and responsibility to run and administer an ERISA employee benefit plan is a fiduciary. This is not limited to the names stated in the plan documents but extends to all employees especially HR officials working for a pension plan.

Other Fiduciaries

While employees, trustees and board of directors are usually the main fiduciaries in a plan, other parties can be referred to as fiduciaries at certain points. For example, the employer acts in the capacity of a fiduciary at the point where they need to send the employees' deductions to the plan on time because they are acting on their behalf.

Third party service providers are also fiduciaries when acting on behalf of participants. These include insurance companies, banks and investment companies but this does not include lawyers.

Primary Fiduciary Responsibilities

Though the trustees, employees and the board of directors governing the pension plan have many responsibilities, there are five primary fiduciary responsibilities as stated in the ERISA guidelines:

1. **Act exclusively on behalf of the plan participants and their benefactors.**

   This responsibility is the most confusing one for most HR professionals who find themselves wearing the hats of a fiduciary and a business employee. It is therefore very important to know that when acting on behalf of the pension plan, your sole

responsibility is to look out for the interest of the plan participants and not the business. Every decision should be based on benefiting the participants and their beneficiaries.

2. **Manage the plan prudently.**

The Cambridge English Dictionary defines prudence as a state of being careful and analytical when making any decisions especially when it comes to spending money to avoid pointless risks. The fiduciary therefore must always remember that the pension plan and all its assets belong to the participants and should be handled with utmost care to avoid any losses. Prudence requires expertise in various areas of the plan and if such expertise is not available, the fiduciary should hire an expert to carry out that function.

3. **Comply with the written plan document as long as it is consistent with ERISA regulations.**

The plan document forms the basis for the operation of the retirement plan. It must, therefore, be followed to the letter to avoid any liability in the future. The fiduciary must well-versed with the plan document and ensure that it remains current and in compliance with ERISA. Any changes such as a change of a plan official must be reflected accordingly.

4. **Diversify plans investments.**

Diversifying investments is a key fiduciary duty because it helps to minimize the risk of losses. Putting all your eggs in one basket is not only irresponsible but also short-sighted. Fiduciaries must consider several investments to put in their portfolio and weigh all the risks before investing.

5. **Paying only reasonable expenses.**

As an act of prudence, the number of costs coming out of the pension plan should be kept to a minimum. Remember that the plan's only function is to benefit its participants so the more money you save the better. What is reasonable is of course relative and up to an individual's discretion, but the expenses should only be things that the plan really needs.

Other Responsibilities

1. Informing participants and beneficiaries. ERISA requires the plan administrators to keep the participants and their beneficiaries in the loop about the plan's activities. Under the Act, there are three documents participants must be furnished within the course of their membership;

- The summary plan description-this is a descriptive document given to employees when they join the plan or on request that explains the rights and responsibilities of the participants in details. It also describes the plan's features and what participants can expect from it. Some of the information included in this document include when and how to become a member of the plan, contribution levels and their source, how to file a claim for your benefits and the vesting period.
- The summary of material modification-this document informs the employees of any changes in the plan or to the above document. It is an updated version of the SPD.
- An individual benefit statement-unlike the other general documents, the IBS addresses the participant personally about their account balances and benefits due. The fiduciary can send this document to employees quarterly or annually.

2. Reporting to the government. The plan administrators must also file an annual report to several government entities for tax and accountability purposes. They must file a Form 5500 which is information about the plan's operation for that year to the Department of Labor, Pension Benefit Guaranty Corporation and of course the IRS. The Form 5500 is generated electronically, and it is available for the public and participants to see.

Limiting Liability

Any fiduciary breaches reported are subject to severe civil penalties imposed by ERISA. The penalties could include hefty fines of up to 100% of the money lost and of course job loss. Employees/plans participants, Department of Labor or any plaintiff's lawyer can sue fiduciaries.

So, how can fiduciaries avoid such lawsuits and limit liability? Here are some steps they can take to avoid breaches:

1. Carry out vendor requests for proposals periodically. Since ensuring that only reasonable expenses are incurred is a major fiduciary duty, it is very critical that you carry out RFPS periodically to make sure the expenses remain reasonable for any particular period. You can regularly monitor the plan vendors and investments and go through the contracts periodically to remain current.
2. Conduct fiduciary training. One of the reasons why plan employees make mistakes in carrying out their duties is because they do not understand their capacity as fiduciaries. It is of utmost importance to educate and train everybody who works in the plan, so they know their duties, responsibilities and liabilities.

3. Document everything. Documenting all the processes followed incurring expenses, acquiring vendors and even investments is one of the best ways of limiting liability. Every single step that is taken must be documented to show how a certain decision was arrived at and to prove prudence was indeed practiced.
4. Purchase ERISA fidelity bonds. Everybody who is in charge of handling plan funds or property must be under the protection of a fidelity bond. This is a type of insurance taken to protect the pension plan from any loss that occurs as a result of dishonest acts of those trusted with the plan.
5. Give the participants control over their investment. Most 401k's use this method to limit liability on the fiduciaries. As long as the participants have been given a wide range of investment choices to choose from, they are liable for whatever decision they make and cannot sue the plan if something goes wrong because they were in control of their investments.

Conclusion

ERISA fiduciary responsibilities are thought to be hard to understand but they are not. The bottom line is understanding that you must put the plan's participants' interests first and exercises prudence and everything else will fall in place.

Motivation Concepts and Applications

Defining Motivation

Derived from the word 'motive', motivation is the general enthusiasm to do something. It is the process of stimulating people into action to accomplish their set goals. As defined by Fred Luthans motivation is a "process that starts with a physiological or psychological deficiency or need that activates behavior or a drive that is aimed at a goal or incentive".

In the work environment, motivation is what inspires employees to provide excellent service, achieve their set goals and market a company's service and product efficiently.

Some of the key elements of motivation are: Intensity, Direction, and Persistence.

Motivational Theories

Contemporary motivation in a work environment is highly influenced and shaped by the studies conducted by Maslow, Skinner, and Herzberg among many. These studies gave rise to following governing motivational theories:

A. Need-Based Theories of Motivation

Some of the earliest research and studies on motivation were derived from the examination of individual's needs.

1. Maslow's Hierarchy of Needs:

This theory of human motivation was coined by Abraham Maslow at the beginning of the 20th century. The simple premise of this theory is that human beings have needs that are hierarchically ranked often depicted in a pyramid. The theory posits an individual's basic needs first have to be met in order for them to be motivated to achieve higher standards.

The needs mentioned are:

- Self-actualization: achieving one's full potential
- Esteem: prestige and feeling of accomplishment
- Belongingness and love: friends and intimate relationships
- Safety: security and safety
- Physiological: basic needs

Application in the workplace:

When this theory is applied to work situations, it implies that employers ought to make sure that their employee's needs are met. In broad terms, this means creating a safe environment in which they can grow into their full potential. In order to get the most and the best out of your team, ensure you support them in other if not all aspects of their lives.

For example, this would be actualized through the provision of encouragement of social interaction, designing of challenging jobs and food provision.

2. **Herzberg's Two-Factor Theory:**

After having performed studies on the factors in an employee's working environment, Frederick Herzberg identified the specific aspects that either gave the employee satisfaction or dissatisfaction.

Also known as the Motivation-Hygiene Theory or the dual-factor theory, it argues that people's job satisfaction depends on two factors; satisfaction (satisfiers/motivators) and dissatisfaction (dissatisfiers/hygiene factors).

i. **Motivation factors**- These lead to the satisfaction and motivation of employees. Include a sense of recognition from work, career progression, and enjoying what you do.

ii. **Hygiene factors**- Simply put, these are the factors that if absent, they often lead to demotivation and dissatisfaction. Include working conditions, salary, company policies, safety and job security.

He further argued that even though both factors influence and affect motivation, the work completely independent of each other.

Application in the workplace:

Basically, what the theory says is that for your workforce to be the most productive, both their motivator and hygiene factors need to be met. Help motivate your employees by ensuring they feel supported and appreciated. Make sure your employees are provided with the best working conditions and fair pay in order to avoid job dissatisfaction.

3. **McClelland's Acquired-Needs Theory:**

According to McClelland's theory, as a result of life experiences, individuals obtain three types of needs that act as motivation drivers regardless of our age, gender, and culture. These needs are the:

i. Need for achievement

Those with a high need for achievement are 'achievement-motivated' and have a strong need to be successful. Therefore, they tend to meet their needs through completion of challenges and advancements in their careers.

ii. Need for affiliation

On the other hand, people with a need for affiliation want to be liked and accepted by all. Their motivation driver is social interactions that lead to

friendly relationships. They need harmonious relationships with others in order to feel accepted and motivated.

iii. Need for power

If one has a high need for power, they tend to want to control their environment and impact or influence others. Some also have the need to increase their prestige and status.

There are two types of a person's need for power; personal and institutional. Those who want personal power simply want to direct others whereas those governed by institutional power want to do anything and everything to further the achievement of organizational goals.

Out of the three, one's dominant motivating driver is purely dependent on personal life experiences and culture.

Application in the workplace:

Once you identify your employees' dominant motivators, you can use this information to influence how you provide feedback and set goals. You need to identify driver and structure necessary approaches as follows:

i. Personnel with high needs for achievement need to be given challenging tasks with attainable goals with subsequent constant feedback.

ii. Personnel with high needs for affiliation work best in cooperative environments, therefore, their place of work should tension free.

iii. Personnel with high needs for power need to be provided with the opportunity to lead and manage others.

Process-Based Theories

A different bunch of theorists view motivation as more than just actions set out to satisfy needs. Instead, they give value to the rational process as a source of motivation. Process-based theories seek to explain and expound on the thought processes of motivated individuals.

1. **Vroom's Expectancy Theory**

Vroom's expectancy theory assumes that behavior is a direct result from choices among varying alternatives whose purpose it is to minimize pain and maximize pleasure. In layman terms, people decide what do based on the outcomes we want. Vroom realized that an employee's performance is based on individual factors such as personality, skills, knowledge, experience, and abilities that are linked to a person's motivation.

The variables he used are:

i. Expectancy

The belief that your effort will give you your desired goal i.e. the harder you work, the more successful you will be.

Expectancy is affected by availability of necessary resources, skill set, and available support.

ii. Instrumentality

The notion that if you meet your performance expectations, you will receive a reward at the end of the task i.e. if you do well there is something great in it for you.

It is affected by good understanding of the relationship between performance and outcomes, transparency of the process and overall trust in the people making the final decision on who gets what.

iii. Valence

This is the value you place on the reward or expected outcome.

Therefore, the theory argues that the more value and importance a person puts on the desired outcome, the more motivated they will be.

Application in the workplace:

The key to implementing this theory is to set achievable goals and provide rewards and incentives that your employees actually value.

2. Reinforcement Theory

Proposed by B.F. Skinner, the reinforcement theory indicates that behavior is a function of its outcomes. It is based on the "Law of Effect" i.e. behavior with positive outcomes tends to be repeated, whereas, behavior with negative repercussions are discontinued.

This theory overlooks individual's feelings and focuses on the consequences of their actions.

Application in the workplace:

This theory describes four main interventions that help modify employee behavior:

i. Positive Reinforcement

Increase desired behavior by providing positive affirmations like praise.

ii. Negative Reinforcement

Get rid of negative outcomes once employees demonstrated the desired behavior.

iii. Punishment
Reduce the frequency of undesirable behavior by implementing negative consequences that follow illicit behavior.

iv. Extinction
Remove all rewards as a result of following negative behavior.

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Methods to Align and Benchmark Compensation and Benefits

Compensation and Benefits

Compensation is the monetary pay while benefits are the non-monetary provided to an employee in return for work done. In layman terms, they are the rewards employees get in return for their labor. They are a sub-discipline of human resources that are crucial to keeping employees motivated.

They are often classified into:

1. **Guaranteed pay:** This is the fixed base salary provided to an employee for doing the agreed upon task or job. It is paid on an hourly, daily, weekly, bi-weekly, monthly or bi-monthly rate.
2. **Variable pay:** This characterizes the portion of pay that is determined by employee performance.
3. **Equity-based compensation**: Equity compensation is a non-cash pay that gives employees ownership in the firm. It allows employees to share in profits through appreciation building long-term commitment.
4. **Benefits:** The programs used by an employer to supplement the compensation of an employee such as paid time off, medical cover, company, and even vehicle insurance.
5. **Intangible benefits:** These are the benefits that don't hold any solid monetary value. They are however bonus advantages on top of the standard base pay. Examples of these are desirable work schedules, training or mentorship programs, travel opportunities and platforms for career advancements.

Aligning and Benchmarking

Aligning simply refers to placing things in a straight organized manner. When used with a modifier for example "aligning yourself with something or someone", it can then be used to show support for a person, organization or cause.

A benchmark is a standard by which other things are measured or judged. In business, it is a process by which a company's product, services, and practices are measured against its toughest competitors or against the best companies in the industry. The process of benchmarking involves looking outward (outside a particular business, organization, industry, region or country) to examine how others achieve their performance levels, and to understand the processes they use.

The objectives of benchmarking are:

1. Determining what and where improvements are needed
2. Analyzing how competitors achieve high standards of performance levels
3. To incorporate this information into organization activities to improve performances

The several types of benchmarking include:

1. **Strategic benchmarking:**
   Strategic benchmarking examines company long-term strategies and general approaches. Usually implemented when company's need to improve on their overall performance.

2. **Performance of Competitive Benchmarking**
   This type of benchmarking is used when a business is looking to consider their performance position within the competitive market.
3. **Functional Benchmarking**
   The functional approach to benchmarking compares similar or identical practices within the similar tasks outside the immediate industry. This method often leads to increased innovation and dramatic improvements.
4. **Process Benchmarking**
   Involves the production of process maps that focus on the improvement of specific and critical operations within the organization.
5. **Internal Benchmarking**
   This process requires companies and organization to look within its own operations and try determining the best methodology to use for conducting a task.
6. **External Benchmarking**
   The most common of all types, external benchmarking simply means comparing one organization to another.

Methods of Aligning and Benchmarking Compensation and Benefits

A) **Structured Administration**
   Structure is at the core of alignment; therefore, if an organization does not have structured administration, then there will be no order for the alignment of compensation and benefits.
   A comprehensive compensation strategy can be the foundation for creating an environment that recognizes and rewards employee performance and helps to establish a strong culture of employee engagement.
   Develop salary audits, have annual review processes and raise process timelines to promote successful compensation management.

B) **Legal Compliance**
   This is one of the most important aspects of compensation and benefit aligning and benchmarking. Ensure that your compensation strategy incorporates all legal requirements and complies with federal and state laws.

C) **Salary and Benefit Audits**
   Markets are constantly changing, therefore, it important to carry out routine audits to ensure that salary ranges and benefits packages reflect the current trends in the industry.

Failure to do so could lead to the loss of employees due to misalignment with competitors. Knowing what is happening on the outside, will ensure in-house ways are up to par.

D) Budgeting Allocations

Include an organization's approach to compensation allowances and benefits. This strategy determines how much of the budget will go into total employees' compensations such as salary and what percentage will go into other incentives and benefits.

Having a budget gives an organized lay of how much money will go to facilitate adequate compensation of employees.

E) Development of Salary Ranges

Ensuring that employee salaries are competitive with other organizations can be achieved through the development of salary ranges.

Internal salary ranges can be developed through conducting research within a business' competitive market or through the use of sites like salary.com to determine the average salaries in an organization's area of operation.

F) Implement Strategic Benefit Packages

Ensure that the amount of value given to monetary pay and benefit packages are similar as they are both crucial to employees and eventually, an organization.

Sometimes, when the base salary is not on the higher end of the scale, benefits offered even out the scale. There are many employees who would stay in an organization simply because the benefits were too good to walk away from.

G) Performance Management Systems

Structured performance management systems ensure that employees are meeting corporate objectives and are assessed regularly.

With the information attained, employers can gauge and align the quantity of compensation and benefits. More so, this strategy can positively influence employee engagement and improve the productivity of employees.

H) Identify Employee Objectives

Look into an organization's workforce and evaluate the kinds of people employed. Understanding what is important to different workers will help an organization tailor their compensation and benefits packages to their specific employees. This will prove crucial to their success.

Look at what competitors are offering; what their compensation and benefits programs are offering. This gives a general understanding of what workers in the industry value and how one can implement it in their organization. Most likely you will find that, though pay rate is very important, most employees will be willing to sacrifice if their benefits packages meet their goals.

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END OF FUNCTIONAL AREA 4

Functional Area Five:

Employee Labor and Relations

General Employee Relations Activities and Analysis (For Example, Conducting Investigations, Researching Grievances, Working Conditions, Reports, Etc.)

General employee relations activities and analysis are strategies for engaging with the employees. Employees are more than a means for an organization to generate revenue. They are also a valued, great resource that needs understanding and good nurturing for the purpose of great delivery. Employee relations is the act of human resource management getting involved socially with employees. Employee relations typically require the HR professional to learn about employees' lives, their interests, and their troubles. This involvement contributes largely to an increase in efficiency among employees as they feel noticed and appreciated by workplace management.

Employee activity refers to day to day tasks and routines of employees. Employee analysis is the process of identifying the effectiveness of employees in the workplace. These are ways of creating general employee relations:

- **Employee empowerment and Involvement**
- **Discipline procedures**
- **Conflict management**
- **Encouragement of employee suggestion**
- **Employee satisfaction**

Employment empowerment and involvement

- To make one's business or company a great place for employees where they can feel like stepping up and perform more effectively, the manager has to empower the same employees by considering simple ways. These are:
- Fostering free communication – By creating such an environment, where there is freedom of communication from top of management to bottom employees. Employees in this environment will feel the purpose of taking a stand for the company since there is a direct link of communication among offices and individuals.
- Rewarding Self-Improvement – Managers should focus on encouraging employees by rewarding their efforts. This helps them to grow in performance.
- Encouraging Safe failure – Management should give employees a free chance to do something for the business or company without bringing risks. This helps employees take own decisions without frequently fetching from approvals to perform a certain task.
- Providing more context - Management should focus on sharing the knowledge and ideas and the core values of the organization. This helps the employees greatly understand the purpose and mission of the company making them take appropriate action.
- Clearly defining roles – Management should output roles and tasks clearly so that employees can work efficiently and cooperatively.
- Support employee's independence – Management should also focus on giving employees opportunity to broaden out in their tasks, be flexible and even lead others.

Discipline procedures

This is an important tool for successful management in focusing on the employee relations activities and analysis. When discipline procedures are implemented well, they correspondently improve employee relation. Below are some of the steps that can be followed to implement this:

- **Conduct sheet:** This is also referred as a charge sheet where employees are handed their notice of conducts and are to explain their conduct to the management.
- **Considering the explanation:** The management should see to it that the explanation is satisfactory, and thus there is no need for disciplinary action. As well if the explanation is not satisfactory, the actions can be taken either to warn the employee or suspend according to the organization's rules.

- **Suspension orders:** The management can see to it that suspension of employees is only done if the matter charged with is grave or serious. Management can give out the suspension as well as the conduct/ charge sheet as well as minimize ration the employees' wages depending on the rules of the organization. What is grave has to be decided in accordance with the code of discipline.
- **Enquiry holding:** Management should employ an enquiry officer who will consider the nation's natural justice and give the affected employee a chance to explain himself/ herself in defense. The officer should also consider witnesses. This will create fair opportunity to cross-examine the worker's case.
- **Punishment orders:** The Management can finally focus on the disciplinary decision and action to be taken on the employee's case by considering a standard disciplinary decision, employee's record and the effect of the misconduct on other employees.

Conflict management

Managing conflicts in the workplace can be broken down into smaller steps to simplify the process. This brings out efficient management in conflict solving. These small steps are:

- **Identifying the form of disagreement:** This is analyzing and bringing to clarity the reason for conflict. The main key of this step is to get the two sides into admitting the reason of conflict. In this step, lots of questions are to be asked to attain enough information about the conflict.
- **Bringing out the common goal for both parties:** The management should focus on making all sides see the outcome of the conflict. The management should also focus on finding out where the sides would love to reach in the resolution of the conflict. By finding a common ground for the two sides is the beginning of a shared result.
- **Finding methods of reaching a common goal:** Through listening, communication and interaction, management should see to it that all sides reach one goal and keep on discussing till all goals are finished.
- Finding the final goal barriers – The parties should admit what made them conflict and discuss issues that may lead to more disagreement. The management should see to it that all possibilities are defined and breaking the barriers of goal possibilities.

- **Come to an agreement of the solution:** After finding, the common resolution that both parties can endure management should discuss the roles to be played by the conflicted parties so as to see that the conflict is not re-encountered.

Satisfaction of employees

Management is quite easy if employment satisfaction is guaranteed. To implement this satisfaction, one has to follow the following steps:

- **Adequate Orientation:** Management should give out a nice orientation at the get-go for rookies which will encourage positivity and also do away turnovers.
- **Positive work environment:** Management should focus on building positive responses and constructive criticism. This will bring out a positive work environment.
- **Bringing in competition rewards:** Management should see to it that employee benefits, most specifically, are fair enough to satisfy them. Otherwise, employees may search for greener pastures where their benefits are better.
- **Engagement in the workforce:** Management should make employees feel important in their tasks. This will make them engage in the workforce efficiently as they understand how their tasks are crucial.
- **Skill development:** Management can work on improving their workers' skills. This can be achieved through internal and external training. This also brings out employment satisfaction as they feel their growth by working for the company or organization.
- **Employee rewards and recognition:** Management should focus on acknowledging and rewarding fairly employee deeds on a daily basis.
- **Job satisfaction should be tracked:** Management should record and keep track of employee satisfaction. Management should also do more analysis and surveys on how employees react to satisfaction and rates of turnovers.

Encouragement of employee suggestion

Employee suggestion has often been proved to bring out great advantages for organizations and companies, it is considered best for an organization to implement programs that bring out employee suggestion for the betterment of the organizations. These are some of the ways to achieve the freedom of suggestion:

- Management should try out a pilot program to see if employee suggestion can be well exploited and how to improve it.
- Management should implement the open office structure, this way employees can reach the management in case of any suggestions at hand.

- Management should address campaigns of specific work problems by stating out clearly the problem and the employees can come out with broad suggestions of solutions.
- Management can focus on building programs that are to launch new ideas from every individual employee.
- Management can focus on publicizing successful suggestions of employees; this will bring out the importance and significance of employee suggestions.
- Management must make sure they consider every individual's idea; some will not be of much importance but might notify some key problems to be looked at.
- Management should adapt quick responding to the employers' suggestions. This will encourage them and make them come up with more suggestions and inventions.
- Management can create a committee that focuses on innovations and improvements; this can really put the workers in getting involved with the suggestions and generating ideas.

Through proper analysis, management can get to see that the following issues highlighted are key points to achieve good employee relationship through these various activities.

Applicable Federal Laws and Procedures Affecting Employment, Labor Relations, Safety and Security

In as much as every organization is governed by its own rules and regulations, there is a higher law of the land that needs to be adhered to. There are certain federal and state laws and procedures that govern procedures that influence employment, labor relations, safety, and security within an organization. State laws can be amended by the legislature in different countries, while federal laws apply in all states. The main objective of such laws and regulation is to bring order to an industry.

Federal law refers to the body of law that is created by the common central government which is the federal government. The corporate world has employers of both large and small organizations regularly managing their employees. HR professionals are actively involved in issues related to employment. The processes are such as hiring employees and training and managing them. Federal laws have considerations that dictate the relationship between employers and their worker. This is where Human Resource Management steps in – to draft policies that are compliant with the existing legalities in order to avoid any confrontation with the law.

Employers become subject to federal laws that affect employment once they hire their first employee. These laws are subject to adjustments as the number of employees grows. The following are some of the laws and procedures that apply to a business that has employed workers:

The National Labor Relations Act (1935)

The National Labor Relations Act (NLRA) is considered to be the father of all other labor relations laws in the United States. The key elements in this act include; giving the right to employees to form unions to advocate for their rights in the working environment and negotiate wage and working hour issues with the employer. The National Labor Relations Board is a brain child of this act and was established to hear labor-related violations and make rulings just like ordinary courts would. The board helps define fair labor relations and investigate cases of unfairness in the labor relations either by the employers or management. The key provisions of the NLRA can be summed up as:

- Providing the right of workers to form unions for purposes of collective bargaining
- Provide checks on the conduct of employers when employees vote in favor of a union to represent them
- Provides the requirement for equal representation of members by unions
- Provides comprehensive cover to employees in the private sector who are not covered by related acts.

The Labor –Management Relations Act (LMRA) (1947)

It prohibits unfair labor relations where membership to unions is made a requirement for an employee to get and keep a job, generally referred to as closed shops. Employers do not necessarily get into these types of closed shop arrangements with unions. The act advocates for fair bargaining by both parties and encompasses employees in the private industry who are not covered by the Railway Labor Act.

The Fair Labor Standards Act (FLSA)

This is one of the few federal laws that form the basis for the treatment of employees at the workplace. The act dictates such factors as employment of young people, the scales of payment of people and other employment issues such as working hours. The law provides for minimum age requirements for employment, sets the national minimum wage scale and it also established the 44 hour-week working schedule.

The Clayton Act (1914)

This legislation was enacted as an adjustment to the Sherman anti-trust act. One of its chief characteristics is providing a fair business environment, for example, it prohibited mergers and acquisitions as strategies to reduce competition. Under this provision, it is illegal for an individual to be the director of two competing corporations. Under the Clayton Act, it is legal for employees to engage in legalized and peaceful forms of industrial actions such as strikes, sit-ins, picketing, demonstrations and boycotts. In such circumstances, the employee is cushioned against injunctions.

The Consumer Credit Protection Act (1968)

It defines the way employers should handle creditor employees. The act sets limits on the percentage of wages or salaries to be held in a week by an employer to satisfy creditors. Under this act, it is illegal for a company to dismiss any of its employees due to indebtedness to the organization.

The Copeland “Anti-Kickback” Act (1934)

The act prohibits any form of bribery by employees to federal contractors and sub-contractors for the purpose of gaining employment.

The Copyright Act (1976)

It was enacted to protect authors' works from being reproduced, reprinted, redistributed or sold. It is a form of protection of original works accorded to authors. In this arrangement, anyone in an organization producing publications such as policies, technical instructions, policies and procedures, written responses to enquiries are advised to sort the help of their attorney and arrange copyright agreements to ascertain whether copyrights will be accorded to the employer or employee who authored the documents.

Safety and Security Related Acts

These are legislations that guarantee protection in the workplace against hazards that are likely to cause any form of harm to employees. They include the following;

The Occupational Safety and Health Act (OSHA) (1970)

The act holds employers accountable for the provision of a healthy working environment to their employees by abiding by all safety recommendations, rules and regulations. Proper inspection of the workplace to determine possible hazards should be periodically conducted and documented in compliance with the OSHA recommendations. Record keeping should encompass the following; reports on periodic safety inspections of the workplace, injury or illness incident reports, annual summary of incidences during the previous calendar year, injury and illness prevention program, training of employees on safety procedures and expectations, records of training participation, material safety data sheets for each chemical used in the workplace.

Mine Safety and Health Act (1977)

This act was enacted due to a series of deadly mining disasters, thus provoking the people to demand action by Congress. The act required that regulations governing the mines be created by the secretaries of labor, health and welfare. The law, for example, states that workers in the mines be provided with protective wear to insulate them against bodily harm while working in the mines. Employers in the mines must conduct inspections of the workplace to determine possible hazards and remedies that have been put in place to reduce risks. Employees should be equipped with information on possible risks and the course of action to be taken in case of an emergency.

The Social Security Act (1935)

The social security act is meant to protect senior citizens from the adverse effects of poverty. The program is supported through payroll taxes from both the employer and the

employee with regulations from the Federal Insurance Contributions Act (FICA) and has been prone to adjustments over the years. The social security act has seen many programs rolled under it:

- Federal old-age benefits
- Survivors benefits
- Disability insurance for workers unable to work
- Temporary assistance for needy families
- Medicare health insurance for aged and disabled
- Medical grants to states for medical assistance programs
- Supplemental security income
- State children health insurance program
- Patient protection and affordable care act

The Needle Stick Safety and Prevention Act (2000)

The primary objective of this act is to reduce or eliminate the risks related to injury and subsequent effects of the same by sharp objects. The primary targets of this law are diseases associated with contact with contaminated blood such as HIV/AIDS and hepatitis. The laws provide guidelines for the use and handling of sharps and propose inventions to substitute these devices to minimize risks

Compliance by any organization must be of highest importance. In order for an organization to adhere to the federal and state laws that apply to it, its stakeholders need to understand what these laws are and how best to comply. It is up to the HR professional to know these laws and keep the organization on the right side of labor and security and safety compliance.

Human Relations, Culture and Values Concepts, and Applications to Employees and Organizations

Human Relations

As defined by human relations refers to the relations between people with particular emphasis on the treatment of people in a professional context. It also includes processes of specifically managing employee's deeds and needs such as bringing up a workplace culture, conflict resolving and also employee training.

Application to Employees and Organizations

In order to gain further understanding of the way human relations impact employees and the stability of an organization one must consider:

1. **Unity among employees**
   An integral part of what makes a business work and run smoothly is the human relations within the organization. Employees often need to communicate ideas and work together on projects in order to get things done. Stable and inviting human relations to help better facilitate this.
   More so, a business with engaging and friendly employees who get along tends to attract quality employees and foster loyalty among clients.
   As for the employees, when there are proper avenues of human relations within an organization, they tend to feel more motivated and appreciated.
2. **Motivation and Productivity**
   Relationships within the workplace give a source of employee motivation, which is important to maintaining productivity. Employees who are interested in their work and in the well-being of other employees tend to be more productive than those who are not. At the end of it all, these increased levels of productivity give rise to financial dividends for the company. This is because the organization can get more done in a less time with fewer costs if employees get along. Building relationships, by both recognizing concern for employee's needs and value to the company, goes a long way.
3. **Improved Retention of Employees**
   The value of human relations in an organization is dire to employee retention. Some think that employee retention is an inconsequential aspect, but they forget that it if employees are not happy in their workplace environment, they leave faster than they come. High turnover is very expensive for an organization and what's worse is that it often culminates in time wastage.

However, when employees have good relationships and open channels of communication, organizations benefit from loyal and motivated employees.

4. **Fostering of ingenuity and creativity**

   Employees' creativity levels often rely on their ability to communicate and share ideas with other employees. Without quality efficient plus friendly office relationships, employees are less likely to be able to communicate, develop and share the solutions that a business needs to survive.

   Establishing good working relationships amongst the employees of an organization will set apart a failing company from a thriving one.

Organizational Culture

Organizational culture is a shared system of beliefs and assumptions that govern how people behave in organizations. This includes an organization's philosophy, expectations as well as the values that guide employee behaviors.

Simply put, it is the unique personality of an organization that shapes how employees behave and interacts. It comprises of the following seven characteristics:

Application to Employees and Organizations

1. **Employee Happiness**

   A positive organizational culture ensures that employees remain satisfied and loyal within the organization. This is extremely beneficial to the environment because it decreases turnover. Employees are normally interested in staying at and applying for jobs in companies with supportive and flexible cultural company values.

   Improved employee happiness and satisfaction means increased morale and increased profits for the organization.

2. **Employee Performance**

   In order for an organization to provide a great competitive advantage, it has to have a strong, largely communicated and well-reinforced culture. Every single employee should be required to share the organization's beliefs and core values in order for the organization to properly develop a strong culture.

   In the presence of strong shared organizational cultures, employees feel valued and like a part of something bigger. This kind of employees who feel empowered will tend to make great decisions in achieving better performance in their area of work.

   Adequate and equal growth opportunities for employees are almost always fostered in organizations with strong cultures. A company that offers promotions, programs to develop employee's own careers, interests and goals will lead to

having well-motivated employees hence largely contributing to great performance.

3. **Employee Engagement**

   A positive company culture fosters employees' adequate engagement among themselves and their leaders. These are some of the ways in which a great organizational culture impacts employee engagement:

   - Free communication practices.
   - Ensured employee safety, both social and job security should be guaranteed.
   - The growth of individual employees.

Organizational Value Concepts

Organizational values are the set of beliefs that indicate universal expectations and preferred behaviors in a company. In an organization, values are the principles that guide or are more important to the running of the organization. These principles help employees to decide on the right decisions and actions to take through regulations and workplace consideration.

Some of the core value concepts in the workplace values are to be considered to touch on:

- Perspective of systems
- Excellent leadership
- Customer-focused prowess
- People-valued orientation
- Organizational learning and agility
- Emphasis on achievement
- Managing for invention
- Management by fact
- Societal responsibility
- Ethics and transparency
- Delivering value and results

These principles and values set the tone of the company and manage the company's productivity. Management should ensure that workers abide by the organization's core values and principles for it to run efficiently.

When management fails to ensure that human relations, culture, and values concepts are checked on and regulated effectively, it leads to confusion in the workplace and great turnovers caused by employee resignation. Thus, work relations, job satisfaction, employee's creativity and many other benefits brought about by the three aspects can only be achieved if the managers see to it that the three concepts are put to consideration.

Application to Employees and Organizations

Shared values concepts affect the performance of employees and organizations in three key ways:

• Managers and others throughout the organization give priority attention to what is stressed in the corporate values system and this, in turn, supports producing the priority results.

• All employees generally make better decisions, because they are guided by their perception of the shared values. When employees know what their company stands for, when they know what standards they are to uphold, then they are much more likely to make decisions that will support those standards.

• People are more likely to recognize their important parts of the organization. They are more motivated because life in the company has more meaning for them. They work harder because they are dedicated to what is expressed in the organization's core values.[1]

Advantages of organizational values:

1. Promote healthy growth of organizations
2. Let members stay both intrinsically and externally motivated
3. Helps organizations be perceived as socially responsible
4. Ensures everyone in the organization is working towards the same goals
5. Fosters organizational morale

Disadvantages of organizational values:

1. Organizational values define the organization's goals and can somewhat limit the pursuit of other achievable goals due to principles and standards generated in-house.
2. The journey to change or breakthrough an existing organization image extremely hard.

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Review and Analysis Process for Assessing Employee Attitudes, Opinions, and Satisfaction

Assessment and analysis of employee behavior in terms of their opinions, satisfaction and attitudes is a core function of Human Resource (HR) management. The main objective of the review and analysis is to get to understand each individual employee and how effective they could be for the organization. Human beings are unique and the same applies to organizations. Therefore, each employee is to be managed differently with the aim of maximizing their potential for organizational progress and goal achievement. Hence the review and analysis process for assessing employee attitudes, opinions and satisfaction.

The information obtained from the review and analysis process is vital to an organization in many ways. It is essential to the facilitating the development and organizational change by allowing it to focus on its needs/weaknesses and leverage its strengths. The organization remains informed through the analysis of what actions will create problems for the employee. In addition, it provides management with employee positive and negative feedback on the internal health of the organization. The assessment can also be used to measure the impact of organizations, policies, procedures and programs as well as being used as a means of motivating employees while improving job satisfaction.

Review and Analysis Process

The process should be in line with organizational policies and regulations. The best way through which an organization can review and analyze employee attitudes is through interviews and surveys. Interviews can be conducted at individual level while surveys can involve focus groups. Questionnaires can also be used to make employee responses anonymous, which encourages honest responses as the fear of backlash is eliminated. Before getting reviews from employees, the HR management department needs to get the issues that need to be reviewed. For instance, they cannot ask employees whether they are satisfied with their jobs without asking them whether they are facing any problems and challenges at their workplace. The survey should be conducted in a chronological manner. It can also be broken down into different sections and levels so that it is able to capture as much information as possible from all parts of the organization.

Procedure for Developing a Survey

The first step would be setting up a focus group to discuss the possible issues facing employees in the workplace. The main aim of the focus group is to gather information significant to the survey development. Next is to use the information gathered to create a survey. The survey can take many forms, depending on the objective of the organization. For example, the survey instrument could focus on employee development programs, enhancing management and employee relations or simply training needs analysis to

identify areas where an employee may need additional training. The survey could also focus on the climate of the organization as deemed by the employees as well as customer satisfaction from the employee's perspective.

The surveys are beneficial as they provide a direct means through which employee attitudes can be accessed as they may go unreported through normal organizational channels.

The survey design should have a determined rating scale like the examples listed below:

- Very satisfied | satisfied | (neither satisfied nor dissatisfied) | dissatisfied | very dissatisfied
- Strongly agree | agree | (neither agree nor disagree) | disagree | strongly disagree.
- Excellent | good | fair | poor
- All of the time | most of the time | some of the time | hardly ever | never
- To a very great extent | to a great extent | to some extent | to a very little extent | to no extent at all

Some questions should be open-ended to solicit the employee to give a written feedback that'll probably capture information not covered by the survey.

Developing a Questionnaire

As established above, an anonymous questionnaire is the best way to review and analyze employees' opinions, attitudes and satisfaction. A typical questionnaire will contain questions that are rated on a 5-point scale. The scale can be used to measure different dimensions of the organization such as teamwork, leadership, compensation and satisfaction. A questionnaire can contain between 50 to 100 items, while its estimated time should be 1-minute per question.

The questionnaires can either be printed or developed for online filling to make work easier. Before it's administered to employees, the questionnaire has to be reviewed to establish whether it would achieve the required outcome. Pre-testing helps the organization to identify whether there was poor question wording or sequencing, problems with the length of question or any negative repercussions the survey may have towards the employees. If it passes the pre-test stage, then it can be administered to employees for filling.

Administering the Questionnaires

When administering the questionnaire, it's important to ensure confidentiality of participants. Different steps can be taken to achieve confidentiality, for instance, not requiring the employee to fill in their names. Feedback ratings from several employees

can also be combined or averaged to mask the identity of individual employees. In the case of written feedback, comments can be masked by summarizing the results, hence masking the identity of the author. Confidentiality is key to ensure genuine answers.

The questionnaires can be administered in physical form or through the organization's intranet. There are two major ways of conducting the survey: the HR department could either issue questionnaires to the entire staff which will take longer to fill and analyze or administer the same questionnaire to a sample group which would take less time and be faster to analyze. The advantages of using the entire organization are that the results would give the accurate reflection of employ attitudes while the sample size may not be as accurate as expected.

The organization can break down the survey into different stages if it seems too long for one session. This will enable the employees to stay objective while filling out the questionnaires rather than do it in a hasty manner just to finish it.

Analysis of the Feedback

Basic data analysis would include averages and ratings; however, more-complex data analysis would include items analysis. Items analysis is conducted where the responses cannot be averaged as they are unique to the different dimension being examined in the survey. The responses also vary depending on the individual employee. The analysis will depend on the objective of the organization. For instance, if the survey is to gauge the satisfaction of employees in the production department then any response from a different department will be pointless.

Once the data is analyzed, it could be compiled in report form including diagrams like graphs and pie charts to better show the summarized responses of employees from the organization. Using the same report, vital information about the employees' attitudes, opinions and satisfaction can be deduced. A second report can be formulated in regard to the deductions made from the initial reports and data representation. In case an organization used a different approach from survey questionnaires, let's say via one-on-one interviews with the employees, then it is important to make the employee feel relaxed. This will encourage the employee to give honest and genuine responses.

When the final report is out, the next step would be to define strategies that are aimed at improving the attitudes and performance of employees. The information gathered, and findings established through the review and analysis process are extremely vital to the development of the organization's workforce. Remember that workforce is a core factor in the existence of an organization and as such, their opinions, attitudes and satisfaction matter to its progress and effectiveness.

If the findings suggest that the employees do not like their tenure with an organization, then certain resolutions need to be put in place to remedy the situation. On the other hand, if the report shows that the organization is doing well in terms of its employee relationship, then strategies should be created an implemented to maintain that relationship.

Ethical and Professional Standards

Ethics are the moral principles that govern an individual's behavior or an organization in performing its mandate. Professional standards are the legal or ethical duty of a professional in an organization to exercise a level of diligence, skill and care as prescribed in the employee's code of practice of the organization they are working for. Ethics is becoming a critical field in the running of most organizations. Ethics will, therefore, deal with the professional, proper and fair methods of dealing with employees especially in the Human Resource sector of an organization. Another ideal level at which HR professional could practice ethical and professional standards is with the organization's senior management. They can sit down with the senior management to identify, define and establish ethics standards for their organizational behavior in line with their employee expectations.

Ethical and professional standards can be formulated in three major ways. The standards can be created in accordance with the organization's mandate, policies and strategies. They can also be set based on the legislature of the particular state. Lastly, they can be set in accordance with international authorities such as the International Federation of the National Standardizing Associations (ISO). ISO offers certification after establishing that an organization follows the right procedures in regard to ethical and professional standards.

ISO certification is advantageous to organizations as it gives them public recognition and helps them facilitate their organizational mandate. One other organization that gives certification especially on the HR management level is the Society for Human Resource Management which offers certifications to HR professionals based on a standard code of ethics. Therefore, it is important for an organization's code of ethics to be synced with the organization's goals, the law and certified HR management authorities.

There are six essential principles that dictate the ethical and professional standards of an organization. They are:

- Professional Responsibility
- Professional Development
- Ethical Leadership
- Fairness and Justice
- Conflicts of Interests
- Use of Information

Guidelines for Professional Responsibility

1) Professional Responsibility

The core principle of professional responsibility in an organization at the level of HR professionals is the duty of adding value to the organization they work for as well as contributing to the ethical successes of the same organization. The professionals are required to accept responsibility for their individual actions and decisions. HR professionals are also required to be advocates for the organization by engaging in activities that promote its core values and credibility.

The principle of professional responsibility has several intentions in the organization that it is applied in. It helps to build credibility, respect, and strategic significance for Human Resource in organizations, the business community, and any other community that HR professionals would work for.

HR professionals are required to inform and educate current and future professionals, the public, and the organization they serve on the significance of the principles and practices that help the HR profession. They are also required to positively impact employee recruitment and workplace practices.

Professional responsibility encourages social responsibility, professional decision making and overall responsibility by the HR professional.

Professional responsibility requires that every organization’s code of conduct complies with the law. There are laws set out by the constitution of any nation for establishments; they are considered the highest law of the land. Therefore, every organization has a professional responsibility to maintain its policies and procedures within the highest standards of ethical and professional behavior.

An organization’s code of ethics should be able to measure the effectiveness of the organization's HR sector in contributing to attaining organizational goals and objectives. It should also work in consistency with the core values of the profession.

The code of ethics should advocate for the appropriate appreciation and use of human beings as the employees of an organization.

2) Professional Development

An employee is normally recruited to an organization based on the basis of their qualifications essential for the organization's progress. It is important to frequently revise employee skill sets so that they are always contributing to the organization's development. This can be accomplished through training needs analysis aimed at advancing the employee's knowledge and skill set.

The intention of professional development is to expand the knowledge of human resource management with the sole purpose of understanding how an organization work as well as its core vision and mission.

Guidelines for stipulating a code of ethics in line with professional development should lead professionals to pursue formal academic opportunities and commit to continuous skills development, learning and application of the acquired knowledge.

A code of ethics that facilitates professional development contributes to increased knowledge of the organizational body, evolution of the profession, and the growth of employees through teaching. The code of ethics should also allow employees to pursue any certification in the industry and even compare their skills and knowledge to that of others.

3) Ethical Leadership

The HR professional is expected to uphold outstanding individual leadership skills that are reflected in the ethical code of conduct. The principle of ethical leadership is intended to set an organizational standard for all stakeholders. The principle also motivates workplace professionals to earn respect through their practices and to increase their credibility and value in the organization

Guidelines for coming up with a code of ethics under the ethical leadership principle are different and may vary depending on the organization. The code of ethics should serve as a barometer that'll determine the ethicality of the decisions made in the company. When there is doubt about the ethical propriety of a situation, the ethics code should allow for the organization to seek external expert guidance.

4) Fairness and Justice

All employees and organizations deserve to be treated with fairness and justice. The main intention of the principle is to create and sustain an environment that encourages everyone to unleash their full potential.

Fairness and justice guidelines dictate that HR professionals are expected to respect the intrinsic worth and uniqueness of every employee. They should, therefore, treat them with dignity, respect, and compassion. Such practices will foster a trusting environment that is free from employee harassment, unlawful discrimination and intimidation. Fairness and justice code of ethics should ensure inclusivity and a commitment to diversity. The code of ethics should adhere to the state's laws and regulations.

5) Conflict of Interest

The intention of the fairness and justice principle is to prevent the occurrence of any activities that are in conflict with the provisions and objective of the organization or with one's responsibility and duties in an organization.

One of the guidelines that will help in coming up with a conflicts of interest code of ethics is adhering to the use of published policies on conflicts of interests and also advocating for the policies. This means that the HR professionals and employees of the organization should refrain from using their positions for personal, material, or financial gain.

HR professionals are also required to refrain from giving employees preferential treatment in organizational processes. Another guideline of this principle is that HR professionals should prioritize their obligation in identifying conflicts of interests.

6) Use of Information

Information forms a vital part of an organization and it's the essential mandate of HR Professionals to protect the right of employees to disseminate information. Professionals and organizations have to ensure clear and truthful communication for facilitating organizational or individual decisions.

The main intent of this principle is to build trust by maintaining an open exchange of information.

Guidelines for formulation stipulate that professionals, employees and the organization are required to circulate information in an ethical and responsible manner. This is because the information that they convey is a very important component in the decision-making process in an organization.

The ethical and professional standards of an organization are what develop the code of ethics of the organization. These standards are dictated by certain principles and guideline. It is necessary for the HR professional to master these principles to create a strong code of ethics for the organization that will dictate how processes in the business are run and managed.

Strategies to Facilitate Positive Employee Relations

Human resource is a highly volatile resource in any organization. Unlike resources such as funding and time, employees in a company have independent thoughts, emotions, likes and dislikes. Any company that wants to make full use of its human resource must therefore build on the different perspectives and attitudes of its individual employees.

In a company setting, one factor that influences workforce performance is the relationships between employees and their colleagues as well as the relationship

between them and management. Positive employee relations are beneficial not only to the firm but also to individual employees. This feature highlights why managers should promote positive employee relations and what they can do to foster those relations.

Importance of Positive Employee Relations to an Organization

a) They create a Good Working Environment

How employees relate within a company influences how good that environment is to work in. In firms with good employee relations, employees work in harmony. Teamwork is effective in such environments. Similarly, companies with positive employee relations often have a higher level of innovation and energy. When workers often disagree with each other's professional and personal opinions, it is harder for those with ideas to pitch them. However, positive relations among employees encourages employees not only pitch their ideas but also to support each other's ideas.

b) Good Employee Performance improves Performance

In a workplace where ideas are supported, and creativity is encouraged, employees are motivated. Motivated employees are creative and innovative. They put in more hours than unmotivated workers and therefore have higher productivity. When the quality and quantity of products and services provided by a company increase, the company performs better. Employees are also the company's conduit to customers. Motivated and highly energetic employees often provide high-quality services to customers, thereby building a firm's reputation.

c) These Relations help mitigate Conflict

Individuals are more inclined to listen to advice and positive criticism from people that they like compared to those that they do not. Fostering positive employee relations is a gateway for managers to negate and mitigate conflict in the workplace. When employees disagree, the mutual respect between them encourages them to find positive ways to resolve conflict. Similarly, good manager-employee relations allows employees to feel comfortable addressing their issues before managers. By listening to employees' problems and getting their feedback on proposed operational and policy changes, managers prevent numerous disagreements from occurring in the workplace.

Strategies that facilitate Positive Employee Relations

a. Open Communication

Rumors are a real-life managerial challenge. Imagine a scenario where the employees of a company hear rumors that the company is to be restructured. Or when employees whisper to each other that their company is going up for sale. Such rumors and informal communication among employees may foster poor relations between employees and managers.

For management to build positive relations with its employees, it must establish open lines of communication between it and its workforce. Transparency prevents employees from worrying unnecessarily about issues such as job security while at the same time building trust between managers and employees. Managers can open channels of communication between them and their subordinates by holding morning meetings, sitting with their employees during lunch break, and even passing along pertinent information using internal memos and other forms of written communication.

Communication is also important in delivering the mission and vision of a company to its employees. When employees know, understand and constantly hear about the mission and vision, they internalize these statements. They get their purpose and roles from these statements. They are also highly motivated by well-written missions and visions.

b. Performance Management

Performance management to positive manager-employee relations within an organization. In performance management, positive results are rewarded whereas negative results adversely impact the remuneration of an employee.

When an employee performs poorly, managers can talk to them about the causes of the results as well as how to improve them. In some cases, managers may penalize employees for poor performance. However, this approach to performance management has a major drawback. While it may motivate the employee to do better, it may either build or destroy the relationships between managers and employees.

Positive reinforcement, another method of performance management, may be more suited to building relations between employees and managers. Positive reinforcement means that employees receive rewards each time they perform well. Most organizations have reward systems in place to encourage employees to perform well including public recognition, awards and bonus packages. Rewarding employees show that managers recognize and appreciate their efforts, which in turn builds the relations between the two parties.

c. Career Advancement and Professional Development Opportunities

Employees usually join organizations with personal and professional goals in mind. Facilitating the achievement of those goals can help build manager-employee relations.

Professional development opportunities are chances given to employees to learn new skills or polish their existing skillsets. Depending on the organization’s mission, vision, budget and time, different companies offer different types of development opportunities. These opportunities could be anything from online professional courses to sponsoring employees to further their education.

Professional development opportunities give employees a chance to acquire new skills. Career advancement opportunities, on the other hand, give employees a chance to apply those skills. Take this example. A company manager identifies an employee with considerable potential in the managerial field. However, this employee lacks the necessary skills or qualifications to take up such a position in that company. The company sponsors this employee to secure an MBA before coming back to work for the firm. The employee returns to the company and is later promoted to the C suite.

In this case, sending the employee to pursue a Masters' Degree is a professional development opportunity the firm offered the employee. The promotion offered to the worker is a career development opportunity. By giving the employee a professional development and career advancement opportunity, the managers in that company improved their relations with the talent. They also fostered the employee's loyalty to the organization. These are some of the benefits companies enjoy by providing these opportunities to employees.

d. Cultivate Positive Organizational Culture

Many highly successful companies have positive organizational culture. A culture that promotes teamwork and grants employees access to managers contributes significantly to building healthy relations among employees and between them and the management.

Managers can create a culture of collaboration among employees by encouraging them to be free with each other and tolerant of each other's perspectives. Creating a common cafeteria and encouraging employees to mingle during lunch and other breaks is one way to promote informality between colleagues. This, in turn, typically created an environment where employees can openly pitch and discuss their ideas with each other. Holding motivational meetings first thing in the morning has much the same effect on employees. It can give them a forum to express their thoughts and support each other's ideas.

These activities may not be possible for some managers. In that case, team building activities could work just as well in fostering positive relations among employees. Whether it is a brainstorming session or a weekend retreat, team-building activities have long been shown to boost worker morale, improve productivity and create healthy employee-employee relationships.

Managers can take a different approach to building their relations with employees. There are numerous ways they can choose to achieve that end. Some managers choose to dress like their employees to encourage employees to be freer with them. Others choose the open-door policy where they encourage employees to give them feedback on policies and operational plans. However, the most efficient way for managers to build manager-employee relations remains to be transparent. When managers openly communicate

with their workers, the latter feel trusted and valued by the organization. This, in turn, builds the relations between the management and employees.

e. Promote Job Security

Job security highly defines the relationship between managers and employees. When employees feel that their jobs are secure, they are likely to be more productive and enthusiastic about their jobs. Such employees are also more likely to give managers feedback when asked for suggestions.

On the other hand, employees who think that their jobs are on the line feel one of two ways. Either they are highly motivated to perform well so as to keep their jobs and give a positive performance as a result or they make numerous mistakes while worrying about their livelihood. Employees who fall in the latter category do not relate well with managers as they may perceive management as the likely source of potentially lost livelihood. Managers can prevent loss of productivity and motivation among employees by being open about job security in their firms. Doing so also encourages employees to work with them. When managers strive for job security for employees, they make their workers feel valued.

Facilitating positive employee relations in the workplace is important to the organization as it promotes productivity and performance. Improved relations also promote employee job satisfaction and a good working environment for them. Managers can improve employee relations using policy changes, facilitating positive organizational culture, and being honest with their employees.

Importance of Diversity and Inclusion in the Workplace

Organizations such as Google and the UN have been ranked some of the best corporations to work for years. These companies offer their employees impressive compensation packages. However, interviews with executives and employees of these firms have yielded interesting results over the years. One of the factors that makes these firms attractive to talent is not only the size of their pay but also their focus on diversity and inclusion in the workplace.

Managers have heard these terms over and again. But do they understand what diversity and inclusion in the workplace mean? And if so, what have they done to ensure that their workplace is more diverse and inclusive? In this feature, we highlight the definition of both diversity and inclusion, the importance of these two factors in the workplace, as well as steps managers can take to create a more diverse and inclusive workforce.

What are Diversity and Inclusion?

Diversity is a broad term with numerous definitions. However, one can define diversity as having individuals with a set of unique qualities and traits within the same area. If you asked most managers what diversity in the workplace means, they would come up with answers like “It is when a company hires employees of different race, gender identity, ethnicities, age, education, nationality and even religion” or “the presence of employees with different backgrounds and perspectives within a company.” All these are correct definitions of diversity. However, managers should remember that diversity in a workplace does not refer only to the visible traits or invisible characteristics of workers. On the contrary, diversity is the difference in the physical, psychological and mental traits of employees that makes each of them unique.

Managers should recognize that there are two types of diversity in the workplace. One type is employee diversity, where a company hires employees of different races, ages, gender identities, religions among other traits. The other is talent diversity, where managers focus more on attracting talent with different but somewhat related skillsets.

Diversity in the workplace is an admirable quality. When customers, investors and other stakeholders look at a company with a diverse workforce, they see a solid investment. They may feel comfortable in the knowledge that there is an individual within the organization who understands them. Diversity without inclusion is, however, adversely impactful in any organization. When you put different people together and they are not able or willing to understand each other, they will not be productive.

Inclusion in the workplace is the effort individuals and groups of employees put into recognizing and accepting each other’s differences in culture and background. It means that each party in a company can identify the differences between people, appreciate and respect them. Without inclusion, the diversity in a firm lacks intent and impact. Inclusion is what makes a company with diverse employees productive.

Diversity and inclusion in the workplace have their benefits and drawbacks. Looking at the downside, the difference in employee talent, background and personalities may give rise to conflict every once in a while. However, the benefits of diversity and inclusion outweigh this drawback.

Importance of Diversity and Inclusion

a) Diversity and Inclusion enables Companies to reach their Full Potential

A 2015 research study by McKinsey showed that diversity and inclusion allowed companies to perform better (Hunt et al. 2015). The study showed that industry leaders in ethnic and racial diversity outperformed their peers by 35%, whereas those that practiced gender diversity had a 15% lead on others in their industry in terms of performance. The study validated the concept that has been popularized by numerous

leaders in HR practice: diversity and inclusion enable companies to better utilize their potential.

When a company has employees from different backgrounds, possessing different beliefs and cultural understanding, it is more likely to reach a wider consumer market. There are two possible reasons for this. The first is that consumers are more likely to buy products from organizations *because* they value diversity and inclusion. The second is that the different employees may be better equipped to understand various sections of the market. Putting them to work collaboratively therefore increases the probability of reaching different consumers.

b) Competitiveness

Imagine a painter sitting in front of a canvas. He has only the color blue to use for his painting. Now imagine another painter seated next to him, but with various shades and colors on his palate. If the two painters entered a competition, whose painting was more likely to stand out due to its vividness?

Assuming that the painters are equally gifted, the one with the mixed set of colors is more likely to win such a competition. The same is true when it comes to organizations. Firms which embrace diversity and inclusion are more competitive than their less diversified peers. The workforce in such companies typically understands the market better and offers more creative solutions to consumer problems.

Diversity and inclusion also give companies an edge over their competitors. A more diverse and inclusive work environment is not only more productive, it is also more likely to have highly qualified candidates. A highly skilled workforce is a competitive edge all managers look for in their organizations.

c) Cost Effectiveness

A diverse and inclusive workforce is a great return on investment for managers.

When managers and employees accept each other's differences and leverage them in production, they are both more productive. Higher productivity results in improved company performance which manifest in higher revenue and earnings for the firm.

Similarly, inclusiveness promotes productivity as well as harmony within an organization. When employees feel that their differences and viewpoints are accepted, their loyalty towards the organization is established. The lack of conflict and increased job satisfaction that comes with working in a diverse and inclusive environment helps managers to attract, recruit and retain talent. This benefit saves company recruitment as well as new employee orientation costs.

d) Creativity and Innovation

Employees offer more suggestions and give feedback when prompted when they feel comfortable. Inclusive workplaces allow individual employee talents, perspectives and opinions to develop. They allow employees to feel free to openly discuss ideas. This, in turn, fosters a culture of constant innovation and originality within the organization.

Environmental factors influence the way people think. In a diverse and inclusive workplace, employees come from different backgrounds and therefore hold varying viewpoints. According to Boris Groysberg and Katherine Connolly of the Harvard Business Review, this enables them to challenge each other's ideas and constantly look for new ways to satisfy an organization's cultures (Groysberg and Connolly, 2013). Not only does diversity and inclusion help employees to build relationships and learn about new cultures, it also lets them embrace and utilize this knowledge.

e) Employer Brand Awareness

Go back to the first paragraph and take a look at the mentioned organizations. How many employees in those industries would not automatically accept an offer presented by those companies?

The answer to that question is few, if any. The reason for that is that industry leaders focus on diversity and inclusion in the workplace. When candidates hear that the employees within an organization have a culture based on accepting and respecting each other, they are more likely to hand in their applications. Diversity and inclusion is a great recruitment strategy because it matters to talent to be associated with organizations with these values. Managers can improve the effectiveness of their hiring process by cultivating an environment that allows people of different backgrounds and cultures to thrive.

f) Legal Compliance

The Equal Employment Opportunity Act does not stipulate that companies should be inclusive, but it does encourage diversity in firms. Employing a diverse and inclusive workplace by not discriminating during the hiring stage ensures that firms are compliant with this law.

Diversity and inclusion are important to the workplace. Diversity promotes organizational performance. Without it, a firm cannot reach its full potential. Lack of diversity among employees means that they would not challenge each other. They would not be as creative and innovative. There would be high turnover rates as employees who are too much alike would often disagree, thereby making the company lose thousands in turnover costs. On the other hand, diversity without inclusion would present its own set of problems. Increased conflict and lower productivity among employees would be major managerial challenges in such companies.

Due to the importance of both diversity and inclusion in the workplace, managers should strive to make the workplace more welcoming to employees from different backgrounds and cultures, and who possess varied abilities. Managers can promote diversity and inclusion in the workplace by treating workers fairly, offering equal opportunities to employees at every level of the company, and encouraging workers to collaboratively work on caseloads. Similarly, formulating and implementing strategies and policies that promote diversity and inclusion such as collaborative conflict resolution and creation of an Equality Officer post would go a long way in encouraging workers to respect and appreciate their differences.

Managers can boost the performance of their firms and attract and retain talent by using such initiatives to foster diversity and inclusion among employees.

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Recordkeeping Requirements

The recordkeeping requirements in every organization vary based on factors like the organization's setup and the department involved, among others. There are numerous records that an organization is required to keep such as employee files, payroll and organization financial statements, among others. As such, each organization requires an essential recordkeeping system to make a business run efficiently and meet the organizational legal requirements for record keeping.

There are two main ways of record keeping in an organization. These are manual and electronic recordkeeping methods that depend on the organizations' preference. In some circumstances, an organization may decide to employ both.

Setting up the correct record system will help an organization work efficiently, help it meet legal requirements and strengthen organizational relationships with its staff and customers.

Recordkeeping Systems

Some organizations prefer manual record keeping systems while others opt for modern electronic record keeping systems. Modern forms of recordkeeping make it easy to capture information, generate organizational reports, and fulfill legal reporting requirements.

However, there are a number of issues an organization should consider before settling for a manual or electronic record keeping system as each has certain advantages and disadvantages. The following are some of the things you should consider when setting up an electronic or manual record-keeping system:

Manual Recordkeeping Systems

Manual recordkeeping systems involve using paper-based records to capture information which will still be stored in paper form. Some advantages of this system are that it is cheap to set up and correcting entries may be easier as compared to a computerized system which would leave complicated audit trails. The risk of corrupted data is also minimized as long as the records are stored in the right manner.

To streamline such a system, organizations are required to sort and store all paperwork including receipts and payments as and when they occur. This means that they should be in chronological order depending on the dates that they occurred. The best way to do this would be to keep the records according to the 12 months of the year.

Electronic Recordkeeping Systems

Organizations use software to facilitate electronic record keeping systems. Advantages of electronic systems are that filling, saving and storage is faster compared to the manual system. It's an efficient way to keep records without taking up too much storage space. Accessing the record is also convenient as one does not need to go to physical locations.

Cons

In spite of the information being backed up or accessible from a cloud, it is still at risk of being corrupted or stolen by hackers. Also, this electronic data can't be retrieved once it is lost.

Types of Records

Depending on the type of organization and their practice, there are different kinds of records that the law would require the organization to keep. Below is a list of basic records that can be kept by an organization:

- Cashbook or financial accounting program
- Bank accounts which include check books, deposit books and bank statements
- Employment records
- Occupational training records
- Sales records
- Proof of purchases
- Work, health and safety (WHS) records

Other forms of records are the end of year financial reports. They include:

- Details of stock on hand
- A list of debtors and creditors
- Capital gains
- Depreciation details
- Expense records
- Staff and wages details
- Basic accounting records
- Agreements
- Other documents like utilities, contracts with telephone companies, your business name registration certificate, capital gains records.

Legal Requirements of Organization's Record Keeping

There are different legal requirements for record keeping depending on the country of origin as well as specific laws and requirements related to the scope of function of an organization. It is essential for organizations to protect themselves against any legal squabbles in line with record keeping either with staff or other organizations especial legal authorities. Therefore, organizations are advised to seek legal redress either from their legal department or external legal parties.

The laws governing recordkeeping will determine how the records are kept, how long they are kept for and probably which organization personnel are allowed to access the stored records. For instance, employee records should not be accessed by unauthorized personnel. Such records can only be accessed by senior management, HR department and legal department in the case of legal issues concerning an employee. Most laws require that when you are using the electronic recordkeeping system, you have to be able to produce hard copies of the record for perusal.

Most legislative laws would determine the length of time an organization is required to keep records. Some would require that if the organization is using an electronic system, the organization should keep records dating back two years and also have to be able to produce hard copies of the same records when required by governing bodies. Despite the laws of the land, organizations can come with their own regulations that would ensure efficiency and security of records kept.

Organizational Recordkeeping Requirements

These differ from those that are required of an organization by the authorities. After an organization fulfils their legal obligations in regard to record keeping, they can now think about their own recordkeeping requirements that will best suit their organization. Aspects of organizational record keeping requirements involve the types of recordkeeping such as filing, storing and archiving. It also involves policies of who can access the records and accountability of the records among others.

Organizational recordkeeping requirements are therefore formulated in the organization's policies and procedures but in line with the universally applied laws.

Aspects of Recordkeeping Requirements

These are factors that deal with the management of records but are also vital to the recordkeeping requirements. They include aspects like records security, records inventory, classification, and legal research.

- **Access to Records**

As established above, records are vital to an organizations existence and they are not supposed to be accessed by anyone in the organization. Departmental records are required to be accessed by departmental heads and employees recording the

information. Access is limited in order to facilitate accountability at the office. Say, for example, an employee secretly gains access to vital information such as the formula for processing the company products with the intention of selling it to a competitor company, the move would be fatal to the former. If the same information was trusted to only a few and access tracked, then it would be easy to hold the aforesaid employee accountable.

Electrical recordkeeping processes come in handy in averting such risks as it leaves a digital trail on who accessed, copied, printed or sent information.

- **Records Inventory**

Whether in paper or electronic form, a records inventory is a complete and accurate listing of an organization's records. It not only helps to identify the records but also quantifies the number of records kept for accountability. Ultimately, the records inventory becomes the basis for preparing the retention schedule which qualifies as a recordkeeping requirement. Until you know what you have, it is impossible to establish any type of records program essential for fulfilling recordkeeping requirements.

- **Classification**

Classification is coming up with a scheme to group records by function, record class and record type among other classification rules. Classification helps with the practicality of recordkeeping in organizations with large records. Classification schemes provide an organization with a basis for making correct decisions about records.

- **Legal Research**

Legal research is important for determining what the retention period for each record class should be. Legal breaches can be expensive for organizations hence the need for a legal overview to establish legal requirements for recordkeeping.

The recordkeeping requirements for various businesses vary, depending on the legal laws of the state the business is located, the setup of the organization, and the department whose records are being kept. It is important for the HR professional to understand the aspects of recordkeeping for their organization in order to determine the best recordkeeping practices and legal requirements.

Occupational Injury and Illness Prevention Techniques

There is always a risk of injury or illness for workers while they are in the workplace. The injuries and illnesses may be caused by conditions in the workplace and as such there should be prevention techniques employed and enforced by the organization in order for it to remove blame from itself. The prevention techniques work as a risk management strategy in managing liability such as work-related injury and illnesses.

It is the work of occupational and health administrations all over the world to oversee that organizations put in place occupational injury and illness prevention programs that will ensure the wellness of employees while at their places of work. Accidents are an unpleasant norm in the workplace. Today, organizations are able of come up with guidelines that assist in preventing accidents – a practice that was uncommon in the past. Injury and illness prevention programs can be referred to as Voluntary Protection Programs (VPPs) as employees in an organization are not required by law to adopt them but rather encouraged as it is for their own benefit. VPPs are morally enforced by organization management as it is up to the company to diminish such liability from its end.

Organizations can break down VPP into four sections with the objective of better managing such programs in the entire organization. Although it is not a requirement for the organization to do so, it is beneficial to the organization in line with formulation and maintenance of policies and programs that correlate to the VPP outline.

Section 1: Management Leadership and Employee Involvement

It serves as a first level for outlining a VPP where the organization management is supposed to come up with tentative outlines. The process begins with writing or formulating a safety and health management system which is basically an outline. The management must show commitment and leadership while formulating the system. Commitment is shown by actively participating in the process. The next step would be planning which involves the development of the tentative outlines. The responsibility of following the outlines should then be placed with an authority probably the health and safety department of an organization. The organization can then contract employees and involve them in the process of developing guidelines as they will also work in the same risk environment. When the employees are satisfied and willing to own the VPP, the safety and management system can be evaluated.

Section 2: Worksite Analysis

Once the overview outline VPP has been formulated by the organization management, it is paramount that the organization performs an in-depth work analysis to identify the areas of most concern. The process involves making an organizational baseline hazard

analysis. The next step would be to make changes in areas where the organization feels should be changed to enhance safety and health management. An organization would also analyze hazards that are common in routine activities based on the organizational operations. Then the organization could hold routine inspections to cover whether the hazards are truly a threat to employee health and safety before reporting and tracking the hazard. During tracking, possible cases may arise which would require investigations and trend analysis.

Section 3: Hazard Prevention and Control

After the hazard analysis, the next step would be how to manage and control it. Prevention would only be possible if the organization could better predict the risks that would rather be harmful to an employees' health and safety. In case an incident happens, the organization or the employee is required to follow the right emergency procedures to better manage an incident which could take a catastrophic turn. Employees should be provided with the required Personal Protective Equipment (PPE) meant for their stations. In a bid to prevent and control safety and health hazards, the organizational should come up with a process safety management system, occupational healthcare program and a disciplinary system for employees who are found culpable of not following health and safety guidelines.

Records on incidents should be kept at all times as further analysis may be conducted using the records in order to avert such a risk from ever happening again.

Section 4: Safety and Health Training

It is important that all employees are taken through training on health and safety for them to understand the significance of maintaining VPPs. This would equip them with what is required of them the employees and leadership management in the organization. Training helps bring awareness to situations that are assumed to be known by many and end up being catastrophic.

Training delivery systems should be observed and result measurement forms should be effective. This is to say that testing on whether the parties involved understood and conceptualized the health and safety training. Therefore, no excuse when got on the wrong side.

Personal Protective Equipment

A significant component of any safety program is Personal Protective Equipment (PPE). They can be as simple as a safety glasses or hazmat suits but play a large role in protecting the employee from organizational hazards. PPE is supposed to be provided by the

organization depending on the job conditions and hazards faced during the operations of the work. Employers who are found careless about the protection requirement are held liable and could be taken to jail or subject to a hefty fine. Other scenarios would be compensation for an injured or ill employee due to the employers' negligence.

PPE is meant for high-risk environments. Some environments require more protective measures compared to others while others would not require any. The level of PPE required in a manufacturing organization would be more as compared to a normal office environment. Some of the equipment includes rubber gloves, protective aprons and bodysuit or goggles and safety glasses.

Some of the consequences of not keeping workers safe and free injury and health care include:

- Worker compensation cost may increase due to awarding injured workers.
- Employee injuries and death.
- Organizational management risk criminal prosecution.
- Organization's existence in the marketplace will also be witnessed.
- Company assessed financial penalties for workplace injuries.

Workplace Environment Management

It is only possible through management to keep the work environment safe and the best form is by conducting frequent audits on aspects that may be considered hazardous in the work environment. They range from dust and debris if an employee is exposed to a construction environment, electric and gas hazards, respiratory hazards, noise, moisture, temperature and ergonomic hazards.

Environment management can be enforced and certified voluntarily by being ISO 14001 certified, which is also known as a generic environmental management system standard. It is relevant to any organization seeking to improve and manage its environment at a level that can be appreciated at international levels thus enhancing its business.

Evacuation Plans

Accidents do happen at any workplace and it is important for any organization to consider the possibilities. Evacuation procedures are at most times overlooked in most organizations but play a critical role in the health and safety of employees in an organization. The major threat (though not the only one) to workers, safety is fire at the workplace which is caused by different factors like electrical faults, chemical reactions or even arson.

Despite the causes, as a safety precaution, it is important for an organization to put the right procedures in place which would ensure a successful evacuation. This ranges from marking fire exit points, installation of fire detectors and alarms to notify staff of a fire and an assembly point during the fire. In addition to the procedures, employees should be taken through training on how to handle themselves; not to panic under duress. Panic can escalate an emergency issue into a more fatal catastrophe. Training will entail periodic simulations of the evacuation process. The simulations help makes employees respond calmly when the actual disaster happens. It helps them firmly grasp the evacuation procedures.

Even though health and safety predominantly lie with the organization, it is also the employee's duty to uphold health and safety.

Work Place Safety and Security Risks and Strategies

A workplace is a room or building where people perform a given task. It's a place where a job is done as given by an employer. There are general environments that are supposed to be maintained in an organization such that they would make it conducive for employees to execute their tasks.

Workplace safety is providing a good and a secure environment for employees to work in; a safe place of work that will protect employees from harm as well as business properties and its equipment. It deals with protecting the well-being, health and people's welfare in a certain work environment. Workplace safety covers the measures you keep in place to protect employees from work-related problems such as handling violence, drug and substance abuse problems among workers.

Work Place Security

Workplace security goes hand in hand with workplace safety as it refers to how an organization is prepared to handle or prevent certain situations. In order to ensure that there is safety and security in the workplace, an organization has to consider the following factors:

- Offering safety and security training by organizing regular safety and security training sessions for the employees. Through this, training it enables the workers to understand the procedures of reporting workplace violence and abuse.
- Improving machines operation policies in that machines that can cause harm to workers are fitted with control tool equipment.
- Build on the strategies to respond to an emergency at work. Enough response to emergencies such as that of spillage of gas, loss of power, or acts of robbery that may threaten workers safety and security is important. Generators should be put in place in case of power shortage, first aid equipment and back up communication equipment should be availed in case of an emergency.
- Provision of security and safety incentives in that rewards are given to employees who have a clean record on accident related incidence. This motivates them to practice safety and security measures.

Work Place Security Risks

This situation poses a possible threat or fear to the security of people at a particular working site. It ranges from threats and verbal abuse to physical assault and even homicide incidences. Threat can come from the surrounding environment and even from people around being the likes of co-workers or organizational customers. Other workplace security risks include:

- Taking part in the process of exchanging money is a major risk to workplace security as it places a potential threat to the worker.
- Time allocation is also a security risk to any individual working up to the wee hours of the night and being an isolated place with no company.
- Bullying is also a workplace threat to employee's safety for it is the repeated active physical or verbal action designed to intimidate cause injury or threaten a person's emotional mental or her physical well-being.
- Mailed threats are a workplace security risk. They become a risk when malicious parties use mails and postal services as a means for causing an attack on an individual.
- Asbestos and chemicals are also threats to the safety of a person working in the office. They are issues handled in an organizations' the working site. Employees might be in a risk of being exposed to a set of naturally occurring minerals that are used in insulation and building materials that are made of heat and corrosion resistant properties. Asbestos fiber, when breathed for long periods, can result in cancer infection and other diseases of the lung.
- Gas and chemical leakages are also workplace security risks. Gases that are odorless like carbon monoxide may result in inhalation of toxic fumes for people working there.
- Working in a place that has no sufficient lighting is also a threat to workplace security, as it becomes a zone for attacks.

These security risks cause a negative effect on the victim and depend on the nature of the threat. Security risks may lead to cognitive effects such as lack of concentration as an employee is exposed to fear, lower self-esteem, reduced physiological well-being and a higher risk of psychological related problems. It may also result in post-traumatic stress.

Strategies to Work Place Safety and Security

A strategy is a plan of action that is designed to achieve a long-term or overall goal. Workplace security strategy identifies risks and threats affecting a working site then finds solutions to such problems.

When an organization assess threats and know how to manage the risks associated with them, they are being cautious, and it should serve as a part of employer's general obligation; an obligation to determine the risk of workplace violence. Knowing how to address this issue at organizational level protects employees from landing into such threats. A specialized training and help from people who are conversant in this area can help a lot.

Conducting a threat assessment is one vital strategy. It implies using tools or conducting a professional judgment to know the probability of a risk materializing.

Risk management: Is a systematized approach to assess and respond to a risk meaning being in a position to identify, assess, comprehend, taking in and being involved in the communication process of risk issues among employees in an organization.

Risk evaluation: These are preventive measures undertaken by an organization with the objective of identifying risks. Evaluation assists the organization to identify and assess the different levels of risk and threats in an organization. It is significant in prioritizing the identified risks in order occurrence hence helping the organization to tackle them in the level of urgency.

Safety planning: It means coming up with a personal plan for employees in an organization. A safety plan reduces the risk for the employees to get hurt in the organization. It involves training employees on safety, enforcing safety policies and regulations and establishing a reporting system that is simple and clear for reporting emergencies in the workplace.

Training programs that educate on safety awareness and inspections that would enlighten the employer on changing situations in the workplace are important in safety planning. Emergency planning that gives room for foreseeing disasters in the workplace and be able to control it are essential for the organization.

Work Place Safety and Security Risk Strategies

The strategic plan should be reviewed by adjusting risk management measures and safety as the situation evolves to enable the employees to stay safe with the changing environments present in an organizational setup. Strategies help organization's plan for the future as being able to forecast the future outlines an organization's path.

- Practice security benchmarking implies that the security strategy an organization is using is effective for threats and risks and against employees that pose as a risk at the workplace.
- Organizations should set up policies that enable workers to be able to relate to threats and be able to act accordingly in case of an outcome.
- The organization should also put into consideration for safety training programs for all employees and improve the workplace health and its safety standards.
- It should encourage a culture that emphasizes health safety while creating a favorable environment for maximum job satisfaction morale and production.
- The workplace should be a dangerous free zone in that awareness is spread by making prohibited areas known to everybody.

- Maintain the trust of an employee by allowing an open communication on any issues and all safety issues to be keenly observed. No employee should be worried about being victimized for bringing out a concern or issue believed to interfere with the occupational safety of an organization.
- Effective workplace security procedures should ensure that there is commitment by the management and the employees should adopt the same commitment and have a clear plan that is well defined as well as the information on security being well known to the staff.
- Provide an explanation of how safety compliance is significant to the organization especially when they are used properly.

Workplace safety and security are important in ensuring every employee feels safe and secure while working. Placing the right strategies to prevent or reduce the risks of compromised safety and security will help to improve employee productiveness and morale at work.

Emergency Response, Business Continuity, Disaster Recovery Process and Procedures

An emergency is a condition or circumstance that occur when no one least expects while it also requires an immediate action. It is usually severe, and it endangers the safety of the people their health property life or their surroundings. An urgent intervention is always required to prevent the situation from getting worse.

Emergencies endanger the life of the people involved ranging from medical problems which affect an individual to a multitude of natural disasters like floods earthquakes hunger and diseases. It also endangers the health of people and their well-being though it is not as crucial as life as it does not really cause death. Such emergencies are easier to deal with at organizational levels. Other emergencies may endanger the environment whereby it affects the natural surroundings of the living species on it.

Emergency response refers to how one act to an unexpected and dangerous occurrence in order to attempt to save a situation that may affect people or the environment. They may be problems related to natural disasters, dangerous material problems and transportation incidents. They may also be the services offered by emergency and rescue teams or plans made to act to an emergency.

Emergency Plans

To respond to an emergency, a plan should be made, and actions taken at the first stage of an emergency should be considered very important. This emergency plan is a program one uses when the unexpected happens. It enables one to know what to do whenever an emergency happens and contact the relevant personnel for assistance. For instance, informing people to leave the vicinity and find a better place to live will save lives. Also, calling for assistance to public emergency services saves and enables provision of the right information. Administering of first aid by a trained person also increases chances of survival.

For an emergency to be solved, key factors should be considered; one should conduct a risk assessment test which is essential. By having knowledge of what happens, it can make it easy for resource requirements to be determined combined with performance objectives required for handling emergencies. There should be an implementation of an emergency plan to protect everyone from any danger. Establishment of a plan should be done and resources made available to prepare a facility from any impeding emergencies.

To respond to an emergency, one should be prepared as it is key to note that avoiding tension is vital to handling emergencies. Tension is limited through training and being offered education. By having knowledge on an emergency helps the employees in an organization to calmly handle emergencies.

An organization is required to equip itself with the necessary equipment and gather information to be used in the future. Employees should have a clear geographical overlay of the organization they are working for to aid with grasping the right route to follow while exiting their place of work.

Business Continuity

Business continuity is a process whereby a company plans and makes preparations on how to overcome emergencies and be able to get back to its normal activity within a short period. The key elements to be considered are resilience which is designing functions of business and promoting infrastructure in a way that they are not disrupted.

Recovery is the making of arrangements to restore important business functions that might have failed.

Contingency is having a way to cope with whatever disaster that comes along either expectedly or unexpectedly. This is the last resort if resilience and recovery fail.

Management of Business Continuity

Business continuity can fall under quality management and risk management. In that, risk management provides a systematic way of identifying causes of business disruption and being able to look at the probability and effects as regards to an organization. Management ensures all business functions are critically analyzed and later implemented for the progress of the organization.

Business continuity is achieved by use of international standards, developed programs and having supported organizational policies.

A program is vital for business continuity as it ensures required steps are taken to identify a disaster. It involves assessing of effects that might happen, developing a recovery strategy, and maintaining their readiness through the training of a personnel as well as conducting a test to establish whether employees have grasped the training. Tests can be administered in form of quizzes and simulations, for instance, fire drills.

Policies and Guidelines

Policies are the things the management requires an organization to follow that will have a design plan and support functions within an organization. Guidelines are what is recommended to be done according to the designed plan, procedures and specification that are used to implement an organization’s continuity system.

It also entails security management, which is the top requirement in managing technological information, and it is a mandate by law. It includes document management, change of audit and service level agreements.

A communication system enables the relaying of information during a needed time. Communication should be effective among members tasked with the obligation of managing emergencies in an organization. For business continuity to be effective, an organization has to appoint a lead manager who will control all areas, cooperation of executives', public relations, people and scheduled exercise to put the plan into action.

Planning presentation and being prepared are essential to any business continuity. A management system as well as having a direct read for the planning of civil contingencies are also key factors in establishing business continuity.

Disaster Recovery Process and Strategies

Disaster recovery entails policies tools and procedures that spearhead the continuation of important technology infrastructure and systems because of natural and human-induced disasters. Disaster recovery focuses on the systems of technology supporting important functions of a business. Disaster recovery processes are the procedures an organization follows to recover from an unexpected circumstance.

It entails preventive measures which will try to prevent the occurrence of a disaster. They prevent an event from taking place by backing data up and off-site, using protectors that are surge, putting in place generators and doing daily inspections

It also has detective measures which are taken to discover the presence of an event that is unwanted. They include putting firearms using updated anti-virus soft wares, conducting training sessions for employees and putting in place software that is networked and easily monitored.

It also looks at corrective measures which its goal is to restore the systems after a disaster .it includes keeping documents that are critical and securing good insurance policies.

Disaster Recovery Strategies

A disaster recovery planner refers to the organizations business continuity plan which indicates the metric of recovery point objective and recovery time objective for different processes of a business. The metrics specified are then placed into the underlying systems and infrastructure that supports the process.

Disaster recovery is no longer a preventive measure but a process to restore an organization back to its original status or at least a functional level where it would be able to execute its core mandate. At this level, the organization has already undergone the emergency and is trying to recuperate in line with business continuity.

Such strategies would involve organizations taking on policies and strategies that will assist them in the case of an emergency. Policies like approaching insurance agencies to purchase a plan that would cover a comprehensive array of risks is advantageous to the

organization. Insurance helps the organization by indemnifying it to its original status before disaster struck. The phenomenon ensures business continuity for the organization.

Another strategy is to plan for emergencies. The organization could be appropriating some funds aside so that in the event of an emergency recovery process, it would not have to dip in their working capital to finance the organization’s recovery strategy.

It is important for the organization to use qualified personnel to come up with recovery strategies that will be effective for the organization's recovery process.

Internal Investigation, Monitoring and Surveillance Techniques

Internal investigations refer to the process of uncovering the truth about an occurrence, mostly misconduct or fraud in an organization. An organization is most likely to experience some form of mischief and as such, there must be a mechanism in place to handle such situations. This process should occur in such a way that the employee's reputation is protected, and the employer-employee relationship guarded.

Shoddy investigations might strain relationships at the workplace which is detrimental to pursuing the objectives of the organizations. Internal workers can cause security threats through such actions as physical theft of property, unauthorized access to data with the intention of either manipulating or selling it, behavioral misconduct such as issuing threats, sexual harassment, absconding of duty among others.

Monitoring and surveillance acts to put an eye on the workforce in order to detect and act accordingly acts that might be violating company rules and policies. Surveillance helps gather vital information that is in turn used during internal investigations. A typical investigation procedure is anchored on good planning, sensitivity, consistent execution, analytical skill and a solid grasp of the existing legalities.

Investigation procedure

The process involves collecting and analyzing information in order to uncover the truth. This includes collecting and examining written and recorded evidence, conducting face to face interviews with the suspects and witnesses, and sometimes conducting computer and network forensics. In order to ensure the investigation is conducted in the most appropriate manner, the following guidelines should be followed;

- Draw clear policies to dictate the process. This is necessary in order to avoid common blunders. The policy guidelines spell out the procedures and personnel to carry out an investigation. Documentation is necessary to act as proof of compliance so as to be on the safe side of the law. The document can be provided as proof to the courts in case the alleged wrongdoer decides to sue the company regarding the investigation process
- A team should be formed, and duties delegated for efficiency purposes. An interviewer, for example, should not be the same person taking notes as this can provide an avenue for the alleged wrongdoer to challenge the notes or recollection of events.
- There should be maximum protection of witnesses from intimidation by the accused. The mere presence of the accused in the working environment is a form of intimidation to the witness. In extreme circumstances, harassment of

witnesses and issuing of threats may occur and, in this case, paid suspension to the accused may be necessary

- A time frame should be established as prolonged investigation may have a negative impact on the morale of the workforce.
- Employ special investigative techniques if the need arises. These include property searches, taking of fingerprints, computer and internet forensics among others. A legal counsel should be sort as employing these techniques poses a high legal risk.
- Always use written statements as they are a highly persuasive form of evidence and provide no room for interviewees to change their statements or dispute what they had said earlier.

Monitoring and surveillance

It involves keeping an eye on people's activities, behaviors and other forms of interaction in this context by a corporation with the aim of influencing, managing, directing or protecting them (Wikipedia). This can be done through low level technologies such as postal interceptions and employment of human intelligent agents (spies) or can take the complicated forms such as using electronic gadgets like the closed-circuit television (CCTV) to observe behavior and events from a distance, interception of electronically transmitted information, for example interception of phone communications, monitoring of websites interacted with, motion detectors, desktop screenshots among others. From the aforementioned, it can be established that surveillance takes both social (employment of human intelligence) and technological (use of electronic gadgets) forms that are paramount in exposing the conduct of employees and thus act as a basis of investigation in case of misconduct.

In the ethical perspective, employers have a right to workplace privacy which is a great hindrance to close monitoring and surveillance by the employer. It is also necessary that companies monitor their information to avoid leaks and manipulations of sensitive information, protect the company policies and limit legal liabilities in the event of misconduct in the organization. There are no set restrictions on the monitoring and surveillance techniques. Companies should, however, follow the following guidelines to avoid confrontations with employees and the law:

- Enact clear policies that dictate how employers and employees should conduct themselves at the workplaces
- The workers should be made aware of the monitoring and surveillance systems in place so that it is not done without their knowledge

- Strive to adhere to the highest ethical and moral standards. At no time and circumstance should the privacy of the workers be violated, unless in accordance to the legalities in place
- Participation of employees in setting up the process is encouraged to avoid resistance.

Why monitoring and surveillance by corporations?

Often there is a need for organizations to keep track of occurrences within them. The main basis of monitoring and surveillance in organizations is for employers to keep track of their assets and in the process makes it easy to track events. Information gathered can also be used to create records for purposes of advertisements and marketing and most importantly provide vital information in cases of misconduct that is in turn used to uncover the truth during internal investigations. The organization can collect data on individuals and groups and sell it to other organizations to be used for purposes of business intelligence. Information collected through the various surveillance techniques can be used to better tailor the products of a corporation for the purposes of marketing and improvement of profits

Monitoring and surveillance also act as a deterrence to people within the organization from committing offences. The presence of CCTV cameras, for example, instils a sense of fear in employees thus hindering them from violating company policies even if they had the intention. Efficient monitoring tools make it easy to track offenders and make them accountable for their actions.

Efficient monitoring and surveillance conducted under humane balanced and legally complying circumstances forms a core element of good managerial practice and confers a lot of benefits to the employer.it can act as an effective tool to keep track of employee's performance and provides an accurate scale for designing reward and compensation schemes on the basis of merit.

Demerits of monitoring and surveillance

The process of surveillance, however, comes with its own shortcomings. It says a lot about how the employer perceives the employees. Stringent monitoring and surveillance methods make employees feel that their employers have minimum trust in their conduct thus can act as a morale killer in the workforce of an organization. It can also be costly to put in place monitoring and surveillance tools in terms of installation and maintenance of

the necessary equipment. Closed Circuit television cameras, for instance, require additional workforce for operation thus raising the wage bill of an organization.

It has a direct impact on the conduct and behavior of employees and sometimes can even spark resistance if employees feel that their rights are being violated. This is in the circumstance that the process fails to adhere to the set standards and regulations of the government and also if the monitoring and surveillance goes to the extreme.

In a nutshell, monitoring and surveillance is a critical aspect of HR and forms an integral part of effective management. In employing the various techniques for the same, the companies' objectives should be at the forefront and anything that can prove detrimental to the pursuance of the same should not be tolerated. The rights of the workers in relation to the existing government laws should always be given a priority in order to keep in place a motivated and united workforce.

Data Security and Privacy

Data security refers to the process of maintaining data integrity, its confidentiality and availability. Similarly, data security involves all the processes taken to ensure that data is not being accessed by unauthorized persons. It ensures that data is only made available and reliable to the authorized persons.
Data privacy, on the other hand, means using data for the appropriate purpose. When an organization uses any available data or information provided to them, they should use it as per the purposes agreed to. Data security involves a plan that contains different faces like safekeeping of information, gathering only the information required and destroying the already used information that is no longer of use. From these steps, an organization is in a position to meet the legal requirements of possessing sensitive data.
Examples of data to be protected are the data digitally contained in various databases from harm of destructive actions and unauthorized entities or users. To achieve data security, some technologies are used as the methods of protection. Some of these include:

- Disk encryption
- Data backups
- Masking of data
- Erasure of data
- Software mechanisms for data protection
- Hardware mechanisms for data protection
- Tokenization

Disk Encryption

Disk encryption refers to technology that turns data or information into codes that are unreadable to unauthorized personnel and can also not be deciphered easily. Disk encryption software is used for encrypting each part of data or information that is transferred to any volume of a disk or the disk itself. In most organizations, not all employees are authorized to access all data storage facilities and therefore, encryption software is used in encrypting the data.

For successful data encryption in organizations, different tools that are available in the market are used. However, most of these tools greatly differ in type and in security levels, it is important to know the major kinds. The three major categories are: hardware based in the storage facility, a software-based tool and hardware that is based elsewhere for example in the central processing unit or a cloud. Disk encryption can take various

methods such as full disk encryption and transparent encryption. Full or whole disk encryption is the process of an organization fully encrypting everything in their storage. A part of the disk that is not supposed to be encrypted is the master boot record or any segment of the disk that is bootable because it contains the codes used in starting the sequence of the operating system. Although, according to the authorizer's commands, some of the systems using full disk encryption can encrypt the whole bootable disk.

In some organizations, transparent encryption is used. This is where as data is loaded or saved, automatic encryption occurs. In transparent encryption, there is an easy access to files as soon as the key is given and hence the whole amount of data can be retrieved. Any data that is encrypted cannot be accessed to any personnel without the set password or key. This helps most organizations in regard to those who are authorized personnel to access specific data. For further use of encrypted information by end users, they have to install some device drivers that help them decrypt the data. Most administrators have the rights required in such devices installation hence without access to the rights encrypted data is rendered inaccessible.

Data Backups

Data backup is a process whereby certain information is copied into a different file normally an archive, which can be used in restoring the data in case the original data is lost. Most organizations use the data backup method for various different purposes. The major purpose is to retrieve data upon deleting it or in case of data corruption. Data corruption is a way of using certain information mainly by persons in authority for their personal beneficial purposes. Bribery gotten after use of an organizations data or embezzlement is also a form of data corruption.

Another reason for backing up data in most organizations is to retrieve data that was entered and stored a long time ago. This is done by using typical configuration in a data backup application that configures how long data can be stored by an organization. Some organizations fail to use data backup methods for data security purposes because not all systems retrieve data from a computer or from other complicated system configurations. Data backups have made most data storage applications significant since there is always at least an extra copy of the data that was saved. Due to advanced technology, in most organizations, simple and portable storage devices have been developed to ensure the portability of the data and its security.

Masking

Data masking involves protecting of sensitive data in a certain database to maintain its data security and hide it from any unauthorized personnel. Masking of the data is done

by replacing the original data with another data even though its realistic data. Most organizations use masking of data in situations whereby they do not want to expose the actual data. Data masking is mainly done to protect personal and sensitive data.

Different types of data masking include static data masking, on-the-fly masking and dynamic masking. Static masking is done on the very important data in a certain database. This will majorly involve loading the data in separate environments whereby the data set is usually reduced to subsets that will hold only the necessary data.

On-the-fly masking involves data being transferred from one environment to another, only applies to environments with continuous development, and is used in complicated applications.

Dynamic masking is almost similar to on-the-fly but for the dynamic masking, most organizations prefer it since it's a one-time run. This means there is no second source of data that could be backed up or required for storing of data. Dynamic masking also helps most organizations in different scenarios where there are strict privacy policies set in place. Dynamic masking feels safer for most employees and organizations.

Erasure

Data erasure is a method based on the software that overwrites and completely destroys any electronic information stored in a hard disk or in any other storage devices with the goal of making sure any sensitive information is not lost when an asset is used elsewhere. Most organizations have designed software to conduct data erasure whereby the software makes a selection data in regards to the uniqueness of the data. The software should also be able to verify that the method of overwriting is successful. Only permanent deleting is done beyond the commands of deletion. Some applications used in data erasure destroy data whenever an incorrect password is entered to protect stolen or lost data.

Software Mechanism for Data Protection

Software mechanisms aim at encrypting important data to prevent it from being stolen. Hackers and other malicious entities could alternatively do data corruption so as to make data unrecoverable and make the software unusable. In such a situation, hardware-based software solutions protect organization data by providing physical tokens that will always be required to open a system.

Hardware Mechanism for Data Protection

Hardware mechanisms require the physical user to key in, key out, and set various security levels as required by the administrator to ensure data protection. The mechanism uses the biometric technique to ensure that no malicious entities log in to view the data. The hardware mechanism is more secure to prevent an organization's data preferably from operating systems that are prone to viruses and other malicious entities. Some of the system privileges and the operating system are also protected by the hardware-based mechanisms. Therefore, most organizations tend to create a complete security system using the hardware mechanism and the policies of system administration.

Tokenization

The process of replacing certain sensitive data with an element known as a token is called tokenization. Tokens have no extrinsic value or any meaning that is exploitable. Reason to why some organizations prefer tokenization is that the method provides reduced risk by isolating the tokenized data from other operating systems. In most cases, data that tokens replace is live and this leads to reduced exposure of sensitive information to other people who are unauthorized to access the data. Most organizations dealing with criminal records, registration of persons and even financial accounts prefer tokenization due to its help in the processing of credit cards. An organization’s choice of tokenization to other data security methods only depends on an organization’s interpretation and regulatory of data.

For any organization, the privacy and security of its data need to be upheld at all times. This protects the organization and its information from intruders. The implementation of the mentioned data security and privacy strategies too needs to be done with precision and caution.

The Collective Bargaining Process: Terms, Strategies and Concepts

Introduction

The primary reasons that necessitated the formation of labor unions is the need to fight for workers’ rights and to protect their interest regarding better working conditions and favorable terms of operations through collective bargaining—a yardstick to improve workers overall quality of life and the political power of their members.

In the United States, approximately 2.4 million workers enjoy the coverage of major collective bargaining agreements. The workforce under this coverage constitutes about 30 percent of the 8.2 million workforces spread across the private, state and federal owned industries.

What Is Collective Bargaining?

The term “collective bargaining” is a reference to the negotiating process that occurs between a group of employees and their employer in resolving certain issues that arise in the course of business. During the bargaining process, the employees are represented by the union to which they are members. The negotiation involved in collective bargaining mostly relate to the regulations of critical issues such as employee safety, working conditions, training, wages/salaries and layoffs. The moment a compromise is reached, the “collective bargaining agreement” that resulted from the negotiations, becomes the new contract governing employment conditions.

From the foregoing, collective bargaining can be defined as the “Negotiations of conditions or issues of employment by an organized body of employee and the employer.”

Historical Perspective

The modern day use of collective bargaining has evolved through a historical path of government intervention. It was in 1935 that Congress enacted and passed the National Labor Relation Act (NLRA) that establishes the right of workers to participate in collective bargaining, including other group activities. After its creation, the NLRA gave birth to the National Labor Relation Board (NLRB,) an agency of the Federal Government bearing the authority to enforce the right to bargain collectively. The NLRA has undergone several amendments since 1935 till date, especially in 1947, 1959, and in 1974.

It must be noted that the law setting up the NLRA only empowers it to oversee the labor relations of organizations that are involved in interstate commerce. This means that the NLRA governing jurisdiction does not cover all categories of workers. For instance, workers working for the US government and other categories of workers fall outside the protective shield of the NLRA. Workers like those in the agricultural field, supervisory and managerial employees, as well as independent contractors, are not protected by the NLRA.

Notwithstanding, **Section 8 of the NLRA** set the stage for collective bargaining by defining a refusal to engage in it as an unfair labor practice.

Conceptual Elements Governing the Law of Collective Bargaining

The law of collective bargaining enables employers and workers to arrive at a voluntary consensus on a wide range of issues relating to the workplace. In extent and application, it is limited by Federal and State laws. No contractual collective agreement can establish

or seek to establish whatever the law has prohibited. For instance, an employer or a union cannot use the premises of collective bargaining to deny employees of their rights and privileges they would have enjoyed by virtue of other laws such as those enshrined in the Civil Right Statutes.

Furthermore, collective bargaining cannot be used by employers or unions to waive rights and obligations that are already imposed by law on either party. Lastly, collective bargaining is not entirely "voluntary" the way it's being projected. For instance, if one party fails to reach an agreement, it gives room for the other party to resort to other forms of legal processes, such as lockouts or strikes, as a means of applying economic pressure on the other party to the derive the agreement.

Another thing that must be noted is that collective bargaining is almost exclusively governed by Federal labor law. The timing, issues requiring collective bargaining, the method of bargaining, failure to bargain or consequences of abiding by a collective bargaining agreement are governed mostly by Federal labor law.

4 Basic Points That Govern the Law of Collective Bargaining

- If the member representing the employees has more support in the bargaining unit, the employer may not withdraw from bargaining over a specific subject of interest with the employees.

- Such specific subjects also known as "mandatory subjects of bargaining" consist of working hours, wages, and such other vital conditions and terms of the employment.

- Both parties are not required to reach an agreement, but it is compulsory that they are bargaining in good faith in respect of mandatory subjects of bargaining till both of them will arrive at an impasse.

- During the existence of a valid collective bargaining agreement, with both parties still in active bargaining and are yet to arrive at a compromise, the employer doesn't reserve the exclusive right to alter an employment term that is under mandatory subject bargaining. However, if immediately both parties have arrived at an impasse, the employer is free to unilaterally enforced its advocated change, subject to the condition that the said change has previously been proposed to the union for consideration.

Processes Involved in Collective Bargaining

There are five core steps involved in the collective bargaining process. These are:

1. Preparation

This is the stage where a representative and negotiation teams are chosen for both the union and the employer. It is expected that both parties have adequate skill in negotiation

and are also knowledgeable in labor law. Both should go through information available to them to see if they stand a good chance for successful negotiation.

2. Discussion

Both the union and the employer meet to set ground rules pertaining to the negotiation process in the collective bargaining.

3. Proposal

The representatives of both parties provide their respective opening statements, listing possible solutions and options that are available to resolve the dispute at hand.

4. Bargaining

After proposals are put forward, the parties begin the process of discussing a potential compromise. In this case, each party bargains to create an agreement that would be accepted by the other party. This process then leads to what is called a "draft agreement."

5. Final agreement

After a compromise has been reached and the terms are acceptable to both parties, it must be put in writing, signed and put into effect by both parties.

Strategies Used in Collective Bargaining Negotiations

The union: There are different strategies used by the union during the negotiation stage of the collective bargaining process. These strategies contribute significantly in determining the type, nature or extent of benefits they would get from management. Below are 20 strategies used by unions when negotiating with management.

1. Defining the most suitable time to start negotiations and exactly when a strike would be most crippling and effective.

2. Producing a reliable collective bargaining or strike fund

3. Defining and determining the laid down rules

4. Deciding what information to withhold or give during the negotiation process

5. Suspending negotiations and judgment on issues where the facts appear vague

6. Ascertaining which of the proposals cannot be compromised

7. Pinpointing which of the proposals can be compromised, and to what level, and in exchange for what favor?

8. Creating backup proposals that will answer management untenable counter proposals

9. Undertaking consistent research that will justify or support demands

10. Preparing for unexpected circumstances capable of occurring during the negotiation which demands new techniques and strategies

11. Citing information that is obtainable in the course of negotiation

12. Practicing and maintaining an equal level of playing-field during negotiation. Refraining from using words like Sir or Boss when addressing the management panel

13. Taking the initiative while always in control of the discussion

14. Maintaining a score sheet detailing what has been discussed and the result of the discussions

15. Presenting facts to substantiate an argument while demonstrating conviction in saying no.

16. Not agreeing to anything unless they have agreed on all things.

17. Proposing to write down the draft of the final agreement

18. Attesting signature to the final draft as grounds for accepting final copies

19. Reexamining the copies of the final agreement before signing, demonstrating extra carefulness.

20. Ascertaining friends of labor working in Department of Labor and Employment

Strategies Used by Managers in Collective Bargaining Agreement Negotiation

Unions are not the only ones using different strategies to make sure the best come to them during the negotiation process. Management employs different strategies to lessen the possible cost for the organization/company. Below are 10 strategies employed by managers when negotiating collective bargaining.

1. Confidentially checking on the background of the union's negotiating team
2. Including or removing some critical points in the last minutes of the CBA meeting
3. Harassing the negotiating team of the union
4. Not stating the actual financial well-being of the company
5. Spying on union meetings by sending pro-management workers
6. Patiently and critically perusing every detail of each proposal
7. Giving excuses that the business isn't generating income
8. Propose package deal to reduce labor cost and save more

9. Outright bluffing

10. Proposing the least as a counter proposal

Duties Involved in Collective Bargaining

Employer duty to furnish information

The employer is under obligation to submit information to the union during the negotiation process. However, it must be noted that the employer is only mandated to provide certain information to the union. For instance, if the management claims it's unable to honor an increment in wage as a result of financial challenges, the union reserves the right to ask for documents of financial statements supporting such claims. If the union also request for information concerning current benefits and salary rates, the employer must provide such information.

Union/Employee duty of fair representation

On the other hand, a union is under obligation to provide fair representation to an employee who is a member of the union. Although the union is not under obligation to take up every request put forward by an employee, it must endeavor to treat each request with fairness and utmost good faith regardless of the employee's race, age, sex or level of education. An employee may, under certain procedures, file for grievance if he or she feels the union has not granted a fair representation. Where there is no grievance procedure, the affected employee can hire the services of a professional attorney to argue his case and have his right protected.

Conclusion

Unfair labor practices are the foundation that gave rise to collective bargaining. It is a process designed to ensure the right of workers are protected, and the employers do not engage in unfair labor practices.

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Performance Management Process, Procedures and Analysis

Performance management refers to the activities that are undertaken to ensure the desired goals or results in an organization are met. This may focus mainly on the general performance of the organization, employees, a certain department in the organization and event processes that products and services undergo. Performance management can apply in areas with people interacting, be it in churches, schools and even in governmental entities. In all these venues, performance management is aimed to bring to board people interaction with their different environments and come up with the desired results.

Similarly, all integrated and strategized approaches that lead to an increase in effectiveness of organizations is also referred to as performance management process. Most managers use the process to align what the company wants to achieve with the individual employee goals, which would result in good productivity.

This process can also ensure reconciliation of organizations desires with the employees' desires and therefore increasing productivity in the organization. By managing performances at different workplaces, it allows employees to individually discover how they performed in comparison to the performance desires for different periods. Most organizations are accustomed to gauging how their employees performed within their formal period of 12 months. Performance management is stipulated in form of a cycle comprising:

- Performance planning
- Coaching
- Performance appraisal

Performance Planning

This refers to how the objectives of a certain organization and the goals come into establishment. In addition, planning also refers to the process of identifying the resources needed currently to propel the organization to hit it targets in future. Performance planning should also serve as a link between the employees and the organization's managerial team. Some of the entities comprised in a performance planning are the strategy of assessment in the company, forecasting employees' requirements, conducting gap analysis and development of new strategies to help the existing strategies of an organization.

In assessing, it's important to develop a catalog of employees' skills that indicates all employees' skills and capabilities. The catalogs should contain everything starting with

academic achievements, volunteer programs and all areas of certification. From an assessment point of view, the catalogs help employers forecast on employees future plans as regards development and responsibility. Forecasting the future is of prime importance since realization of an organizations goal is truly based on the strategized goals. In this category, various issues are looked into; type of jobs to fill in the coming future, the set of skills employees will require, how is the relationship between the economy and the organization's ability?

An organization will also need to strategize on how to achieve their goals. This is done by restricting the already existing strategies, by deploying of some staff, reduction of staff members, are-organizing the work-structure so as to perform efficiently. Conducting training programs for the employees also helps achieve the goals desired. Training the current employees helps open up new roles in an organization that the same staff can take.

Recruiting new employees with the required knowledge for future needs will also help achieve the goals of an organization. Gathering information from external sources and implementing in an organization will build up collaboration in between organizations. This is a plan to help employees get knowledge and new skills that were previously unavailable in their own organizations. Lastly, a performance plan needs a period of when specific goals need to be achieved.

Coaching

In most scenarios, organization leaders intervene to give their own inferences on performance of departments, branches and individual employees and suggest ways through which the performance can be maintained or improved upon. This is referred to as performance coaching. Most employers tend to create a one-on-one coaching program where all negative and positive issues in the organization are looked in to.

In case a positive trend is noted, employees in the pertained departments are worth appreciating. This makes the employees feel appreciated for their achievements. For negative trends noted in various departments in the organization, most leaders criticize the issues while encouraging employees to do better. In some instances, they may give possible solutions to the challenges faced.

Employees performance coaching builds trust and respect between employees of higher rank and those at lower ranks. This is brought about by interaction in the coaching program. For most organizations, to achieve good performance, feedback is paramount. It helps keep employees on toes by knowing at which level of performance they are operating. Negative challenges help employees to work more constructively. Coaching in

today's environment is also advantageous since it helps employees take ownership and responsibilities for their actions.

Performance Appraisal

Performance appraisal is a time-based process to review and evaluate an employee's individual performance in relation to goals of an organization and set criteria. Accomplishments, behaviors and future potential for improvements are some of the individual aspects looked into while reviewing an employee's performance. Performance appraisal data is collected in three major methods namely; personnel, the objective of production and judgmental test.

Judgmental tests are commonly used in organizations with large varieties of methods of evaluation. For a long period, performance appraisals have been done annually but now many organizations are opting for conducting the evaluations in short cycles of semi-annually, quarterly, monthly and in some cases, in weekly cycles.

Such interviews provide feedback to employees on disciplinary decisions, the status of their jobs, counseling and development. Performance appraisal is applied in various methods such as compensation performance improvements, termination, tests of validation and promotions. In addition, there are benefits associated with performance appraisal and there also drawbacks. Performance appraisal will improve communication from the organization to the employee. Negatively, if performance appraisal is not well executed, they may lead to legal matters hence making most employees feel dissatisfied with the appraisal process.

Employees focus is enhanced as trust is built among them. Employee behaviors and thoughts may distract them from concentrating on their work. If the performance appraisals are properly constructed, they are capable of reducing factors that distract employees in an organization and encourage building trust in it.

There is also room to discuss individual goals in collaboration with those of an organization while conducting performance appraisals. The collaboration will be advantageous by bringing satisfaction an acceptance of appraisal performance results. As much as performance appraisal can be biased, various steps can be taken to reduce the error margin, namely; participation by subordinate staff as allowing workers to participate in the evaluation process will create reciprocity between the supervisor and the employee. This will increase motivation and satisfaction in the job. Workers also gain the courage to face their employers and can inform them of any alert at all times of need.

Performance Management Analysis

In all working areas, commitment analysis is always done first. This is where a mission statement pertaining to each job is developed. The mission statement is a definition of the job regarding its product, purpose and customers involved. The main objective of the commitment analysis is to realize objectives that are continuous and critical. Another aim of the analysis is to know each job standard of performance. From the commitment analysis, organizations get to work analysis of certain jobs. Work analysis is done by giving a description of the job and giving the job structure. In case the job description is unavailable, then a system analysis is conducted to come up with the job description. This analysis is aimed at determining important continuous objectives of the job and how good a certain job is.

Benefits of Performance Management Process

By managing an employee or a system in an organization, it facilitates the effective fast realization of strategic goals as per the objectives of the organization. Most systems of performance management in the public sector have changed from being positive to negative claiming that there are differences between the contexts of the management system. It plays a role of either failure or success in performance management and the management systems characteristics. Performance management delivers positive returns either as operational benefits or as sales benefits in a company, directly or indirectly. Some of the gains that are financially direct are:

- Cost reduction in the organization
- Increment in sales
- The organization is aligned in accordance with its goals
- Time taken in operational and strategic changes is reduced
- Relationships between data are displayed
- Employees gain confidence in their bonuses payment
- Transparency in achieving goals is acquired
- Provides a well communicated and documented process of documentation
- Employees engagement is improved as each and every employee understands the roles they play towards achieving standard goals in the organization

The HR professional needs to have a good understanding of the performance management process and analysis that accompanies it. This is the only way to get a clear understanding of how employees and the organization are performing and how to fix any problems in performance.

Termination Approaches, Concepts and Terms

Laying off an employee is not an easy process for both the worker and the employer. The first step is to make sure this is the last step in a carefully thought out and transparent process. The Human Resources Department plays a vital role in ensuring that the process runs in a smooth and collected manner. They are tasked with the planning process to review and give a reason and justification of the employee in compliance with the Company's policy and those governing the overall labor laws governing a particular country.

Even with the plan in place, the termination process has proven to be a very stressful and tough situation for both parties involved. first to the employee getting fired as they are susceptible to feeling humiliated, helpless, powerless and feeling a sense of losing a part of themselves and secondly to the Manager or Supervisor having to make the decision and deliver the news. No matter how many times an individual has done a termination, it never gets easy having to end someone’s working contract with the company.

It is also most likely that the decision to terminate one or several employees affects the staff remaining behind as they will not understand the management’s decision hence leaving them feeling vulnerable. In some cases, the first instinct of the employee is to blame others and not accept responsibility for their actions leading up to the termination. A poorly handled termination can cost the company a lot by putting it at risk or legal action. This is why a balance between respecting the dignity of the individual and minimizing the risk for the company should be observed at all times when carrying out this process. Clear procedures should be put in place to ensure that both parties are handling the matter respectfully and with the utmost fairness.

An employee should not be treated in a manner that exposes them to discrimination, harassment or feeling targeted unjustly. This is where the Human Resources Department is responsible for explaining to an employee the reasons for the termination. They also document the employee’s actions and reactions to the termination. In many instances, Human Resources departments have a strict system in place for the documentation of employees as they oversee most aspects of an organization's employee relation responsibilities including recruitment, hiring and termination.

Any performance documentation, verbal/written warnings and appraisals should be carefully filed to be used as factual evidence for the termination.

Termination Terms

Terminologies used in service termination include:

1. Termination of Services: Termination of the employee's services by the Company based on a decision issued by it (i.e. the termination shall be by the Company).

2. Resignation: Termination of the employee's services based on his desire and resignation from the service of the company (i.e. the termination is by the employee).

3. Termination of Services: The termination of the employee's services means:

- The company's decision to terminate the employee's services.
- And/or resignation of the employee.

Preparing for Termination Meeting

- Location: When planning for a location, ensure it's a common area that is private. The employee should not be in their office or workstation as their first reaction is unpredictable.
- Timing: The time chosen, whether morning, afternoon or evening, should be well thought out in advance to ensure the employee has enough time to process the news and figure out his/her next steps.
- Who: Those present in the meeting should be carefully selected as this might affect the outcome. An HR specialist together with the Manager responsible for the specific employee should both be there to give support.
- Confirm the reasons for terminating an employee and have supporting documents before going in for the meeting.
- Prepare to address the practical questions that the person will have about leaving losing the job: Are there benefits? When is it effective? Are there opportunities elsewhere in the company? Is it a reduction in staff? Health/life insurance?
- If the decision is in line with Company policy

Termination Approaches

Every employee is entitled to end-of-service bonus upon completion of his contract, resignation or termination of his services for non-disciplinary reasons that do not necessitate his suspension from an end of service bonus in accordance with the Labor Laws. When conducting a termination:

- Be honest with the employee about why they are being terminated. Don't try to soften the blow as the employee may assess concealed motives, such as

discrimination. If you didn't indicate the truth about their performance, you cannot introduce it as a defense in a lawsuit.

- Meet with the employee at a neutral location where they can't create too much of a disruption with other employees and provide privacy. An additional person, either from management or administration, should be present in the meeting as a witness.
- If a verbal warning doesn't correct the problem, then a formal written up or corrective action notice will document that you had given the employee a chance to improve.
- Decisions based on performance should have documented proof that the employee knew what was expected of them, they were given the opportunity and resources to succeed and improve but this was not fulfilled.
- Focus on specific facts; don't attack the employee as a person. Follow laws specifically for your region for notice.

Cases in which an employee can be terminated

An employee can be terminated in the following cases:

- Low performance and productivity.
- Completing the trial period unsuccessfully.
- Submission of incorrect data in the work application.
- Take disciplinary action against the employee.
- Termination of the fixed term contract.
- Reaching the retirement age.

Common mistakes to avoid making during a termination

Losing a job can be traumatic and the employee may display a range of emotions. During the meeting, be ready to listen but not react. Some of the commonly made mistakes during the termination are done in good faith but they may end up costing the company a lawsuit or making an individual act out in the worst way possible. The employer should listen with respect and direct the person towards practical realities of moving on.

It is also prohibited to give false hope to the employee getting terminated. Many at times you want to assure someone they will be okay, or you can help them find a job which is not assured.

Do not pass the decision responsibility to others. The company is portrayed as one entity hence fingers cannot be pointed on who specifically made the decision. One can express regret on behalf of the company, but they cannot apologize for the final decision made.

In case of an argumentative reception or one refuses to take the decision, it is strongly advised to move on and repeat the decision saying it is final. Assessing blame will not be helpful for the employee at the time as they are very emotional.

Very few cases will require a team of security to escort one out of the premises unless thought to be unprofessional. During such an occasion it is safe to have a security team on standby to escort one out if they refuse to leave peacefully.

Emotions should not come into play during this process even if the employee getting terminated loses their composure. The Human Resources personnel are not allowed to raise their voice or become argumentative.

After firing an employee, communicate to the rest of the staff within the limits of confidentiality. In some cases, they will fully understand the decision. In others, they may not respond well or agree with the management's decision. In either case, you need to be sensitive to their feelings and help redirect their focus back to work. It is not necessary to explain why their colleague had to be fired as the termination does not directly involve them. This is treated as private information and kept as such to protect the Company and the individuals involved.

END OF FUNCTIONAL AREA 5

AnderePrepsU

Glossary of Terms

Business Management & Leadership and Strategy

1. **Mission statement:** purpose for creating an organization. Determines values, standards, strategies.

2. **Vision statement:** specifies the goals to be achieved in the future.

3. **Goal:** particular objective that an organization is attempting to achieve.

4. **SMART Goal:** Specific, measurable, achievable, relevant, time-related.

5. **SWOT analysis:** strengths, weaknesses, opportunities and threats that help or hinder an organization.

6. **How bills become laws:** investigation by Congressional committee, approval by Senate and House, and signed into law by President.

7. **Influencing legislation:** letters to elected officials, meetings with officials, and lobbying.

8. **Assets:** the resources owned by an organization.

9. **Liabilities:** the financial costs an organization owes to others.

10. **Equity:** assets minus liabilities Balance sheet: shows the assets, liabilities and equity at a point in time.

11. **Income statement:** shows revenues and expenses during a period of time.

12. **Cash flow:** money received compared to money spent.

13. **ROI (return on investment):** money earned on an investment compared to money spent to make the investment.

14. **ROE (return on equity):** income compared to average shareholder investment.

15. **Gross profit margin:** total revenue for a period minus the cost of sales for that period divided by the total revenue for that period.

16. **Due diligence:** gathering, reviewing, and distributing legal, financial and

operational information for each organization involved in a merger or acquisition.

17. **Strategic planning:** establish goals, analyze strengths and weaknesses, identify factors that affect goals.

18. **Merger:** two organizations agree to become a single organization because both will benefit.

19. **Acquisition:** buying an organization's stock to gain operational control.

20. **Management functions:** planning, organizing, coordinating, directing, and controlling.

21. **Planning:** determining what the organization is attempting to achieve and how it will achieve that goal.

22. **Organizing:** obtaining and allocating human, financial and other resources to carry out the organization's plan.

23. **Coordinating:** making sure resources are functioning as planned.

24. **Directing:** ensuring the work needed to meet a goal is executed effectively.

25. **Controlling:** evaluating the progress towards the goal.

26. **Business metric:** a performance metric or key performance indicator. Measures progress towards a goal.

27. **Centralization:** upper management makes the organization's decisions.

28. **Decentralization:** decision-making authority is distributed to employees throughout the organization.

29. **Simple structure:** one level of management.

30. **Functional structure:** chain-of-command is pyramid-shaped with different levels of management.

31. **Divisional structure:** the chain-of- command is separated into divisions based on a specific characteristic.

32. **Matrix structure:** two overlapping chains-of-command where each employee

reports to a division manager and a department manager.

33. **Project managers:** control the cost of the project, the time spent on the project, and the scope of the project.

34. **Outsourcing:** finding people outside the organization to perform tasks that were originally done by employees.

35. **Third-party vendor**: an outside vendor contracted to perform a service.

36. **Request for proposal**: invitation to a third-party vendor requesting bids for a product or service.

37. **Human Resource Information System (HRIS):** a computer system designed to carry out HR functions including benefits administration, payroll, time and labor management.

38. **Ethics:** practices, procedures and behaviors to ensure individuals perform duties in a fair, proper and morally responsible manner.

39. **Establishing strong ethics:** corporate values statement, code of conduct, human resource audits.

Talent Planning and Acquisition

1. **AAP placement goals:** objectives to improve problems identified by analyses, audits or reports.

2. **Advantages of pre-employment tests:** control over information gathered; information gathered in a consistent manner.

3. **Affirmative Action Plans (AAP):** goals to encourage equal employment opportunities and plans to attain and monitor progress towards goals.

4. **Alternative recruiting:** finding interns, telecommuters, and temps to perform specific tasks for the organization.

5. **Americans with Disabilities Act (ADA):** requires employers to create positions that disabled individuals can perform and provide access to the job place.

6. **Aptitude test:** determines if an individual has the basic knowledge to perform the tasks for position.

7. **Behavioral interview:** applicant is asked questions about how they handled situations in the past.

8. **Construct validity:** the degree to which a test measures a theoretical construct or trait such as intelligence, anxiety or mechanical comprehension. A screening or selection tool has construct validity if it accurately tests for indicators of satisfactory job performance.

9. **Content validity:** exists when a screening or selection tool tests for the skills and knowledge to perform tasks associated with a position.

10. **Criterion validity:** The extent to which a test significantly corelates with important elements of work behavior. A screening and selection tool has criterion validity if it accurately predicts behavior in the work place.

11. **Common recruiting places:** job listings, career fairs, employment-related organizations, word-of-mouth.

12. **Concurrent validity:** an individual possesses the desired trait or will behave in the desired fashion.

13. **Directive interview:** an interview controlled by the interviewer with a list of specific questions.

14. **Disadvantages of a selection interview:** preconceived ideas, applicants can control the interview.

15. **Disadvantages of pre-employment tests:** disparate impact on a protected class; does not allow for flexibility.

16. **Educational references:** certifications and diplomas prove knowledge.

17. **Effectiveness/efficiency metrics for recruiting:** (1) number of applications received, (2) recruiting costs and (3) number of days to fill the position.

18. **Employee orientation or on-boarding programs:** ensure that new employees become effective in their jobs.

19. **Employee Polygraph Protection Act of 1988:** protects individuals seeking employment from polygraph tests.

20. **Employee retention program:** policies, procedures and practices that encourage employees to stay and decrease employee turnover.

21. **Employment-at-will:** organization or employee may terminate employment at any time for any reason.

22. **Employment contracts:** information about the job, tasks, responsibilities, start date, contract duration, wages, benefits, voiding the contract.

23. **Employment references:** previous employers, co-workers, or customers who can verify experience.

24. **Employment screening tools:** applications, resumes and interviews.

25. **Employment selection tools:** interviews, pre-employment tests, and previews of job duties.

26. **Equal Opportunity Employment Commission (EEOC):** formed by Title VII of the Civil Rights Act, protects from unlawful discrimination, encourages equal employment, trains employers to avoid discrimination, enforces anti-discrimination laws.

27. **Ethnocentric strategy:** hiring from the country of the foreign office, filling management positions with parent- country nationals.

28. **External recruiting:** encouraging individuals from outside the organization to seek employment.

29. **Exit interview:** a survey that gauges the effectiveness of the staffing strategy, screening process, selection process and training programs.

30. **Factors affecting the labor pool:** economic, industry, and labor market.

31. **General employment application:** employment history, education, and background.

32. **Geocentric strategy:** hiring the best individual without considering costs or disadvantages.

33. **Timeframe to file discrimination claims:** must be filed within 300 days of the incident in states with an EEOC enforcement agency; 180 days in other states.

34. **Uniform Guidelines on Employee Selection Procedures (UGESP):** helps employers comply with Federal anti- discrimination laws.

35. **Unusual recruiting sources**: fliers, community organizations, prison work programs, individuals leaving vendors.

36. **Workforce planning process**: staffing forecast, staffing goals and objectives, job analyses, plans to meet staffing goals and objectives.

37. **Qualitative forecasting:** opinions or analyses of managers and experts.

38. **Quantitative forecasting:** historical ratios analyses, trend analyses, turnover analyses, probability models.

39. **Qualitative or quantitative forecasting:** Depends on (1) short-term or long-term need and (2) whether needs will change.

40. **Job analyses:** identify the job description, competencies, and specifications.

41. **Job description:** details tasks, skills and knowledge needed for a job.

42. **Job competency:** skills and traits needed for a position.

43. **Job specification:** describes qualifications to perform a task.

44. **Labor market analysis** determines ability to find individuals with needed skills and knowledge.

45. **Recruiting process:** procedures and strategies to search for employees.

46. **Internal recruiting:** encouraging individuals within the organization to seek transfers or promotions.

47. **Internal job announcements:** job postings available to employees before being made public.

48. **Job bidding:** employees inform the organization of their interest in transferring to another position.

49. **Promotion/succession plan:** details of each employee's skills, training, and positions they are qualified to fill.

50. **Host-country nationals:** individuals from the foreign country in which the position is located.

51. **Parent-country nationals or expatriates:** from the base country of the organization.

52. **Third-country nationals:** from a country other than where the organization is based or where the position is located.

53. **Polycentric strategy:** filling staff and management positions with host-country nationals.

54. **Regio centric strategy:** moving managers from offices in nearby countries to fill empty positions within the foreign office.

55. **Job-specific employment application:** used to fill similar positions, requests information related to the job.

56. **Weighted employment applications:** information regarding requirements associated with the position.

57. **Selection tools:** part of the hiring process. Find groups of acceptable employees and choose the best candidate from that group.

58. **Predictive validity:** an individual possess the desired trait or will behave in the desired fashion.

59. **Nondirective interview:** interaction with the applicant with few if any prepared questions.

60. **Panel interview:** A single applicant is interviewed by a group. Several managers evaluate the candidate.

61. **In-box test:** individual determines the appropriate way to handle problems.

62. **Reference checks**: verify skills and knowledge needed, provide protection from lawsuits or damage.

63. **Medical examinations:** are only used for positions with specific physical requirements and are administered to everyone in a similar position equally.

64. **Voluntary termination:** employee decides to terminate employment.

65. **Involuntary termination:** organization ends employment because of poor performance or staffing changes.

66. **Worker Adjustment and Retraining Notification Act (WARN Act)**: protects employees, their families, and communities by requiring most employers with 100 or more employees to provide 60 calendar-day advance notification of plant closings and mass layoffs of employees

Learning and Development

1. **Human resource development:** practices, procedures and policies to ensure employees perform job duties.

2. **Human resource development:** learning and development, career development, organization development.

3. **Career development:** an employee's professional progress; encouraging employees to seek promotions.

4. **Learning and development:** training, teaching the skills and knowledge to effectively perform job tasks.

5. **Organization development:** system of methods and tools that allows employees to carry out their duties and responsibilities effectively.

6. **Work for hire:** when an employee or contractor is paid to create an original work, the organization owns the copyright.

7. **Public domain:** a work that has no official copyright holder and can be used by anyone without permission.

8. **Fair use:** the ability to use certain parts of a copyrighted work without permission under certain conditions.

9. **U.S. Patent Act:** prevents individuals from stealing inventions or claiming inventions created by others.

10. **Types of patents:** design patents, plant patents, and utility patents.

11. **ADDIE Model:** instructional design guidelines for human resource development (HRD) programs. ADDIE = analysis, design, development, implementation and evaluation.

12. **Training program needs analysis:** identify problems, the causes and the knowledge, skills and abilities needed to achieve goals or correct a problem.

13. **Training methods:** case studies, demonstrations, discussions, lectures.

14. **Implementing a pilot program:** identify test group, test program, implement program, evaluate results.

15. **Training instructors:** must be able to convey knowledge of a subject measured

by assessing the ability to communicate information clearly and involve trainees in the instruction.

16. **Organization development:** identifying and solving problems to continue to function effectively.

17. **Organizational culture:** the work environment created by employees and managers that evolves over time.

18. **Change management:** processes and methods that modify the way an aspect of the organization functions with little harm to the organization.

19. **Kurt Lewin's change process theory:** individuals change functions due to the environment or specific needs. The three stages of change are unfreezing, moving, and refreezing.

20. **Unfreezing:** removing barriers that prevent change by making it clear that change is necessary.

21. **Moving:** implement changes, ensuring each individual makes the change.

22. **Refreezing:** change becomes a normal function, organization determines if it attained the desired result.

23. **Implementation theory:** methods and strategies used during the change process effect modifications.

24. **Flexible work arrangements:** flexible scheduling, childcare, healthcare to help employees deal with issues that affect performance.

25. **Diversity programs:** encourage teamwork and understanding between individuals of different cultures, enables them to function effectively.

26. **Quality management process:** quality planning, control and improvement.

27. **Pareto analysis system:** 80% of benefits received from a task are a result of 20% of the effort that the employees put into that task.

28. **DIRFT principle:** conformance to quality requirements, defect prevention, measure quality by the price of non- conformance.

29. **Learning organizations:** encourage employees to develop knowledge, skills and abilities, so the organization performs more effectively.

30. **Essential disciplines of a learning organization:** mental models, personal mastery, shared vision, systems thinking and team learning.

31. **Knowledge management:** initiatives, practices, procedures and processes to ensure employees have access to information to effectively perform duties and responsibilities.

32. **Auditory learner:** learns by hearing rather than by seeing or using.

33. **Tactile learner:** learns by using a new tool or process.

34. **Visual learner:** learns by seeing the information in a book, picture or diagram or by taking notes.

35. **Training program effectiveness:** advantages and disadvantages, effect on financial resources, effect on production amount or quality.

36. **Training program effectiveness:** surveys and questionnaires, testing for learned skills, monitoring information use and measuring progress towards goals.

37. **Career development stages:** assess, investigate, prepare, commit, retain, transition.

38. **Career development methods:** coaching, employee counseling and support and training workshops.

39. **Performance management and human resource development**: work together to eliminate performance problems.

40. **Comparison appraisal methods:** forced distribution method, paired-comparison method and ranking.

Total Rewards

1. **Total rewards:** ways to encourage employees to perform their jobs and stay with the organization.

2. **Monetary compensation:** tangible rewards paid to an individual; e.g., wages, paid sick days, paid vacation time, retirement plans, stock options.

3. **Non-monetary compensation:** intangible rewards used to encourage an individual to perform work; e.g., awards, flexible scheduling, privileges.

4. **Direct compensation:** salary or wages plus bonuses, overtime, special pay.

5. **Indirect compensation:** e.g., health insurance, paid sick days, paid vacation time and retirement plans.

6. **Total rewards philosophy:** guidelines used to design the total rewards program; identifies values and goals of a total rewards program.

7. **Entitlement philosophy:** rewards are based on the length of employment or seniority; encourages employees to stay with the organization.

8. **Performance-based philosophy:** employees are rewarded to perform as expected or better; encourages effective performance.

9. **Total rewards strategy:** encourages long- term employment, does not exceed resource limits.

10. **Designing a total rewards strategy:** allocate resources, economic effect on the cost of labor, availability of skilled employees, taxes and regulations.

11. **Job analysis:** the process of gathering, examining and interpreting data about a job's tasks and responsibilities; can be used to compare jobs and determine where they fall on the pay scale.

12. **Employee or independent contractor?** how the work is conducted, how much is earned, if the individual works for other organizations.

13. **Davis Bacon Act:** applies to federal contractors and subcontractors working on contracts in excess of $2,000 to repair, construct or alter public buildings or public works; requires them to pay their workers no less than the locally prevailing wages and fringe benefits.

14. **Fair Labor Standards Act (FLSA):** regulates minimum wage, child labor.

15. **Overtime pay:** 1 ½ times the regular wage and paid when more than 40 hours are worked in a week. State and local laws may have more favorable overtime criteria.

16. **On-call pay:** wages must be paid if the employee is required to be at the job site and ready to work.

17. **Waiting to be engaged:** Employees who are on-call will typically not be paid for their on-call time if they are waiting to be engaged (vs engaged to be waiting) and can go about their daily personal business unrestricted.

18. **Child labor regulations:** prohibits those under age 14 from working unless for a parent or farm; prohibits those under 18 from hazardous work.

19. **Older Worker Benefit Protection Act (OWBPA):** individuals cannot be prevented from participating in a benefits program due age.

20. **Consolidated Omnibus Budget Reconciliation Act (COBRA):** requires employers to offer terminated employees and their dependents the opportunity to continue health insurance coverage for a limited period under specific circumstances.

21. **Health Insurance Portability and Accountability Act (HIPAA)**; provides certain individuals special enrollment rights in group health coverage when specific events occur, e.g., birth of a child and prohibits discrimination in group health plan eligibility, benefits, and premiums based on specific health factors.

22. **Affordable Care Act (ACA):** ensures that people with a preexisting condition have access to health insurance coverage and are not charged more because of their preexisting condition; allows parents to add or keep their children on their health insurance policy until their children turn 26 years old; requires several preventative services to be at no cost to the insured; requires individuals to maintain minimum essential coverage and requires large employers to provide affordable health insurance benefits to their employees.

23. **Mental Health Parity Act (MHPA):** prevents limits on mental health benefits that are stricter than the limits for other health benefits.

24. **Family Medical Leave Act (FMLA):** allows eligible employees to take up to 12 weeks of unpaid, protected leave for their own serious health condition or to care for a parent, spouse or child, or for pregnancy or care of a newborn child, or for adoption or foster care of a child.

25. **Eligible employee under FMLA:** employee who has worked for the same employer for at least 1,250 hours and 12 months and works at a location where the company employs 50 or more employees within 75 miles

26. **Compensable factors:** experience, education, responsibility, knowledge.

27. **Non-quantitative job evaluation technique:** evaluate job skills and

abilities, assign a value to the job.

28. **Quantitative job evaluation technique:** evaluate the job, determine number of compensable factors, assign value.

29. **Non-quantitative job evaluation techniques to value a position:** classification, pricing, ranking.

30. **Quantitative job evaluation techniques to value a position:** factor comparison method and point factor method.

31. **Pay structure:** listing jobs into categories based on the value to the organization; base pay range.

32. **Base pay for new employees:** determined by value of the position, education, experience, ability to fill the position.

33. **Types of differential pay:** hazard pay, on- call pay, and shift pay.

34. **Variable pay programs:** individual incentive programs, gain-sharing programs and profit sharing.

35. **Wage compression:** higher wages attract new recruits; pay discrepancy creates dissatisfied employees.

36. **Compa-ratio =** base salary divided by midpoint salary; determines if an employee receives a fair wage.
37. **Salary survey:** assessment of compensation and benefits offered in a labor market or industry.

38. **Types of salary surveys:** industry, commissioned, government.

39. **Factors influencing compensation of employees in a foreign country:** local compensation practices, laws, taxes.

40. **Voluntary benefits:** benefits to achieve a goal; e.g., 401(k)s, profit sharing, health insurance, vacation pay.

41. **Involuntary benefits:** benefits required by law; e.g., social security, unemployment insurance.

42. **Executive compensation program:** attracts individuals to and encourages them to stay in executive positions.

43. **Annual review:** evaluate wages using a performance or seniority system.

44. **Cost of living adjustment (COLA):** adjustments to pay for changes in inflation or costs; COLAs are typically equal to the percentage increase in the consumer price index (CPI) for a specific geographic region and period of time.

45. **Defined-benefit plan:** retirement benefit where the beneficiary receives a specific amount of money each month after retirement.

46. **Defined contribution plan:** the employer contributes a specific amount of money into a retirement account for the employee.

47. **Perquisite:** a nonmonetary executive reward that demonstrates an executive's importance to the organization.

48. **Qualified stock option:** employees may purchase stock, but executives are not allowed to purchase stock.

49. **Nonqualified stock option:** employees and executives may purchase stock.

Employee & Labor Relations

Employee Relations and Engagement

1. Employee relations: employee interactions, relationship building between employees and those outside the organization.

2. Constructive discharge: employer creates a threatening work environment forcing an individual to terminate.

3. Defamation: being adversely affected by an untrue statement or a statement unrelated to job performance.

4. Employment-at-will: employer or employee may terminate an employment agreement at any time.

5. Expressed contract: establishes the arrangement between the employee and the employer.

6. Implied contract: the procedure to terminate an employee.

7. Good faith and fair dealing: parties in an employment contract must act so that the agreement is carried out as agreed.

8. Promissory estoppel: employer pays a reward when an employee is promised a reward in exchange for work.

9. Respond eat superior: employer is responsible for employee actions.

10. Glass Ceiling Act: assess if individuals in a protected class are able to reach a management position.

11. Advancement barriers: EEO regulations not enforced, practices that hinder advancement, lack of education.

12. Reasons to settle a discrimination charge: avoid costs, damage to reputation, media coverage, rumors, EEOC or FEPA investigation.

13. Organizational climate: employee attitudes affect ability to retain and motivate employees.

14. Organizational culture: work environment created by employees.

15. Employee involvement is related to employee communication.

16. Strategies encouraging communication: employee input in decision-making, more involvement.

17. Involvement strategies: delegate authority, surveys, suggestion program, committee, task force.

18. Employment-management committee: employee participation in decision making.

19. Communication strategies: brown bag lunches, department meetings, town hall meetings, open door policy.

20. Town hall meeting: all-hands staff meeting to distribute information about the organization.

21. Open-door policy: removing barriers that discourage discussion between employees and managers.

22. E-mail: communicate to large group, send unnecessary information, accidentally send confidential information.

23. Intranet: provides employees access to information without allowing outsiders access.

24. Newsletters: information about activities and concerns, require time to create, one-sided communication.

25. Word of mouth: spreads information quickly, able to discuss, meaning changes as it spreads.

26. Progressive discipline: identify problem, assess severity, determine if a recurrence, disciplinary action.

27. Disciplinary stages: coaching, counseling, formal action, disciplinary action, termination.

28. Behavioral issues: absenteeism leads to incomplete work, insubordination is an inability to follow instructions.

29. Absentee policy: sick time allowed, using sick time, inappropriate sick leave, disciplinary actions.

30. Code of conduct: defines unacceptable behavior, insubordination.

31. Compulsory arbitration: parties in a dispute must seek arbitration, clause in contract or court order.

32. Voluntary arbitration: use arbitration to solve a dispute and avoid a lawsuit.

33. Binding arbitration decision: parties in a dispute must accept the arbitration decision, decision is final.

34. Non-binding arbitration decision: arbitrator's opinion on resolving a dispute, legal action may be taken.

35. Permanent arbitrator: the arbitrator that all parties in a business relationship have agreed to use.

36. Ad-hoc arbitrator: handles a dispute, parties agree arbitrator is impartial.

37. Arbitrator panel: three arbitrators chosen to handle a specific dispute.

38. Mediation process: choose mediator, establish mediation format, meet with parties, identify solution, compromise.

39. Constructive confrontation: factors not related to the dispute play a role in resolving the dispute.

40. Sherman Antitrust Act: prevents the restriction of free trade, monopolies.

41. Clayton Act: defines trade-restrictive activities; exclusive dealings, price discrimination, limiting competition.

42. Railway Labor Act: prevents railroad and airline strikes from causing trade and transportation problems.

43. Norris-LaGuardia Act: protects the right to unionize.

44. Lawful strike: union members seek improved benefits, compensation, work environment.

45. Unlawful strike: no-strike clause, defending unfair union labor practices,

property damage, personal harm.

46. Unfair labor practices: interfering in union activities, controlling a union, discriminating against union members, refusing to bargain.

47. National Labor Relations Board (NLRB): protects right of employees when choosing union representation.

48. Types of unions: local, national, federations, and international unions.

49. Organizing a union: confirm employee interest, sign authorization cards, inform employer, conduct election.

50. Informational picketing: inform public that employees are not represented by an authority to speak for them.

51. Organizational picketing: encourage other employees to support a union.

52. Recognitional picketing: convince an employer to recognize a union.

53. Common situs picketing: picketing with signs near the worksite of the employer and of other employers.

54. Consumer picketing: inform the public that products and services are being offered during a work dispute.

55. Double breasting picketing: picketing with signs near a nonunion worksite operated by the employer.

56. Decertification: removing a union as a representative for not representing employee interests effectively.

57. Deauthorization: removing a security clause not in an employee's best interest.

58. Collective bargaining agreements: terms, grievance process, disciplinary process, zipper clause.

59. Union negotiating strategies during collective bargaining: single-unit, coordinated, multi-employer, parallel.

60. Distributive bargaining: establish objectives before negotiations begin.

61. Principled bargaining: identify issues, discuss solutions to reach agreement.

62. Occupational Safety and Health (OSHA) Act: health and safety standards for work environments.

63. OSHA recordkeeping: record information about any work-related employee illness or injury.

64. OSHA Form 300: injury/illness information; type, cause, employee name, location, time and date.

65. OSHA Form 300A: work-related illness or injury; number of incidents, type, days out of work.

66. OSHA Form 301: facilities used for treatment, employee actions before the incident, type, cause.

67. Non-work related incident: result of outside activities, performing personal activities outside of scheduled hours.

68. Posting and training actions: health and safety standards; warning signs, OSHA poster; safety equipment, tools.

69. Employer rights: influence health and safety standards, obtain information on toxic substances, request waiver.
70. Employee rights: report hazards, request investigation, view records and citations, file complaint.

71. On-site investigations: inform of investigation, reason for investigation, tour facilities, inform of violations.

72. Follow-up investigations: verify an employer has taken action to eliminate identified health or safety violations.

73. Planned or programmed high-hazard inspection: worksite is in an industry identified as extremely dangerous.

74. Investigations resulting from an employee complaint: complaint about unsafe working conditions.

75. Investigations resulting from catastrophes and fatal accidents: 3 employees hospitalized or one death.

76. Investigations resulting from imminent danger: a injury or death it is likely due

to worksite conditions.

77. Off-site investigations: no imminent danger, not a high risk industry, no history of violations, prior compliance history.

78. De-minimus violation: does not affect health or safety of employees.

79. Other-than-serious: affects health and safety of employees, no imminent danger of harm.

80. Violation identified as serious: imminent danger of a serious injury or death.

81. Violation identified as a failure to abate: continues to violate a standard past the abatement date.

82. Repeat violation: violate the same or similar standard identified by a previous OSHA investigation.

83. Willful violation: intentionally violates or ignores OSHA standards.

84. General duty standard: holds employers responsible for the health and safety of employees.

85. Hazard communication standard: informs employees of dangerous chemicals in the workplace.

86. Emergency action plan standard: procedure to handle and escape a worksite fire or emergency.

87. Exit route standard: provides a clear path to escape a building or worksite in an emergency.

88. Specifications for accident prevention signs and tags: ensures workplace hazards are marked.

89. Fire prevention plan standard: procedure to prevent fires.

90. The occupational noise exposure standard: protects from stress and hearing damage from loud sounds.

91. Personal protective equipment standard: ensures access to equipment to protect from hazardous substances, materials, environments.

92. Selection and use of electrical work practices standard: protect from electrical shock.

93. Sanitation standard: ensures the work environment is clean and sanitary.

94. Medical services and first aid standard: ensures access to medical attention in case of an emergency.

95. Lockout/tagout standard: control of hazardous energy; safety devices to prohibit a machine from operating when employees are working near it.

96. Machine guarding standard: protects against dangerous machinery by using guards or electronic safety devices.

97. Blood-borne pathogens standard: protects employees handling bodily fluids from infectious diseases.

98. Permit-required confined spaces standard: protects employees from entering dangerous environments that may be difficult to escape.

99. Respirator standard: protect employees in environments with poor air quality or airborne contaminants.

100. Walking/working surfaces standard: protects from physical hazards that lead to accidents and injuries.

101. Mine Safety and Health (MSH) Act: health and safety standards for the mining industry.

102. Drug-Free Workplace Act: drug-free policy prohibiting the use, distribution, manufacture, possession of drugs.

103. Needlestick Safety and Prevention Act: protects healthcare workers when handling needles or sharp equipment.

104. Sarbanes-Oxley Act: holds senior executives responsible for inappropriate financial practices.

105. Risk assessment: identify potential adverse effects, probability and cost of the adverse effect; risk factors.

106. Common infectious diseases: HBV (Hepatitis B), TB (tuberculosis), HIV (human immunodeficiency virus).

107. Safety data sheet (SDS): describes a chemical, associated hazards, protective measures.

108. Ergonomic hazards: cause illness or injury from repetitive or unusual motion.

109. Tangible hazards: object, workplace condition, or procedure is unsafe; leads to serious injury or death.

110. Stress hazards: cause injury from physical or emotional stress; leads to anxiety, panic attacks, exhaustion.

111. Stages experienced during extended stress: perceived threat or alarm, adapting or resistance, damage to body or exhaustion.

112. Types of stress: emotional, mental, physical.

113. Signs and symptoms extreme emotional stress: anxiety, panic attacks, mood swings, depression.

114. Signs of extreme mental stress: inability to focus, recall information, make decisions, and procrastination.

115. Signs of extreme physical stress: headaches, sweating, raised heart rate, fatigue, frequent illness.

116. Factors contributing to stress: job concerns, personal relationships, management style.

117. Employee assistance programs help employees cope with personal problems affecting work.

118. Health and welfare programs help employees stay healthy; address current or developing health issues.

119. Substance abuse programs inform about substance abuse, encourage avoidance, help with drug problems.

120. Effective substance abuse program: substance abuse policy, drug tests, education, assistance programs.

121. Drug testing: pre-employment and pre- promotion screening, random testing, reasonable cause testing.

122. Safety and health management plan: identify hazards, training program, procedures to eliminate hazards.

123. Emergency action plan: alarm system, exit route, evacuation procedures.

124. Business continuity planning: ensures the organization will continue functioning after an emergency.

125. Employee privacy policy: proper monitoring to protect against claims of invasion of privacy.

126. Employment practices liability insurance (ELPI): covers legal costs when an employee files a civil suit against an employer.

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