Personnel management vs human resource management

Personnel Management vs. Human Resource Management Word count 2500| January 30 2012 | HNBS 121 HRM Mr. Nick Pronger Diana Carvalho 09607 | | Self evaluationPrior to starting my assignment, I have researched and assessed various organisations to develop mycase studyand my choice was based on the proximity to one organisation I currently volunteer. Gathering information from the charity I volunteer was rather easy having access to the date I found it easy to select which information to collect and apply into my assignment.

However, I had also provided information based on mypersonal experience. Through my assignment, I have used varied material sources such as, the lecture handouts, text books, the internet, articles, journals and personal experience. However, the lecture handouts were the most effective and straight forward as I was able to follow the template and apply it into my assignment by giving examples, where as text books had broader information, where I was able to get full extended information but had to do more reading that I would like to in order to gather one aspect of a concept.

In addition, my internet research reservations was the accuracy, validity as well as how updated it was, therefore, I looked for definitions rather than theories online, due to the language barrier and English not being mymother tongue, I was required to use dictionaries very often to define certain terms, I was unable to understand otherwise and could undermine further the assignment content and would ultimately lead me to the wrong direction and deliver wrong information.

Mytime managementwas poor, which I intend to improve on my next assignments in other to give myself the spare time necessary researching, gather relevant information and receiving lecturers' feedback before submitting my assignments. Introduction

Over the past twenty two years, since the world moved from personnel management, traditionally defined as " the task of ensuring the optimum use of human resources to the mutual benefit of the enterprise, each person and the community at large" Armstrong (1997), to embrace human resource management, defined as " a strategic approach to acquiring, developing, managing, motivating and gaining the commitment of the organisation's key resource – the people who work in and for it" Armstrong (1997), which functions are primarily concerned with putting " people first" and at the same time securing management objectives by maximising the ROI (Return on Investment). The manager in HRM is recognised as a holder of an organisation, which achieves organisational objectives through people, therefore, the support of a skilled and motivated workforce to putgoals, knowledge and experience into practice, the complementation of efficiency levels can make or break an organisation. Personnel manager's main job was to ensure that the needs of the workforce as they relate to their immediate concerns were taken care of, it was more administrative, which included recruitment and selection, payroll, contractual obligations and other administrative tasks.

Further, personnel managers typically played the role of mediators between the management and the employees and hence there was always the feeling

that personnel management was not in harmony with the objectives of the management and many employers today have no training or knowledge of how to reward and treat employees as the key resource, for developing mutuality by concentrating on fostering their commitment and identification with the organisation through communicating well, involving them in organisational decisions, emphasising management andmotivationstrategic approach in order to retain them, even though most workplaces increased the importance of these concepts. Research methodology Secondary research * Books; * Articles; * Reports; * Online CIPD In order to acquire these resources I have gone to the Kensington & Chelsea Library as well the British Library. Research findings In the 70s employment started to develop significantly as shown in figure 1. 1.

Personnel techniques developed using theories from the social sciences about motivation through performance appraisal and manpower planning, which included the implementation of organisational behaviour through sophisticated systematic training (under the influence of the training boards), where selection testing became more widely used. Personnel management has gone through a period of major concern about the so-called demographic time bomb, referring to impeding unwelcome shortages of younger people entering the labour market. The recession of the early ' 90's was affected by this problem, which is still a common place today, and the need to concentrate more on strategies for attracting and retaining high quality staff is just as urgent.

The mentality of individualism and unjustifiable greed of the 80's made way for the spirit of consent and the value of teamwork as well as the concern for employees who were essential to the operation of the organisation since high commitment was required from these employees please refer to figure 1. 2. Recognition of personnel function as a contribution to bottom-line performance have become a more important strategy where an employer is a business partner sharingresponsibilitywith his employees; the most important assets in an organisation, which their effective management will contribute to organisations' success and it is most likely to be achieved if policies and procedures are closely linked with the achievement of organisational objectives and strategic plans. The organisational climate and managerial behaviour that originated from corporatecultureand values will bring a major influence on the achievement of excellence. Strategic HRM is the process of linking the human resource function with the strategic objectives of the organisation in order to improve performance" Bratton & Gold (2007) Hestia is an empowering organisation, whom welcomes everyone, especially members a minority background. Human resource management department assists in developing volunteers' skills through training in order to retain and empower them but as well achieving as Hestia organisational goals through a competence and motivated workforce. Hestia priority is to hire competent workforce and hire the right person for the right job, after that manpower decides about other tangible and intangible resources.

Essentially, other resources rely on HRM to plan, organise and monitor human resources. HR department contribution to overall strategy is crucial

for Hestia's ultimate success and effectiveness, from areas ranging from strategic planning to image, the areas in which HR maintains control can enhance Hestias' perception of the department throughout the workforce, improving Hestia's essence and running with the knowledge of how human capital affects organisational success. Strategic management takes part in organisational decision-making which underlies present staffing assessments and projections for future workforce needs based on organisations demand.

From a financial perspective, skills and experience are necessary in order to set realistic development structures in regards to wages competition with organisations competing for employees with similar skills, the extensive conduct salary surveys in order to maintain costs in line with the organisation's current financial status and projected revenue, as well as the reduction of costs associated with turnover, attrition and hiring replacement workers, the ability to negotiate group benefit packages for employees, within Hestia's budget and consistent with economic conditions, the department is also are familiar with employee benefits most likely to attract and retain workers. Under TheHealthand Safety at Work Act (HASAWA) 1974 Hestia is bound to provide safe working conditions and HRM manages and ensures that the organisation complies with the regulations by maintaining accurate work logs and records and developing programs that reduce the number of workplace injuries and incidents by engaging employees in promoting awareness and safe handling of dangerous machinery and hazardous chemicals under The Control of Substances Hazardous to Health (COSHH) 1998 legislation.

In case of dispute, HRM department investigates and attempts to mediate workplace issues, which unresolved, may escalate and place the Hestia in a legal dispute, which can stain its image as well as compensation pay outs to employees if found accountable. HR assists Hestia achieve high performance, morale and satisfaction levels throughout the employees, by promoting ways of strengthening good working relationships by administering employee opinion surveys, conduct focus groups and seek employee input regarding job satisfaction, also provides training that supports the company's fair employment practices and employee development to prepare ambitious leaders for supervisory and management positions. They provide guidance to line managers who are not familiar with HR or standard hiring processes and determine the most effective methods for recruiting applicants best suited for Hestia's needs.

In HRM, " reward refers to all of the monetary, non-monetary and psychological payments that an organisation provides for its employees in exchange for the work they perform" (Bratton & Gold, 2007) " The average worker dislikes work and avoids it if possible – will only be made to work by control and threats. Carrot and stick approach; use of payments system to provide incentives" McGregor (1960) and its management process designs, implements, and maintains policies and systems in order to assist on organisational strategic plans, which are appointed to improve performance and productivity by attracting talent, retaining, encouraging a committed and efficient workforce according to their value and contribution to the organisation. The role between managers and HR department leads to effective HRM practices, e. g. , performance appraisals.

The success of Hestia's performance appraisal system depends on the ability of both parties to do their jobs appropriately. HR department develop the system, while line managers provide the actual performance evaluations. Line managers direct employees' day-to-day tasks. From an HRM perspective, line managers are responsible for implementing HRM practices and providing HRM with necessary input for developing effective practices. Managers carry out many procedures and methods devised by HR professionals such as: * Placing the right person on the right job * Starting new employees in the organisation * Training employees for the jobs that are new to them * Improving the job performance of each person Gaining creative cooperation and developing smooth working relationships * Interpreting the organisation's policies and procedures * Controlling labour costs * Developing the abilities of each person * Creating and maintaining department morale * Protecting employees' health and physical condition *Interviewjob applicants * Provide and communicate job performance ratings * Recommend salary increases * Carry out disciplinary procedures * Investigate accidents * Settle grievance issues Hestia Legal Framework: Hestia operates policies and practices in line with statutory requirements. The present statutory framework applied includes e. g. , the legislation bellow: Gender: * Code of practice – sexdiscriminationCode of practice on equal pay *Gender Equalitypay – Code of practice of England and Wales Race: * Statutory code of practice on racialequalityin employment * Statutory code of practice on the duty to promote race equality * Statutory code of practice on racial equality in housing: England Disability: * The duty to promote equality; statutory code practice: England and Wales * Code of

practice: Employment and occupation * Guidance on matters to be taken into account in determining questions relating to the definition of disability Hestia legal and regulatory framework on human resource management has a great impact especially among the minority group.

Being a charity assisting people gaining control over their lives, guiding and providing housing support as well as empowering mainly homeless, ex offenders, people mental health and HIV issues, service users get attached to the organisation and tend to volunteer, and in some cases end up getting paid employment within the organisation, therefore, a strong legal framework emphasis, specially confidentiality, it is crucial, due to the nature of service users situation. Motivation is defined as McGregor (1960) stated in, theory Y, the mental process also called as " Intrinsic motivation" which, is the motivation that comes from the inside of the individual due to self gratification of completing or carrying a task rather than the external factors, such as pay and rewards and theory X; the social process also called as " Extrinsic motivation" which, is the motivation that comes from the outside of an individual due to external factors, such as pay and rewards being the main gratification, thus tasks are carried and/or completed as a result.

Within an organisation different individuals and teams are motivated by different factors, these factors have different levels as shown below on figure 1. 1 on Maslow's need theory (1954), which suggests that people's ultimate goal is to fulfil each level of need until self actualisation is satisfied, different ways of motivation, flexibility and commitment as McKenna and Beech (2002, p. 189) suggested such as the " appropriate management style,

competitive compensation package and supportive culture" (cited by Armstrong and Murlis, 1994) will promote organisation success. Some would disagree with Maslow's theory due to the fact that individuals' needs vary, e. g. self-actualisation is not imperative to being successful for everybody, or an individual's needs that are being met at home do not need to be met at the workplace but the theory establishes that ' higher order needs' will have to be aligned with rewards and incentives in order to motivate and satisfy and this approach enables organisations to understand the sort of rewards employees need to receive in order to have the following needs met: Training, opportunities for promotion andcareerprogression| Recognition, the chance to make a difference| Staff room, team working opportunities | Health and safety provision, job security| Pay, decent working conditions | Figure. 1. 3 Maslow's Hierarchy of Needs & the Workplace Figure 1. 4 Herzberg's Two-Factor Theory

Herzberg's theory defined Motivators as factors, also called intrinsic rewards which can motivate employees to greater performance and positive attitude by offering job satisfaction of ' higher-level needs' associated with recognition, responsibility, achievement and career progression, proven to be effective. Hygiene factors, also called extrinsic rewards, which can only cause dissatisfaction if not fulfilled, needs associated with company policy, pay, working conditions and organisations, must ensure that motivators exit so that employees are satisfied and that hygiene factors are met so that employees are not demotivated. Herzberg's theory has also been criticised particularly of job satisfaction on work performance " A satisfied worker is

not necessarily a high producer and a high producer is not necessarily and satisfied worker" Armstrong, 2003).

The two factor theory, focused mainly on job design, challenge, empowerment, responsibility, recognition and contentment of the work. Based on McClelland theory, high achievers are unlikely to remain in jobs that do not pay them well, reinforcing pay as a hygiene factor but total reward concept, seems to be the most effective in order to motivate employees as it combines extrinsic and intrinsic rewards. Most people aim when applying for employment is to secure an income, Taylor approach known as scientific management " What the workmen want from their employers beyond anything else is high wages, and what employers want from their workmen most of all is low labour cost of manufacture. (Taylor, 1911), his theory, was further explained as instrumental orientation, when people saw work as purely a form of income that may provide them with the opportunity in obtaining the things that the worker really wants, even though they might not necessarily like their job. The essence of scientific management is regarded as efficiency, which is the greatest output per unit of input, and workers get good rates of pay based on their productivity, demonstrating that output was influenced on other factors other than pay, although the size of income will impact on employees' standard of living, most employees are mostly concerned with earning enough income to meets their needs, and know that their pay is fair in comparison with others, where legislation come into play under the equality Act 2010, the employment rights Act 1996 and the national Min wage Act 1998.

Job evaluation is a systematic assessment of the respective worth of various jobs within organisations or industries in order to determine relationships between jobs and establish an internal outlook and design impartial wage rates structure and managing view. It is concerned with the internal outlook, which is, employees doing the same kind of work, receive the equal rewards. Job evaluation quantifies differences between jobs and lays them into groups and ranking order and can be categorised as follows: Scheme | Characteristics | Advantages| Disadvantages | Factor comparison| Each job is compared individually in turn with all others being evaluated.

Points awarded according to whether the job is more, less or equally demanding than the jobs with which it is being compared, points are added to determine the rank order and the scores are analysed and discussed. | Easier to compare a job with one other job than with whole range of jobs. | It neither explains why one job is more important than the other nor assesses differences between them. | Points rating| Separate factors are scored to produce overall points. | Consistency in judgement is assisted by having defined factor levels. Considered the best system in equal value. | Complex to maintain. Objectivity is apparent, subjective judgement required to rate jobs of different factors. Ranking| Whole job comparisons made to place them in order of importance| Simple, cheap, and easy to understand| Complex, whilst determining middle range jobs, and bias whilst assessing of the performance of the employee rather than the job itself| Job classification| Job grades defined and slotted into grades by comparing the whole job description with the grade definition| Simple, judgment is provided in the shape of grade definitions | Difficult to fit complex jobs into a grade without

using elaborate grade definitions. | Competence & skill grading| Jobs placed in grades in accordance with level of competence/skill| Based on one input factor. Direct pay structure. Non-analytical, difficult to differentiate clearly between competence/skills levels. | Other factors determining pay Competence and skill analysis: Employee's competence relevance to the needs of the organisation based on operational significance. External systems: when examining job evaluation is not longer the direct consideration where rewards is concerned, eternal market andenvironmentconditions are of greater importance. A large number of employers have taken steps to move away from collective bargaining systems to a more individualised reward system. Performance related pay is a good example of this, which is a payment that takes into account the quality of performance instead of being related to a wage grade.

External competiveness associated with a job evaluation scheme is a issue in determining rewards and this is evident when organisations adopt market driven reward systems where the rate for the jobs reflects the rate required to attract rather than being based on a payment that is undermined by an internal grading structure. Market rates of pay system: the collection of data on the pay rates for similar jobs with competition to establish their market rate and track movements in those rates. The aim is to assist set the organisation's own pay rates at the suitable level in order to recruit and retain the staff. Although the concept of a market rate for a job is fairly common, there is no such thing as an accurate or scientific single rate of pay for a job or role, and rates may vary even for the same occupation and in the same location.

A central decision relates to how the data will be interpreted, and for this organisations need to consider where they wish to position their pay levels in relation to the market – for example at the median or the upper quartile level of pay in the external labour market. Most organisations use pay surveys to get current and updated pay rate and the sources of information on market rates include: Published data from paid surveys and similar organisations give indication of going rates, it is limited because of problems in comparing like with like, but can help with periodic reality checks on levels and movements, and are valuable sources of data on specific occupations or localities. Pay clubs of employer groups that regularly exchange information on pay levels. These only allow participants access to the data.

Special surveys launched by individual organisations from specialist pay consultancies but access is limited to the contractor and participants. Consultants' pay databases containing data collected on a systematic or ad hoc basis which they relate to the results of their job evaluation schemes to compare pay rates across organisations on a common basis: this ability is one of the attractions of job evaluation to many organisations. To be viable it is important that the factors measure common job/role characteristics and can enable comparisons to be made across different jobs/roles and organisations; the data is based on an adequate sample; and the job analyses are carried out systematically and conscientiously.

Market rates of pay will vary on supply and demand in the open market, factors such as: 1. Relative scarcity of particular skills 2. Sensitivity of employees to pay, as it may or may not be an incentive 3. Affordability 4.

Culture and value system 5. Bargaining (trade union) 6. Government intervention Internal comparison: It is possible to use job evaluation as a way of matching jobs to enable market pricing to take place (although other approaches also exist to comparing jobs, as detailed below). However, there are certain tensions between job evaluation and market pricing approaches. Job evaluation has an internal focus as it ranks jobs and their relative mportance within an organisation – whereas the main focus of market pricing is external as it aims to compare the pay rate for an organisation's jobs with those in the wider labour market. Employers may need to seek resolutions to such tensions if they wish to ensure that pay rates remain both internally equitable and externally competitive. For example, where higher earnings are commanded in the external market for a particular position than justified by an internal job evaluation exercise, one approach would be to use temporary market supplements to top up earnings for that role as necessary. Hestia aims to be a learning organisation with cultures of continuous improvement and staff development.

To achieve this aim Hestia is committed to supporting everyone who works for the organisation to develop their professional skills and to achieve their full potential and that is achieved by rewarding and enhancing the contribution employees make to assist Hestia achieve their goals. The process is implemented through policies such as the work based learning policy, which is defined as any on-going and continuous activity that contributes to the development needs of the individual, team and organisation, where the responsibility for work based learning is that of the individual workers supported the line manager. These learning needs will be

indentified and the objectives set at the following levels: Level| When set | Objectives set by|

Individual| * Induction: when a new workers starts, or an existing worker transfers to a new post * Supervision: when learning needs will be identified to achieve job requirements, or, a requirement to improve performance has been identified * Appraisal: when longer term development learning needs are identified| * Individual & Line Manager| Team| * To enable the team to meet recommendations made by external stakeholders, e. g. CSCI, NOMS, Supporting People * To implement identified efficiency improvements * To implement changes to local working practice| * Project/Department Manager through annual team development team | Organisational | * Implement changes to organisational strategy *

Ensure compliance with new, or changes to legislation * To implement the reorganisation of management or work practices | * Corporate management Team| Classification of Work Based Learning Needs: Core| Specialist | Professional| * Essential for all workers e. g. health and safety, induction, implementation of organisational changes| * To meet requirements of specialised work within different projects at a central team or individual level| * Link to relevant national occupational standards recognise the diversity of the work undertaken within Hestia | | | | Professional Development Fund & Loans – This where Hestia invites employees without outstanding disciplinary actions whom passed their probationary period to apply for funding for a course lasting no longer than two years.

Hestia commits to contribute up to a maximum of 50% of the cost of the course fees, which may be recovered if the applicant does not complete the course, or leaves the organisation within completing the course. In addition, Hestia will give an interest-free professional development loan of a relevant extended course, which the Human Resource Manager will determine whether or not the course is relevant. Study Leave & Day Release – Up to five days study leave per year can be agreed where an employee is studying a relevant course. The line manager will determine course relevancy and potential for disruption within the working team and where it does not does not disrupt, Hestia will allow paid day release for employees to attend extended courses in a relevant area of work.

The line manager will need to ensure that the cost of relief staff is within the budget and the Corporate Services Director must approve to the leave and budget release. Evaluation of Work Based Learning Activity – costs and benefits are evaluated in order to assess how effective work based learning activities have been in meeting organisational aims and objectives. The evaluation process is undertaken at a variety of different levels and the output is used to: validate the core plan for the previous year, identify any learning from evaluation that needs to be incorporated into following years core learning plan. Evaluation Level| Undertaken By| Timescales|

Individual| Individual and Line Manager| * Immediately after activity (individual) * Two months after learning (line manager)| Team| Line Manager| * Annual to be completed by project/dept manager | Organisational| Corporate Management Team| * Annual to be completed by Human

Resources | " A sample was selected using a random sampling procedure. Population frames were developed based upon geographic regions. A random selection was made of two or three offices within each sales region. A package of the appropriate number of surveys was then sent to each of the selected offices. Further, it was decided that questionnaires would be sent to each of the 75 district managers, regardless of whether their office had been selected for the study. Therefore, 100% of the district managers, 25. 2 1% of the sales mangers and 25 . 4% of the sales agents were surveyed for a total sample size of 534. " Shinew, (1993), The Attractiveness and effectiveness of Incentives Reward Options. Willingness To Increase Productivity On a 7-point scale anchored by " no additional effort at all" and " a great deal of additionaleffort," respondents were asked to indicate how much additional effort they would be willing to exert in order to achieve each incentive reward. Their responses are displayed on the right. They were most willing to exert extra effort for cash, followedby sales conference trips and personal vacationtrips, respectively. These differences are statistically significant. Motivational Effect

Respondents were asked to indicate on a 7 -point scale ranging from " motivating" to " not motivating," their reaction to each of the incentives. When simply examining the " motivating" response category, sales conferences had the highest rating. Almost 65% indicated that they found the reward motivating. This was followed by cash and personal vacation trips, respectively. One of the objectives of the present study was to examine differences in levels of organizational commitment between employees who had received an incentive award in the past two years and

those who had not. These two groups are referred to as recipients and non-recipients.

In this analysis, only the achievement of cash, merchandise and conference trip awards were considered. As illustrated in the graph on the right, the two groups differed in their levels of organizational commitment. Therecipients indicated higherlevels of organizationalcommitment than did the non - recipients. The difference between the two groups is statistically significant. " The three recipient groups were then compared in terms of their levels of organizational c commitment. The cash recipients indicated the highest level, followed by merchandise and conference recipients, respectively. " Shinew, (1993), The Attractiveness and effectiveness of Incentives Reward Options. The returned questionnaires provided valuable information regarding the effectiveness of the incentive rewards at the Company. The findings indicated that: * Sales conferences and personal vacation trips were the most attractive incentive rewards to the respondents. * Travel rewards were followed in attractiveness by cash, merchandise, recognition and status awards, respectively. These findings suggest that in terms of attractiveness, travel rewards were superior to the other incentive options. However, when asked to indicate how much additional effort they would be willing to exert in order to achieve each of the incentives, the respondents were most willing to exert extra effort to achieve cash, followed by sales conference trips and personal vacation trips. Shinew, (1993), The Attractiveness and effectiveness of Incentives Reward Options. Hestia Competence-based appraisal The appraisal is a two-way meeting between employees and the line manager once employees have completed the probation with Hestia. Pos probation

period, it is several months until the annual appraisal, employees will be set a work-based and development plan following his/her probation review The annual meeting will usually take place each June/July to provide the employees the opportunity to: * Express how employees have performed in the previous year and to provide examples of how employees have met their outcomes and core competencies. Receive constructive feedback from the line manager on how employees have been performing, both to recognise and assure employees in what they are doing well and to guide them in their on-going work performance and continuous professional development * Discuss how employees are working through a competence-based review, * Identifying learning and development needs and agree the resources they require meet those needs, and * Agreeing relevant and realistic outcomes to achieve over the next twelve months At the end of the meeting employees should develop and work-based development plan which will be signed off by the line manger and reviewed (or possibly amended in light of changes) regularly through the year during employees supervisions.

Employees appraisal plan will be review and signed by a a second line manager for consistency and to provide any additional comments. Timeline (Appendix 5) Conclusion The present analysis was undertaken to answer the question of the value of rewards as motivators for employees. Intrinsic motivational factors have been found to be significant, in both the presence of Hestia's training scheme and in its absence, this finding of the motivational importance of intrinsic factors within the organisation. Intrinsic rewards dominate extrinsic. Extrinsic motivators do play a role, but not to

the extent that classical agency theory suggests a people are motivated by non-economic rewards.

In addition, the importance of intrinsic motivators highlights the importance of context in the motivation of staff. It is through the organisation that employees are able to work with clients whom witness their successes, achieve a good work/life balance and have fun at work. Appendixes Figure 1. 1 Employment development Figure 1. 2 Referencing McKenna, E. , Beech, N. (2002) Human Resource Management a concise analysis. England. Armstrong, M. (1991) A Handbook of Personnel Management Practice. London BPP, (2010) Human Resource Management. London Shinew, (1993), The Attractiveness and effectiveness of Incentives Reward Options. NY. Available from: [30/01/2012]