

## 3.4: Summary of Human Resources

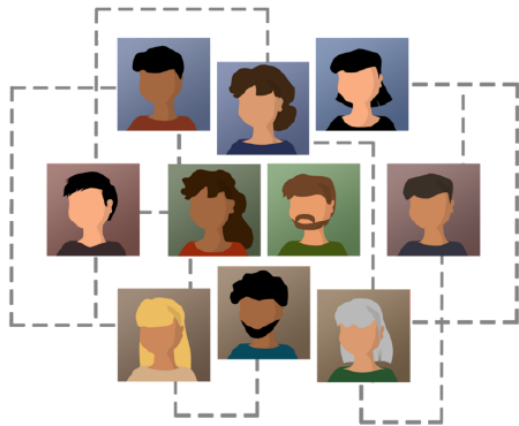


Image Source: Maky Orel, [Pixabay](#)

### What is the human resource management process, and how are human resource needs determined?

The human resource management process consists of a sequence of activities that begins with the job analysis and HR planning; progresses to employee recruitment and selection; then focuses on employee training, performance appraisal, and compensation; and ends when the employee leaves the organization.

Creating a strategy for meeting human resource needs is called human resource planning, which begins with the job analysis. Job analysis is a process of studying a job to determine its tasks and duties for setting pay, determining employee job performance, specifying hiring requirements, and designing training programs. Information from the job analysis is used to prepare a job description, which lists the tasks and responsibilities of the job. A job specification describes the skills, knowledge, and abilities a person needs to fill the job described in the job description. By examining the human resource demand forecast and the internal supply forecast, human resource professionals can determine if the company faces a personnel surplus or shortage.

### How do firms recruit applicants?

When a job vacancy occurs, most firms begin by trying to fill the job from within the ranks of their own employees, known as the internal labor market. If a suitable internal candidate is not available, the firm turns to the external labor market. Firms use local media to recruit nontechnical, unskilled, and non-supervisory workers. To locate highly trained recruits, employers use college recruiters, executive search firms, job fairs, and company websites to promote job openings. During the job search process, firms present an accurate and positive image of the company to those being recruited, called recruitment branding.

### How do firms select qualified applicants?

The selection process helps identify the candidates in the applicant pool who possess the best qualifications for the open position. Typically, an applicant submits an application or résumé and then receives a short, structured interview. If an applicant makes it past the initial screening, he or she may be asked to take an aptitude, personality, or skills test. The next step is the selection interview, which is an in-depth discussion of the applicant's work experience, skills and abilities, education, and career interests. If the applicant passes the selection interview, most firms conduct background checks and talk with their references. Physical exams and drug testing may also be part of the selection process.

### What types of training and development do organizations offer their employees?

Training and development programs are designed to increase employees' knowledge, skills, and abilities in order to foster job performance improvements. Formal training (usually classroom in nature and off-the-job) takes place shortly after being hired. Development programs prepare employees to assume positions of increasing authority and responsibility. Job rotation, executive education programs, mentoring, and special-project assignments are examples of employee development programs.

### How are performance appraisals used to evaluate employee performance?

A performance appraisal compares an employee's actual performance with the expected performance. Performance appraisals serve several purposes, but are typically used to determine an employee's compensation, training needs, and advancement opportunities.

### What are the types of compensation and methods for paying workers?

Direct pay is the hourly wage or monthly salary paid to an employee. In addition to the base wage or salary, direct pay may include bonuses and profit shares. Indirect pay consists of various benefits and services. Some benefits are required by law and include unemployment compensation, worker's compensation, and Social Security. Many employers also offer benefits not required by law. These include paid vacations and holidays, pensions, health and other insurance, employee wellness programs, and college tuition reimbursement.

### What is a labor union and how is it organized, what is collective bargaining, and what are some of the key negotiation issues?

A labor union is an organization that represents workers in dealing with management over disputes involving wages, hours, and working conditions. A company is unionized through an organizing drive that begins either inside, with a small group of existing employees, or outside, with an established union that targets the employer. When the union gets signed authorization cards from 30 percent of the firm's employees, the NLRB conducts a union certification election. A majority vote is needed to certify the union as the exclusive bargaining agent. The union and the employer then begin collective bargaining and have one year in which to reach an agreement.

Collective bargaining is the process of negotiating, administering, and interpreting labor agreements. Both union and management negotiators prepare a bargaining proposal. The two sides meet and exchange demands and ideas. Bargaining consists of compromises and concessions that lead to a tentative agreement. Top management then approves or disapproves the agreement for the management team. Union members vote to either approve or reject the contract. The key issues included in a union contract are wage increases, fringe benefits, and job security.

### How are grievances between management and labor resolved, and what tactics are used to force a contract settlement?

In most labor agreements, the grievance procedure consists of three or four steps. In the initial step, the employee files a grievance; this is an oral and/or written presentation to the supervisor and may involve a union steward as representative of the grievant. Steps two and three involve meetings of the employee, one or more union officials, the appropriate supervisor, and one or more management officials. If the grievance is not resolved at step three, either party (union or management) can request that an arbitrator, or neutral third party, hear and decide the grievance. The arbitrator reviews the grievance at a hearing and then makes the decision, which is presented in a document called the award.

When a union contract expires and a new agreement has not been reached, the union may impose economic pressure on the firm. These tactics may take the form of strikes, boycotts, picketing, or corporate campaigns. Similarly, employers may implement lockouts, hire replacements, or move production to another facility to place pressure on a union to accept a new contract.

### What are the key laws and federal agencies affecting human resource management and labor relations?

A number of federal laws affect human resource management. Federal law prohibits discrimination based on age, race, gender, color, national origin, religion, or disability. The Americans with Disabilities Act bans discrimination against disabled workers and requires employers to change the work environment to accommodate the disabled. The Family and Medical Leave Act requires employers, with certain exceptions, to provide employees up to 12 weeks of unpaid leave a year. The leave can be for the birth or adoption of a child or due to serious illness of the worker or a family member.

Federal agencies that deal with human resource administration are the EEOC, OSHA, the Office of Federal Contract Compliance Programs (OFCCP), and the Wage and Hour Division of the Department of Labor. The EEOC and OFCCP are primary agencies for the enforcement of employment discrimination laws, OSHA enforces safety regulations, and the Wage and Hour Division enforces the minimum wage and related laws. Many companies employ affirmative action and safety officers to ensure compliance with anti-discrimination and workplace safety laws. The Wagner and Taft-Hartley Acts govern the union-management relationship, in part through the functions performed by the National Labor Relations Board. The law gives workers the right to form and join labor unions and obligates the employer to deal with the union fairly.

### What trends and issues are affecting human resource management and labor relations?

Human resource managers recognize that diverse workforces create an environment that nurtures creative decision-making, effective problem-solving, more agility in adapting to change, and a strong competitive advantage. Therefore, firms are becoming committed to recruiting and hiring a diverse workforce. To maximize efficiency, many firms are outsourcing HR functions and using technology to reduce costs and improve efficiency. Firms are also striving to hire employees who possess qualities that match those of the corporate culture. Although labor unions have faced declining membership in the last several decades, enrollment of service workers into labor unions may increase as low-wage earners seek improved working conditions, pay, and health benefits.

#### Source

"Chapter 8: Summary of Learning Outcomes." *Introduction to Business* (OpenStax)

---

3.4: Summary of Human Resources is shared under a [CC BY 4.0](#) license and was authored, remixed, and/or curated by Jennifer Parker and Mabel Gehrett and Western Technical College.