

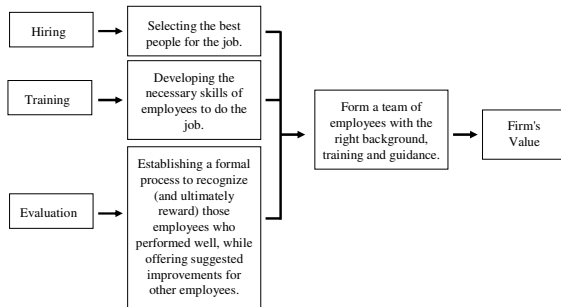
## Chapter 11

### Hiring, Training & Evaluating Employees

#### Learning Objectives

- 1 Explain human resource planning by firms.
- 2 Differentiate among the types of compensation that firms offer to employees.
- 3 Describe the skills of employees that firms develop.
- 4 Explain how performance of employees can be evaluated.

#### The Key to a Firm's Performance Human Resources



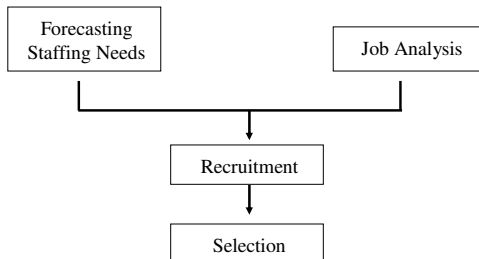
#### Human Resource Planning

The act of planning to satisfy a firm's needs for employment.

##### Three tasks:

- 1 Forecasting staffing needs.
- 2 Job analysis.
- 3 Recruiting.

#### Human Resource Planning



#### Forecasting Staffing Needs

↳ Determine the right number of qualified people and where they are needed.

##### Three events which require forecasting:

- ⊗ Firm expansion.
- ⊗ Retirement.
- ⊗ Temporary increase in production.

## Job Analysis

↳ The analysis used to determine the tasks and the necessary credentials for a particular position.

The results of Job Analysis are:

- Job specification  
Identifies the necessary skills, traits or attributes for successful performance in a particular job.
- Job description  
States tasks and responsibilities of the job position.

## Recruitment

↳ Involves seeking and attracting individuals from which a qualified candidate(s) can be selected.

Internal vs external recruiting:

- Internal  
Recruit people within the firm.
- External  
Recruit people outside the firm.

## Recruitment Screening Process

- Screening applicants
  1. Assess each application to screen out unqualified applicants.
  2. Interview applicants to assess personality characteristics, punctuality, communication skills, and attitude.
  3. Contact applicants' references.
  4. Use employment tests to assess candidates' abilities.
  5. Make the hiring decision.

## Steps for Screening Job Applicants

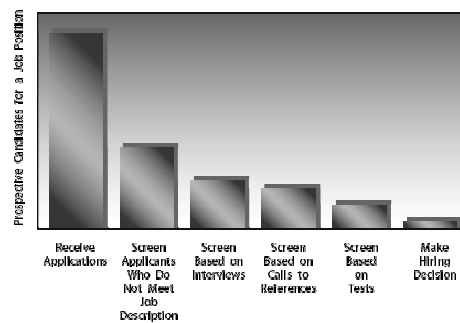


Exhibit 11.3

## Employment Testing

↳ One of the most controversial areas in Human Resource Management.



Business Online:  
Test Samples

General Categories:

- Aptitude
- Psychomotor
- Job Knowledge
- Proficiency
- Interest
- Psychological
- Polygraph
- Drug



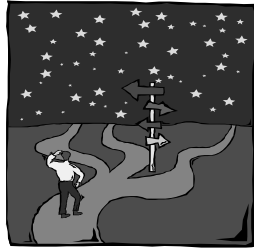
What's next?

## Six Important Laws Providing Equal Opportunity

- ① Equal Pay Act of 1963.
- ② Civil Rights Act of 1964.
- ③ Age Discrimination in Employment Act of 1967.
- ④ Employee Polygraph Protection Act of 1988.
- ⑤ Americans with Disabilities Act of 1990.
- ⑥ Civil Rights Act of 1991.

## Seven Methods of Compensation

- ☞ Salaries and wages
- ☞ Stock options
- ☞ Commissions
- ☞ Bonuses
- ☞ Profit sharing
- ☞ Employee benefits
- ☞ Perquisites



Which one is right for your firm?

## Skills Development

- Technical
- Decision Making
- Customer Service
- Safety
- Human Relations

## Employee Evaluations Should

☞ Be segmented by the relevant criteria for each job position.

- Provide feedback.
- Provide direction.
- Indicate strengths and weaknesses.
- Determine a raise or promotion.
- Consider objective versus subjective criteria.

## Direct Measures of Performance

Job Position	Direct Measures of Performance
Salesperson	Dollar volume of sales over a specific period Number of new customers Number of delinquent accounts collected Net sales per month in territory
Manager	Number of employee grievances Cost reductions Absenteeism Unit safety record Timeliness in completing appraisals Employee satisfaction with manager Division production Diversity of new hires
Administrative assistant	Number of letters prepared Word processing speed Number of errors in filing Number of tasks returned for reprocessing Number of calls screened

Exhibit 11.8

## Development of Evaluation Fairness

☞ Why: demonstrate overall fairness to employees and satisfies legal guidelines.

