

Chapter 15 – Personnel Management

In the corporate sector, it's called *human resources*. And it makes sense, since your personnel are perhaps your most important resource.

You can have the best operating system in the world with the best facilities, but poor performance by employees can still create chaos. On the other hand, even if you have aging facilities and a haphazard system, star-quality employees will find a way to make it work.

In this chapter, we will start with a look at some of the most important employment laws that create the environment in which we hire, train, supervise, and fire. Then we'll discuss the cycle of personnel management: (1) job analysis and job design, (2) planning and recruiting, (3) employee selection, (4) orientation and socialization, (5) training and development, (6) evaluating performance, and finally (7) turnover, discipline, and exits.

Employment Laws and Applications

The American work force was radically changed by the *Civil Rights Act of 1964*, which prohibits discrimination on the basis of race, color, religion, sex, or national origin. *Title VII* of this act ensures fair employment standards. This single act is generally credited for initiating the Equal Employment Opportunity (EEO) environment that exists today.

Selection, training, and appraisals are discriminatory processes by their very nature, since they all involve choosing one employee over another. The Equal Employment Opportunity Commission provides guidelines to prevent *unfair* discrimination.

Other Important Laws and Regulations

- **Fair Labor Standards Act of 1938** – the first major attempt to protect employees.
- **Veterans Reemployment Act of 1942** – requires employers to rehire veterans who leave a job for military service.
- **Equal Pay Act of 1993** – an amendment to the Fair Labor Standards Act of 1938, requires equal pay for equal work.
- **Age Discrimination in Employment Act of 1967 (ADEA)** – administered by the EEOC, the ADEA prohibits discrimination on the basis of age.
- **Vocational Rehabilitation Act of 1973** – requires all employers holding federal contracts of \$25,000 or more to employ “qualified” disabled individuals when “reasonable accommodations” can be made.
- **Vietnam Veterans Readjustment Act of 1974** – designed to provide Vietnam veterans protected group status.
- **Immigration Reform and Control Act of 1986** – designed to regulate the employment of aliens within the United States.
- **Pregnancy Discrimination Act of 1978** – regulates the hiring and leave policies for pregnant employees.

- **Retirement Equity Act of 1984** – requires companies to count all service since the age of 18 in determining vesting for retirement benefits.
- **Drug Free Workplace Act of 1988** – requires federal contractors to make a good faith effort to sustain a drug-free working environment.
- **Americans with Disabilities Act of 1992** – makes it unlawful to discriminate against the disabled in all employment-related practices, such as recruitment, hiring, promotion, training, layoff, pay, termination, job assignments, leave, and benefits.

You will process all personnel actions through a Personnel Office, either locally or centralized. Those offices are staffed with experts who will guide you through all the required steps, and ensure adherence with all federal laws or service regulations. Therefore you do not have to be an expert in these matters, but the more you know the better you can assist in the process.

The Personnel Management Cycle

The Personnel Management Cycle consists of: (1) job analysis and job design, (2) planning and recruiting, (3) selection, (4) orientation and socialization, (5) training and development, (6) evaluating employee performance, and (7) turnover, discipline, and exits.

1. Job Analysis and Job Design

Job analysis is the process of determining what will be done in a job; *job design* determines how the job will be done.

Completed job analyses are the basis for many human resource activities, including creation of job descriptions and job specifications. The seven steps in completing an effective job analysis are:

1. Select jobs for analysis.
2. Determine what kind of information to collect.
3. Determine how to collect the information.
4. Determine who collects the information.
5. Process the information.
6. Write job descriptions: Job descriptions summarize the duties, responsibilities, working conditions, and activities of a specific job. In addition to describing the job, job descriptions are used for recruiting, selection, orientation, training, employee evaluations, promotions, and transfers. Each job description normally includes four key elements:
 - a. Job identification data
 - b. Job summary
 - c. Job duties

- d. Job specifications: *Job specifications* are often used as a stand-alone document. Job specifications describe the qualifications required to perform the job, which may relate to training, education, skills, experience, mental characteristics, physical requirements, and personal characteristics.

Note: Your service or installation may use different terminology for these products.

2. Planning and Recruiting

The human resources planning process involves anticipating an organization's business demands and providing the staff to meet those demands. It involves two critical factors: *supply* and *demand*.

Supply represents the number of potential employees that are available for the operation.

Demand represents the number and nature of jobs that must be staffed.

There are two principal sources for employees: *internal* and *external*. Internal sources include your current employees, who might be interested in changing jobs...particularly if it involves a promotion. External sources include virtually everybody else.

The process of *recruitment* involves identifying qualified employees and encouraging them to apply for open positions. Done correctly, it is a complicated process. Here are ten things that should be accomplished before actually recruiting new employees:

- Review job analysis information, job descriptions, and job specifications.
- Identify and review applicable laws and regulations.
- Determine message you wish to convey to applicants.
- Determine what you want to learn from recruits.
- Decide whether to recruit internally, externally, or both.
- Determine where to recruit.
- Select and train recruiters.
- Select and implement recruitment strategies and methods.
- Establish criteria for evaluating the pool of applicants.
- Establish criteria for evaluating the recruiting methods.

Part of the above processes will be done by your servicing personnel office, like selecting and training recruiters and setting recruitment strategies. But you will be heavily involved in evaluation criteria and the actual selection.

3. Selection

Selection is one of the most critical tasks a manager undertakes; it should not be delegated. When conducted properly, selection provides an organization with the personnel it needs to succeed. When conducted improperly, selection leads to wasted time and effort and customer dissatisfaction.

Selection is legal discrimination. As a result, the process must be *reliable* and *valid*. *Reliability* refers to the consistency and dependability of a selection process over time; *validity* refers to the accuracy of the selection process in assessing a candidate.

There are a dozen basic steps in filling a job vacancy:

1. Identify the opening.
2. Review job descriptions for clarity and responsibilities.
3. Review job specifications for qualifications.
4. Identify sources of applicants.
5. Review applicants.
6. Select interviewing environment.
7. Select interviewing strategy.
8. Develop questions to ask during interview.
9. Conduct interview.
10. Close interview.
11. Evaluate candidate.
12. Check references.

Note: Failing to conduct a thorough reference check can leave an employer open to official grievances for negligent hiring—commonly defined as an employer’s failure to exercise reasonable care in the selection of its employees. Managers must protect their customers—and themselves—by collecting reference information and conducting careful interviews of prospective employees.

4. Orientation

Orientation programs are designed to reduce the stress that employees feel when beginning a new job. But sometimes, just the opposite happens. Many orientation programs cram huge amounts of information about managerial philosophies, organizational history, policies, and procedures into a very brief period. Or just the opposite occurs; employees are thrown into their work environment with the assumption that on the job training is enough!

Key considerations in orientation planning include:

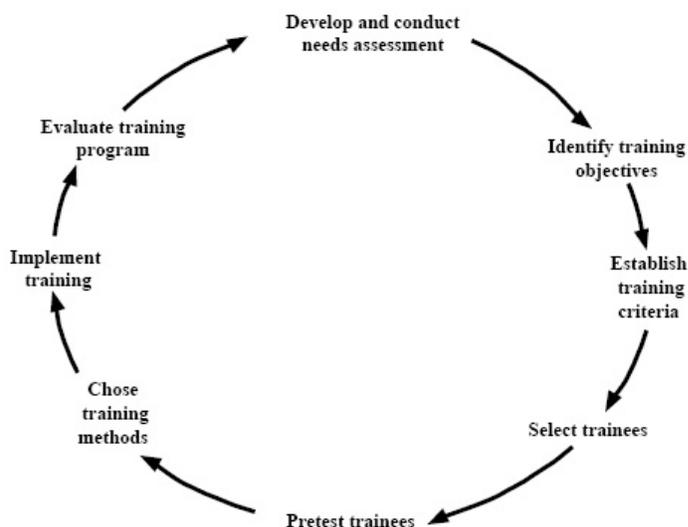
- Program goals
- Range of topics to be covered
- Timing and duration of orientation sessions
- Organizational topics versus departmental and job topics
- Identification of specific training to be conducted
- Technical versus social aspects of orientation

- Methods for encouraging employee discussion and feedback
- Training required for those conducting the orientation program
- Training required for managers and supervisors before the orientation program
- Checklist of topics to ensure follow-up
- Review and update of the employee handbook
- Program flexibility

5. Training and Development

Training can be the most costly and time-consuming aspect of personnel management. But *training should be an investment, not an expense!* The cost of employee turnover is staggering, and results in a cycle of unacceptable employees being replaced by inexperienced employees. Imagine the impact that this has on your customers!

Training should be viewed as a cycle, not a continuous event.



The Training Cycle

Step 1 – Develop and conduct needs assessment.

Before scheduling training, there are some steps which must be accomplished. The first of these is to analyze the organization, tasks, behaviors, and individuals to determine “where you are.” This should lead to a *needs assessment*, outlining where you need to be.

Step 2 – Identify Training Objectives.

To bridge the gap between where you are and where you want/need to be, identify specific objectives for training that will move your organization in the desired direction.

Step 3 – Establish Training Criteria.

A training program that correctly assesses needs and clearly identifies objectives is still useless

unless the criteria for success are clearly outlined. Such criteria establish a benchmark (standards) for measuring what will be gained from the training process.

Step 4 – Select Trainees.

Just like selection of new employees, selection of employees for training is a critical management decision. Among other challenges, managers must pay particular attention to the issue of discrimination, making sure that all employees have an equal opportunity for training which will enhance their job opportunities.

Step 5 – Pretest Trainees.

Before scheduling an employee for training, make sure that you know what they already know. Establish the baselines of knowledge, skills, and abilities both before and after training.

Step 6 – Choose Training Methods.

There are a multitude of training methods available, from On the Job Training (OJT) to self-paced computer training. To be effective, the training method selected should:

- Motivate the trainee to improve performance
- Clearly demonstrate desired skills
- Provide for active participation by trainee
- Provide an opportunity to practice
- Provide timely feedback on the trainee's performance
- Provide some means for reinforcement while learning
- Be structured from simple to complex tasks
- Be adaptable to specific problems
- Encourage positive transfer from training to the job

Step 7 – Implement Training.

Planning is a waste of time without careful implementation. It is the manager's job to ensure that the training actually occurs as planned.

Step 8 – Evaluate Training Program.

All too often, this important step receives the least management attention. But to ensure the long-term success of your organization, you *must* make the time to evaluate. Once the evaluation is complete, the cycle begins again.

6. Evaluating Employee Performance

Evaluating the performance of an employee can be extremely difficult for a manager. Performance appraisals are subject to human emotions, human judgments, and, therefore, human errors.

Performance appraisals are used for many purposes, including:

- Performance feedback in order to reinforce or improve performance
- Employee training and development
- Tool for decision-making regarding rewards and punishment
- Evaluation of training, policies, or programs
- Validation of the selection process

Your Service headquarters and/or installation will provide specific evaluation criteria, with the required forms and times of submission. By all means follow these. In addition, however, consider the use of guest comment cards, peer evaluations, and self-appraisal by each employee. The goal is to have a realistic picture of each employee's performance.

7. Turnover, Discipline, and Exits

Most employees want to do a good job. They seek recognition from their supervisor and their peers, and desire the personal satisfaction of a job well done. Nevertheless, every organization must face employee turnover, discipline problems, and the need to terminate employees.

The Turnover Problem

Each time a position is vacated, either voluntarily or involuntarily, a new employee must be hired and trained. This replacement cycle is known as *turnover*.

The rate of turnover can be calculated for any time period or any group of workers. Simply divide the number of terminations for a time period by the average number of employees for the same period. (To get the average number of employees, add the number of employees at the start of the period to the number at the end of the period, and divide the total by 2.) Since the rate is usually expressed as a percentage, multiply the result by 100.

Annual Turnover Rate = Number of Terminations/Average Number of Employees X 100

For example, if your operation started with 24 employees and ended with 26 employees, and you had 10 terminations during the year, your annual turnover rate would be 40%.

24 employees + 26 employees = 50/2 = 25 average number of employees during the year.

10 terminations/25 employees = .40 X 100 = 40%

The Costs of Turnover

- Separation costs – separation pay and administrative costs of removing employee
- Replacement costs – recruiting, screening, testing, travel expenses, medical exams, etc.
- Training costs – orientation, training material, trainer salary, cost of training space, etc.
- Intangible costs – managerial and staff time and focus, lost productivity

The Use of Discipline

Discipline is an indispensable management tool, but it is also one of the most difficult for managers to use effectively. Used appropriately, discipline is far more than just punishment...it is a way to promote positive behaviors, minimize negative behaviors, and improve the corporate culture. To effectively lay the groundwork for a discipline system that promotes

positive behaviors, managers must first clearly establish the rules and then communicate how those rules should be followed. Employee manuals, training, job descriptions, performance standards, and posted notices are some of the ways rules can be communicated. Needless to say, the rules must then be enforced fairly, without discrimination.

Discharge: A Last Resort

When discharging an employee appears to be the best (or only) solution, both the employee and the organization lose time and money. And if the process is not handled correctly, there can be ongoing grievances filed by the discharged employee.

To avoid wrongful discharge, managers should ask themselves these questions:

- Were the rules clearly and fairly communicated to the employee?
- Did management make a sincere effort to identify and correct poor performance?
- Was the performance appraisal process fair, complete, and equitable?
- Was the evidence of wrongdoing substantial and reliable?
- Is punishment for breaking this rule applied consistently to all employees?
- Was the discipline equal to the seriousness of the offense?
- Were the rules that were broken reasonable and important to the organization?
- Did management explain *why* the rules were important?

Exit Interviews

Whenever an employee leaves the organization—for any reason—management should conduct an *exit interview* to determine why the employee is leaving. If discharged, the employee should be made aware of the appeals process.

Interviews should be conducted by someone other than the immediate supervisor. Here are some guidelines for conducting exit interviews:

- Conduct interviews in the final week of employment, but not on the last day.
- Make every effort to ensure confidentiality for the exiting employee.
- Probe for the *real* reasons employees are leaving.
- Close the interview with a guarantee of confidentiality and thanks.

Summary of Chapter 15

Almost every aspect of employee recruitment and selection is guided by law or policy. As a manager, it is critical that you be aware of these. The Equal Employment Opportunity (EEO) that exists today started with the Civil Rights Act of 1964, which prohibits discrimination on the basis of race, color, religion, sex, or national origin. Title VII of this act ensures fair employment standards. Your personnel office will ensure you meet these standards as you work issues

related to hiring, evaluation, and turnover.

The Personnel Management Cycle includes: Job analysis and job design; Planning and recruiting; Selection, Orientation and socialization; Training and development; Evaluating employee performance; Turnover, discipline, and exits. Recruitment and retention of good employees are directly impacted by each step. Poor practices in these areas may lead to excessive need for discipline and/or turnover, both of which are costly and impact employee morale. Therefore, it is in your best interest to support and develop human resource policies and programs that foster a positive and productive work environment.

