

COURSE MANUAL

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# Human Resource Management

SOC358



*University of Ibadan Distance Learning Centre  
Open and Distance Learning Course Series Development*



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## **Vice-Chancellor's Message**

The Distance Learning Centre is building on a solid tradition of over two decades of service in the provision of External Studies Programme and now Distance Learning Education in Nigeria and beyond. The Distance Learning mode to which we are committed is providing access to many deserving Nigerians in having access to higher education especially those who by the nature of their engagement do not have the luxury of full time education. Recently, it is contributing in no small measure to providing places for teeming Nigerian youths who for one reason or the other could not get admission into the conventional universities.

These course materials have been written by writers specially trained in ODL course delivery. The writers have made great efforts to provide up to date information, knowledge and skills in the different disciplines and ensure that the materials are user-friendly.

In addition to provision of course materials in print and e-format, a lot of Information Technology input has also gone into the deployment of course materials. Most of them can be downloaded from the DLC website and are available in audio format which you can also download into your mobile phones, IPod, MP3 among other devices to allow you listen to the audio study sessions. Some of the study session materials have been scripted and are being broadcast on the university's Diamond Radio FM 101.1, while others have been delivered and captured in audio-visual format in a classroom environment for use by our students. Detailed information on availability and access is available on the website. We will continue in our efforts to provide and review course materials for our courses.

However, for you to take advantage of these formats, you will need to improve on your I.T. skills and develop requisite distance learning Culture. It is well known that, for efficient and effective provision of Distance learning education, availability of appropriate and relevant course materials is a *sine qua non*. So also, is the availability of multiple plat form for the convenience of our students. It is in fulfilment of this, that series of course materials are being written to enable our students study at their own pace and convenience.

It is our hope that you will put these course materials to the best use.



**Prof. Abel Idowu Olayinka**

Vice-Chancellor

## **Foreword**

As part of its vision of providing education for “Liberty and Development” for Nigerians and the International Community, the University of Ibadan, Distance Learning Centre has recently embarked on a vigorous repositioning agenda which aimed at embracing a holistic and all encompassing approach to the delivery of its Open Distance Learning (ODL) programmes. Thus we are committed to global best practices in distance learning provision. Apart from providing an efficient administrative and academic support for our students, we are committed to providing educational resource materials for the use of our students. We are convinced that, without an up-to-date, learner-friendly and distance learning compliant course materials, there cannot be any basis to lay claim to being a provider of distance learning education. Indeed, availability of appropriate course materials in multiple formats is the hub of any distance learning provision worldwide.

In view of the above, we are vigorously pursuing as a matter of priority, the provision of credible, learner-friendly and interactive course materials for all our courses. We commissioned the authoring of, and review of course materials to teams of experts and their outputs were subjected to rigorous peer review to ensure standard. The approach not only emphasizes cognitive knowledge, but also skills and humane values which are at the core of education, even in an ICT age.

The development of the materials which is on-going also had input from experienced editors and illustrators who have ensured that they are accurate, current and learner-friendly. They are specially written with distance learners in mind. This is very important because, distance learning involves non-residential students who can often feel isolated from the community of learners.

It is important to note that, for a distance learner to excel there is the need to source and read relevant materials apart from this course material. Therefore, adequate supplementary reading materials as well as other information sources are suggested in the course materials.

Apart from the responsibility for you to read this course material with others, you are also advised to seek assistance from your course facilitators especially academic advisors during your study even before the interactive session which is by design for revision. Your academic advisors will assist you using convenient technology including Google Hang Out, You Tube, Talk Fusion, etc. but you have to take advantage of these. It is also going to be of immense advantage if you complete assignments as at when due so as to have necessary feedbacks as a guide.

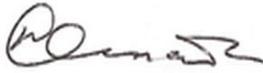
The implication of the above is that, a distance learner has a responsibility to develop requisite distance learning culture which includes diligent and disciplined self-study, seeking available administrative and academic support and acquisition of basic

information technology skills. This is why you are encouraged to develop your computer skills by availing yourself the opportunity of training that the Centre's provide and put these into use.

In conclusion, it is envisaged that the course materials would also be useful for the regular students of tertiary institutions in Nigeria who are faced with a dearth of high quality textbooks. We are therefore, delighted to present these titles to both our distance learning students and the university's regular students. We are confident that the materials will be an invaluable resource to all.

We would like to thank all our authors, reviewers and production staff for the high quality of work.

Best wishes.

A handwritten signature in black ink, appearing to read 'Bayo Okunade', written in a cursive style.

**Professor Bayo Okunade**

Director

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# Contents

<b>About this course manual</b>	<b>2</b>
How this course manual is structured.....	2
<b>Getting around this course manual</b>	<b>3</b>
Margin icons.....	4
<b>Study Session 1</b>	<b>5</b>
Meaning of Human Resource Management.....	5
Introduction .....	5
Terminology .....	5
1.1 What Is Human Resource Management?.....	5
1.2 Subject Matter of Human Resource Management.....	9
1.3 Features of People/Human resources.....	9
1.4 Importance of the Human Resources in Organizations.....	10
Study Session Summary.....	11
Assessment.....	11
<b>Study Session 2</b>	<b>12</b>
Human Resource Policy.....	13
Introduction .....	13
Terminology .....	13
2.1 Personnel/Human Resource policy.....	13
2.1.1 Coverage of HR Policy.....	15
2.1.2 Functions of HR Policy.....	17
Study Session Summary.....	17
Assessment.....	18
<b>Study Session 3</b>	<b>18</b>
Human Resource Planning.....	19
Introduction .....	19
Terminology .....	19
3.1 Human Resource/Manpower Planning.....	19
Study Session Summary.....	22
Assessment.....	22
<b>Study Session 4</b>	<b>22</b>
Recruitment, Selection and Placement.....	23
Introduction .....	23
Terminology .....	23
4.1 Staff Recruitment, Selection and Placement.....	23

4.1.1 Recruitment .....	24
4.1.2 Selection .....	25
4.1.3 Placement And Induction .....	27
4.1.4 Internal vs External Recruitment .....	28
Study Session Summary .....	29
Assessment .....	29

## Study Session 5 30

Human Resource Development .....	31
Introduction .....	31
Terminology .....	31
5.1 Meaning of Human Resource Development.....	31
5.2 Training And Development.....	32
5.2.1 Methods/Types of Training and Development.....	33
5.2.2 Importance of Training and Development .....	36
5.2.3 Training and Development Process.....	37
Other Methods Of Human Resource Development .....	38
Succession Planning.....	38
Career Planning.....	39
Coaching.....	39
Study Session Summary .....	41
Assessment .....	42

## Study Session 6 42

Industrial Relations.....	43
Introduction .....	43
Terminology .....	43
6.1 Industrial Relations .....	43
6.2 Remuneration/Reward/Compensation Management.....	46
6.1.1 Components of Remuneration Management.....	47
6.2.2 Factors influencing Remuneration System.....	48
Study Session Summary .....	52
Assessment .....	52

## Study Session 7 52

Performance Appraisal.....	52
Introduction .....	52
Terminology .....	53
7.1 Meaning of Performance Appraisal .....	53
7.1.1 Purposes of Performance Appraisal .....	55
7.2 Principles and Methods of Performance Appraisal .....	57
7.2.1 Principles of Performance Appraisal .....	57
7.2.2 Methods of Performance Appraisal .....	59
7.3 The Appraisal Interview.....	61

Study Session Summary.....	62
Assessment.....	62

---

<b>Study Session 8</b>	<b>63</b>
------------------------	-----------

---

Staff Motivation.....	63
Introduction .....	63
Terminology .....	64
8.1 Defining Motivation.....	64
8.2 Tips on Staff Motivation.....	66
Role of HR Department in Motivation.....	68
8.3 Theories of Motivation.....	69
Study Session Summary.....	69
Assessment.....	69

---

<b>Notes on Self Assessment Questions</b>	<b>70</b>
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<b>References</b>	<b>75</b>
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## About this course manual

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Human Resource Management SOC358 has been produced by University of Ibadan Distance Learning Centre. All course manuals produced by University of Ibadan Distance Learning Centre are structured in the same way, as outlined below.

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### How this course manual is structured

#### The course overview

The course overview gives you a general introduction to the course. Information contained in the course overview will help you determine:

- If the course is suitable for you.
- What you will already need to know.
- What you can expect from the course.
- How much time you will need to invest to complete the course.

The overview also provides guidance on:

- Study skills.
- Where to get help.
- Course assignments and assessments.
- Margin icons.

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We strongly recommend that you read the overview *carefully* before starting your study.

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#### The course content

The course is broken down into Study Sessions. Each Study Session comprises:

- An introduction to the Study Session content.
- Study Session outcomes.
- Core content of the Study Session with a variety of learning activities.
- A Study Session summary.
- Assignments and/or assessments, as applicable.
- Bibliography

## Your comments

After completing Human Resource Management we would appreciate it if you would take a few moments to give us your feedback on any aspect of this course. Your feedback might include comments on:

- Course content and structure.
- Course reading materials and resources.
- Course assignments.
- Course assessments.
- Course duration.
- Course support (assigned tutors, technical help, etc.)

Your constructive feedback will help us to improve and enhance this course.

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# Getting around this course manual

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## Margin icons

While working through this course manual you will notice the frequent use of margin icons. These icons serve to “signpost” a particular piece of text, a new task or change in activity; they have been included to help you to find your way around this course manual.

A complete icon set is shown below. We suggest that you familiarize yourself with the icons and their meaning before starting your study.

 <i>Activity</i>	 <i>Assessment</i>	 <i>Assignment</i>	 <i>Case study</i>
 <i>Discussion</i>	 <i>Group Activity</i>	 <i>Help</i>	 <i>Outcomes</i>
 <i>Note</i>	 <i>Reflection</i>	 <i>Reading</i>	 <i>Study skills</i>
 <i>Summary</i>	 <i>Terminology</i>	 <i>Time</i>	 <i>Tip</i>

## Study Session 1

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# Meaning of Human Resource Management

## Introduction

You are welcome to the first study session of this course- Human Resource Management. In this study session, we shall discuss the meaning of Human Resource Management (HRM). We shall start by considering many definitions of HRM , then distinguish between HRM and Personnel Management. Features and importance of Human resources in an organization shall also be discussed .

## Learning Outcomes



Outcomes

When you have studied this session, you should be able to:

- 1.1 explain the meaning of HRM
- 1.2 highlight the features of Human Resources.
- 1.3 state the importance of Human Resources in organisations.

## Terminology

<b>Organisation</b>	An organized group of people with a particular purpose, such as a business or government department.
<b>Human Resource Management</b>	The term used to describe formal systems devised for the management of people within an organization.
<b>Human resources</b>	The personnel of a business or organization, regarded as a significant asset in terms of skills and abilities.

## 1.1 What Is Human Resource Management?

The terms "Human Resource Management" and "Human Resources" (HR) have largely replaced the term "personnel management" as a description of the processes involved in managing people in organizations. The term HRM is increasingly being used in business as an

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alternative to personnel management because more and more people feel that it is in tune with the realities of organizational life.

What then is Human Resources Management? The term has been widely defined by scholars and practitioners. Some definitions are offered below:

- HRM is a process of bringing and keeping people and organizations together so that the goals of each are met;
- HRM encompasses those activities designed to provide for and coordinate the human resources of an organization.
- HRM is the function performed in organizations that facilitates the most effective use of the employees to achieve organizational and individual goals.



*Tip*

Human Resource functions refer to those tasks and duties performed in organizations to provide for and coordinate human resources.

Human Resource Management (HRM) is defined as the policies, practices and systems that influence employees' behaviour, attitude and performance while Ogunbameru, (2008) sees it as the strategic and coherent approach to the management of an organization's most valued assets - the people working there who individually and collectively contribute to the achievement of the objectives of the business.

To Miller (1987) HRM relates to "those decisions and actions which concern the management of employees at all levels in the business and which are related to the implementation of strategies directed towards creating and sustaining competitive advantage".

Cascio (1992) defines HRM as a process of employing people, developing their resources, utilizing, maintaining and compensating their services in tune with the job and organizational requirement. In a similar vein, Bateman and Zeithaml (1993) define HRM as the formal systems for the management of people within the organization. HRM may equally be considered as a set of organization-wide and people-oriented functions or activities deliberately designed to influence the effectiveness of employees in the organization. It is an organization's activities which are directed at attracting, developing and maintaining an effective workforce.



*Note*

According to Armstrong, (1999), HRM first emerged as a clearly defined concept in the mid-1980s when two models were produced by American academics. These were christened by Boxall (1992) as the matching model and the Harvard framework. HRM is the branch of management concerned with the attraction; motivation and retention of workers needed in an organization to enable it achieve its objectives (Omolawal and Joshua, 2011).

The Institute of Personnel Management (1979) provides an all embracing definition as 'that part of management concerned with people at work and with their relationship with an enterprise.' Its aim is to bring together and develop into an effective organization men and women who make up an

enterprise and having regard for the well being of the individual and of the working groups, to enable them make their best contribution to its success. More broadly, it is seen as the range of policies designed to source for workers whose knowledge, skill and attitude are indispensable for the operations of organizations. Many concerns are implied in this management function as defined by various authors. For example, managing employees, training and development, staff motivation, enhanced employee commitment and quality performance etc are all among the some of the responsibilities that the HR practitioner has to contend with in providing the fertile environment for the organization to achieve its objectives.

## ITQ

### Question

Human Resource Management is \_\_\_\_\_

- A employee oriented
- B employer oriented
- C legally oriented
- D none of the above

### Feedback

Good! It is Option C. We had noted earlier that HRM is an employee-centred activity in which the managers try to provide the necessary conditions to help influence the effectiveness of employees in the organization.

Arising from this plethora of definitions and conceptualization by scholars, is a common concern, a denominator and the attempt by management to develop, acquire and put human energy into productive use on a continuous basis, for the benefits and sustenance of the organization, employees and the society at large.



*Tip*

The theoretical discipline is based primarily on the assumption that employees are individuals with varying goals and needs, and as such should not be thought of as basic business resources, such as trucks and filing cabinets. The field takes a positive view of workers, assuming that virtually all wish to contribute to the enterprise productively, and that the main obstacles to their endeavors are lack of knowledge, insufficient training, and failures of process (Omolawal and Joshua, 2011)

Human Resources Management at the micro, professional level, is the management of people at work. It is a new improved name for Personnel Management. It covers the broad spectrum of the life of the employees at work, from the entry point to the point of final exit. It is about human recruitment, placement and discipline at work; it is about human struggles for improved conditions of service; about the management of his career expectations; about his motivation, training and development and it relates also to the management of distributive justice in an enterprise- the quantification and measurement of contributions and the sharing of rewards according to the input of efforts by the various actors on the

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enterprise stage. Human Resource Management is seen as a relatively new science, one of those that evolved out of the social sciences, especially the behavioural sciences as applied both in public administration and in industrial management. The claim to be a science rests on the determination to quantify and to measure, to limit the arbitrary and the irrational, to emphasize the depersonalized rational rules of behaviour, making for predictability of result in management. Human resources management has been identified as an important function in any organization which concerns all managers.

At the macro level, HRM is how a society harnesses its human endowment for the greatest good of the community. Of course the polity exists because there is need for human resources management. Without the organization and management of human resources, perhaps there will be no nation state. In full endorsement of this inescapable truth, African Heads of States, in the Lagos Plan for Action (1981) stated that ‘since Africa’s greatest asset is its human resources, full mobilization and effective utilization of the labour force for national development and social progress should be a major instrument of development’

HRM has already noted, is an employee-centred activity the manager trying to provide the necessary conditions to help influence the effectiveness of employees in the organization. In fact, there is competitive advantage to be achieved through employees. Some of the obvious reasons for organizations maintaining effective HRM functions include:

- Enables management achieve organizational goals through the workforce.
- Utilizes people to their full capacity and potential.
- Fosters commitment from individuals to the success of the organization through quality orientation in their performance and that of the whole organization.
- Integrates human resources policies with business plan, reinforces appropriate culture or as necessary, reshapes an inappropriate culture.
- Establishes an environment in which the latent and energy of employees will be unleashed.
- Creates conditions in which innovation, team work and total quality can flourish.
- Encourages willingness to operate flexibly in the interest of the adaptive organization and the pursuit of excellence.

## ITQ

### Question

What is the mission of human resource management?

### Feedback

I expect you to emphasise in your response that Human resource management's mission is to coordinate people within an organization to

achieve the organization's goals.

## 1.2 Subject Matter of Human Resource Management

HRM is a process of attracting, holding and motivating workers needed by organizations to achieve their objectives.

The subject matter of HRM is People, human beings, also referred to as the human resources, workers, employees etc. Organizations are nothing without people. Human beings are central to organizations both at the followership and leadership levels. They are referred to as one of the factors of production. Today, they are technically referred to as human capital. This new concept is being adopted to emphasize the important role human resources play in the profitability and survival of organizations and so they need to be invested on, so as to get the very best from them.

In a sense, managing people is a process in which all managers, both line and staff, is explicitly involved. The work of the foremen, middle management, and top management differ in some respects, however there is a collection of duties and responsibilities common to all levels and this is the fact that managers at all levels supervise people. At a more professional level, the HRM functions are handled by the HR department.

It is basic function of every enterprise, regardless of its size, its products or services and its location because we cannot talk of organizations without people.

### ITQ

#### Question

All are functions normally performed by HR department except

- A. Pay and Reward
- B. Recruitment and Selection
- C. Accounting
- D. Employee Relations

#### Feedback

The correct answer is option C – Accounting.

## 1.3 Features of People/Human resources

Some of the features/characteristics of the Human Resources include the following:

- i. Human beings differ from each other.
- ii. Human beings cannot be standardized as inanimate objects
- iii. Labour cannot be easily stored away the way capital can be stored. Workers can lose their skills if left unused for a long time.
- iv. Man is unique because it is a human factor; and as a human factor, it can make mistakes, complain and can be unpredictable.

- 
- v. People come from different backgrounds- (social, cultural, religious etc)
  - vi. People have their individual goals to achieve.
  - vii. Human beings have emotions and feelings.
  - viii. They respond to stimuli (as individuals and as groups), sometimes in unpredictable ways.
  - ix. They make choices – to cooperate or not, to change or not, to stay with the team or jump the boat.
  - x. They have five fundamental demands in the work place namely: pecuniary rewards, job security, job satisfaction, future and respect.

With these peculiarities, it then becomes a difficult task bringing them together and harmonizing their individual goals with the goals of the organization.

## **1.4 Importance of the Human Resources in Organizations**

In all economic activities, human effort is the key. It is the human knowledge transformed into activity that gives utilities or value to all commodities. It is man who cultivates land whether he uses a hoe or a tractor. It is the same man who sows, weeds, harvest, processes, stores and sells. It is man who invents, designs, makes and operates machine. It is man who creates, transmits and uses knowledge. Thus every single endeavour here on earth has man's finger print. Thus without human efforts both mind and muscle, there is no production and therefore no life.

The importance of human resources in organizations cannot be over-emphasized. This is because in all organizational activities, human effort is the key; it is the human knowledge, transformed into activity that gives value or utility to all commodities. The human resource therefore becomes a strategic resource that has to be planned for, managed and sustained. Oribabor (2000) adumbrates this when he argues that the human resource has become recognized as a strategic resource to be managed in more explicit and proactive manner to enhance the survival and growth of organization and all human resource management activities are, or should be business driven and focused on improving performance by acquiring and developing a competent, well-motivated and committed work force.

Human resources, both workers and management, are the most important resources utilized by any business organization. Machines and all other resources of the business will produce nothing without the human element to activate and control them. The efficiency of the business depends more on the human being than any other resources. In addition to being the most important resources, the most complicated problem of business is the people. Technical processes may be mastered, strain and stress of material may be correctly figured, and intricate machines may be devised for performing work with great accuracy. There is no single formula, however, that will work in dealing with employees of a

company. Why? Because of the nature and peculiarities of human beings listed above.

## ITQ

### Question

. \_\_\_\_\_ are the resources that provide utility value to all other resources.

- E. Men
- F. Material
- G. Money
- H. Machinery

### Feedback

While discussing the importance of Human resources we noted that machines and all other resources of the business would produce nothing without the human element to activate and control them. Which means the efficiency of the business depends more on the human being than any other resources. The correct answer is option A - Men.

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## Study Session Summary



### Summary

In this Study Session, we discussed the meaning of Human Resource management. We considered various definitions and distinguished between HRM and personnel management.

We considered the subject matter of HRM, i.e. people both at the followership and leadership levels. We also examined the features and characteristics which distinguish the human factors and make their management very complex and difficult. We also treated the importance of human beings as the major and most important of all organizational assets.

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## Assessment



*Assessment*

**SAQ 1.1 (tests Learning Outcome 1.1)**

Explain the meaning of HRM

**SAQ 1.2 (tests Learning Outcome 1.2)**

Discuss the subject matter of HRM

**SAQ 1.3 (tests Learning Outcome 1.3)**

Highlight the features of Human Resources.

**SAQ 1.4 (tests Learning Outcome 1.4)**

Do you agree that human resources constitute the most important assets/resources of organizations, if yes, how?

# Study Session 2

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## Human Resource Policy

### Introduction

In this Study Session, our focus shall be on Human Resource Policy. We shall start by explaining the meaning of Human Resource policy. We shall also examine functions and objectives of human resources policy.

### Learning Outcomes



*Outcomes*

When you have studied this session, you should be able to:

- 2.1 explain the concept of Human Resource Policy
- 2.2 discuss the importance of Human Policy as the blood stream for effective HRM

### Terminology

<b>Policy</b>	A course or principle of action adopted or proposed by an organization or individual.
<b>Personnel</b>	The people employed by or active in an organization, business, or service.

### 2.1 Personnel/Human Resource policy

Words like educational policy, economic policy, land policy and so on are not strange to you. What do you understand by the word policy?



*Activity*

Write your definitions of policy in the space provided below

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.....

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.....

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A policy is a plan of action. It is a statement of intended conduct, or a rule of behaviour, which is intended to apply across the organization. It is an expression of the organization's values and beliefs concerning all the major functions of an enterprise. A policy states how the organization intends to achieve its objectives. A policy is a guide to the actions or decisions of people in an organization.

If your definitions are related to above definitions, you are really on the right track as far as the meaning of policy is concerned.



*Tip*

Policy is a planned expression of an organization's official attitude towards the range of behaviour within which it will permit or desire its employees to act. When carefully developed and implemented, they form the basis for management by principle instead of management by expediency.

What then is Personnel Policy/Human Resource policy?

Human Resource policy (traditionally referred to as Personnel policy) is a set of proposals and actions that act as a reference point for managers in their dealings with employees. HR policies constitute guides to actions. They furnish the general standards or bases on which HR decisions are reached. Their genesis lies in an organization's value, philosophy, concepts and principles. HR policy guides the course of action intended to accomplish HR objectives. HR Policy constitutes a vital pillar upon which effective Human Resource Management is built.

Without HR policies, HRM functions cannot be successfully conducted. Broadly speaking, HR policies are broad statements which express the organization's principles and philosophy toward its human resource elements. They are intentionally made to be broad to accommodate various situations.

Human resource policies are continuing guidelines on the approach the organization intends to adopt in managing its people. It represents specific guidelines to HR managers various matters concerning employments. It states the intend of the organization about different aspects of Human Resource management such as recruitment, promotion, compensation, training, selections and so on. They define the conception and value of the organization on how people and things should be treated. Therefore, it serves as a reference point when human resources management practices are being developed or when decisions are being made about people. A good HR policy could provide generalized guidance on the approach adopted by the organization, and therefore its employees, concerning various aspects of employments. A procedure spells out precisely what action should be taken in line with the policy.

However, each company has a different set of circumstances, and so develops an individual set of human resource policies.

HR Policy must:

- Be in harmony with the economic, political and social environment of the organization;

- Be stated as simply as possible;
- Be well documented and communicated to all stakeholders in the organization;
- Complement and supplement one another;
- Must be reviewed on regular basis



*Is HR policies compulsory for every organisation? What are the advantages organisations who have HR policies have over those that do not have?*

### 2.1.1 Coverage of HR Policy

Efforts should be made to ensure that HR policy covers every aspect of HRM and industrial relations. It should provide for job security, growth of the employees and a means of encouraging the employee to produce at his best under suitable working conditions. It must cover the period from when there is a head hunt for the job to the life of the employee after he would have retired from the organization.



An ideal HR policy must cover recruitment, selection and placement; remuneration and salary administration; training and development, promotion, assessment, authority and delegation; leadership and motivation; discipline, grievances (individual and groups); communication and flow of information, relations with labour unions; labour disputes and methods of resolving them; employees' welfare (including life after retirement); social responsibility to the employees and soon and so forth.

Examples of HR policies which are expressed in general terms are:

- The company will conform on the spirit as well as to the letter of the law in employment matters;
- All vacancies will be advertised within the organization;
- All posts will be filled on grounds of merit only, and no one shall be discriminated against in terms of sex, ethnic origin, age or any other factor other than ability to fulfill the job competently;
- The company will always negotiate in good faith with trade union representatives;
- No organizational change will be implemented without thorough consultation with all those directly affected by them;
- Pay level will be maintained so as to compete with the best in the industry;
- Every employee will have the right to fair treatment in matters of discipline.

Meanwhile, Ubeku (1975) define HR policies as a written statement of an organization's goals and intention concerning matters that affect the people in the organization. According to him, various aspects of the conditions of employment should be covered by separate policy. He gave the following examples:

**Employment:** to recruit qualified and experienced staff and to ensure that they derive satisfaction from their employment by offering them

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attractive wages, good working conditions and opportunities for promotion;

**Training and Development:** to provide facilities for the training and development of staff at all levels in such a way as to ensure succession and enable individuals to understand and utilize the full potentials of their physical and mental abilities;

**Wages and Salaries:** to always be among the best paying organizations in the country;

**Welfare:** to provide such welfare and social amenities as are desired by employees and also to safeguard their health and safety;

Industrial Relations; to operate adequate procedures for dealing with disputes and grievances quickly and to improve relations between management and employees through negotiation and consultation.

Obisi (1996) identifies fifteen objectives of HR policy in organizations as follows:

- i. To lay a proper foundation for moving the organization forward;
- ii. To map out a fair wage plans for all levels in the organization;
- iii. To create an environment where people can lead by example;
- iv. To help in re-discovering the lost harmony in the organization;
- v. To create an awareness on the part of the employees on the contents of personnel policy;
- vi. To create a positive and supportive environment where merit would be rewarded;
- vii. To streamline issues to avoid labour-management disputes;
- viii. To ensure a well contrived policy to discourage hiring of bad hands into the organization;
- ix. To provide stable employment that would encourage loyalty and diligence;
- x. To support monetary and non-monetary incentives; Etc

## ITQ

### Question

An ideal HR policy must cover

- A. recruitment,
- B. selection and placement;
- C. remuneration and salary administration;
- D. training and development,
- E. All of the above.

### Feedback

Option A is the correct answer. An ideal HR policy must cover all of the above including promotion, assessment, authority and delegation; leadership and motivation; discipline, grievances (individual and groups); communication and flow of information,

## 2.1.2 Functions of HR Policy

Generally, HR policy serves a number of functions in organizations. Some of these are:

- i. It serves as a basis of guidelines for HRM activities;
- ii. It ensures uniformity in the conduct of HRM functions;
- iii. It ensures consistency in the conduct of HRM functions;
- iv. It promotes fairness and justice in the conduct of HRM functions;
- v. It reduces subjectivity and bias in the conduct of HRM functions;
- vi. It reduces conflict and contradictory opinions in the conduct of HRM functions.

There are principles that need to be guided against for successful adoption of HRM policies. These include:

HRM policy must be consistent with public policy, approved and authorized by the highest decision making organ of the organization, and must be uniformly interpreted and applied throughout the organization.

HRM policy must not be rigid but should allow the operating managers some flexibility to enable them act confidently and decisively on matters as they come up, provide them with a base for consistency, integrity and respectability when dealing with workers, workers' unions and other external bodies handling labour matters.

### ITQ

#### Question

Which of the following is not true about the function of human resource policy in an organization

- A. It increases conflict and contradictory opinions in the conduct of HRM functions.
- B. It ensures consistency in the conduct of HRM functions;
- C. It promotes fairness and justice in the conduct of HRM functions;
- D. It reduces subjectivity and bias in the conduct of HRM functions;

#### Feedback

It reduces conflict and contradictory opinions in the conduct of HRM functions. Option A is the correct answer.

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## Study Session Summary



In this Study Session, we discussed the meaning of HR policy, and treated it as the foundation upon which effective HRM is based. We also considered its functions as well as practical examples of HR policies.

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## Assessment



*Assessment*

### **SAQ 2.1 (tests Learning Outcome 2.1)**

- a. What do you understand by Human Resource Policy?
- b. Identify the functions of HR policy?

## Study Session 3

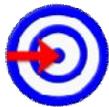
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# Human Resource Planning

## Introduction

In the previous study session, we discussed Human Resource policy. In this study session, we shall discuss the meaning of Human Resource/Manpower Planning. We shall start by explaining what human resource planning entails, then go ahead to treat the topic under various sub-heads such as stages, objectives, and importance of HR planning.

## Learning Outcomes



*Outcomes*

When you have studied this session, you should be able to:

- 3.1 explain the meaning of HR/Manpower planning
- 3.2 Point out the importance of HR planning
- 3.3 Highlight the objectives of HR planning

## Terminology

<b>Planning</b>	A management process, concerned with defining goals for company's future direction and determining on the missions and resources to achieve those targets. To meet the goals, managers may develop plans such as a business plan or a marketing plan.
<b>Human resources</b>	The personnel of a business or organization, regarded as a significant asset in terms of skills and abilities.

## 3.1 Human Resource/Manpower Planning

Planning- This refers to act or process of making decisions about future intended actions. Planning involves asking questions about what, when, how, why and who. The more systematic the process of arriving at answers to the questions, the more likely that the result will be successful.

Now, let us go through some definitions Human Resource /Manpower Planning offered below:

- A strategy by which organisations ensure the provision to themselves of “the right number of employees, with the right level of skills, in the right jobs at the right times, performing the right activities, to achieve the right objectives.

- A strategy for the acquisition, utilization, improvement and preservation of the workers needed by an organisation.
- A process of taking stock of existing manpower; working out future manpower needs, identifying what has to be done to ensure that future manpower researches match the needs.



**Tip**

*Human resources planning is a process that identifies current and future human resources needs for an organization to achieve its goals. Human resources planning should serve as a link between human resources management and the overall strategic plan of an organization.*

HR planning must not be an isolated activity but must be integrated into the entire organisation planning.

#### **Objectives of HR planning**

- To ensure optimum use of the Human Resources currently on ground;
- To provide for future HR needs.

Factors necessitating HR planning:

A number of factors may suggest the need to embark on human resource planning, and some of these include:

- Technological changes
- Organisation changes- mergers, acquisition, diversification, contraction
- Government policy
- Organisation Restructuring
- Business objectives-mission, vision

HR planning falls into 2 stages:

- Taking inventory (It involves a process of staff audit- what do we have on ground, what do we need, how do we get it, when do we get it, who will get it)
- Human Resource supply - what sources are available to us

### **ITQ**

#### **Question**

Human resource planning largely focuses upon planning in pursuit of \_\_\_\_\_, be it through hiring individuals with the necessary skills or further development current employees for higher achievement

- A. Competencies
- B. Profits
- C. Managers
- D. Efficiency

### Feedback

Option A is the correct answer. The human resource planning process identifies organizational goals and matches them with the competencies employees need to achieve those goals. A plan is made to either develop necessary competencies from within the organization or hire new people who already have them.



### Note

Human resource planning is the process of systematically forecasting both the future demand for and supply of employees and the deployment of their skills with respect to the strategic objectives of the organization. Human resource planning is a process that identifies current and future human resource needs for an organization, based on the goals and objectives set by upper management. It responds to the importance of business strategy and planning in order to ensure the availability and supply of people—in both number and quality. Human resource planning serves as a link between human resource management and the overall strategic plan of an organization.

### Importance of HR Planning

- i. HR Planning enables organizations to know who and when to recruit
- ii. HR Planning enables organizations to know who to be reassigned,
- iii. HR Planning enables organizations to know who is due for retirement,
- iv. HR Planning enables organizations to know who needs to be trained,
- v. HR Planning enables organizations to know who is under-utilized,
- vi. HR Planning enables organizations to know who is over- utilized,
- vii. HR Planning enables organizations to know who is under skilled etc.

## ITQ

### Question

Which of the following state the importance of the Human Resource Planning?

- A. HR Planning enables organizations to know who to be re-assigned.
- B. HR Planning enables organizations to know who is due for retirement.
- C. HR Planning enables organizations to know who needs to be-trained.
- D. All of the above

### Feedback

D is the right answer. Each of the above statement indicates importance of HR planning.

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## Study Session Summary



*Summary*

In this Study Session, we considered the meaning of HR/Manpower planning. We also discussed its objectives, stages and factors that necessitate the need for HR planning. We rounded off by identifying its importance for effective HRM.

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## Assessment



*Assessment*

**SAQ 3.1 (tests Learning Outcome 3.1)**

Of what relevance is HR planning to effective HRM?

## Study Session 4

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# Recruitment, Selection and Placement

## Introduction

In this study session, we shall discuss the meaning of Staff Recruitment, Selection and Placement as components of staffing process or staff recruitment in organizations. We will consider the inter-connectedness of the concepts and the various activities that fall under each of the exercises.

## Learning Outcomes



*Outcomes*

When you have studied this session, you should be able to:

- 4.1 Explain the meaning of staff recruitment, selection and placement
- 4.2 Explain the various activities required under each of the concepts
- 4.3 Differentiate between recruitment and selection?

## Terminology

<b>Recruitment</b>	The overall process of attracting, selecting and appointing suitable candidates for jobs (either permanent or temporary) within an organization.
<b>Selection</b>	The process of choosing the most suitable candidate for the vacant position in the organization.
<b>Placement</b>	A process of assigning a specific job to each of the selected candidates. It involves assigning a specific rank and responsibility to an individual.
<b>Induction</b>	Training provided to new employees by the employer in order to assist in adjustment to their new job tasks and to help them become familiar with their new work environment and the people working around them.

## 4.1 Staff Recruitment, Selection and Placement

Recruitment, selection and placement constitute a very vital function of HRM and they are different phases of the same function. The word staff

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recruitment is at times, used to cover the three phases. The purpose of staff recruitment is to fill vacancies in organizations. Before recruitment, it is necessary to carry out what is referred to as job evaluation. Job Evaluation is the process of comparing, ranking, and evaluating jobs by the use of specific qualitative or quantitative factors, such as mental and physical skills, degrees of responsibility, and working conditions. It is important to note that it is the job, and not the person performing it, that is evaluated. An evaluation acceptable to an employer and an employee can then be used as a basis for determining pay and terms of employment. Consequent upon job evaluation, there is what is also called job description. Job Description is a document that states what duties have to be performed by a worker holding a particular job and what place that worker holds within the organization. For example, a job description may state that a secretary must undertake word processing and keyboarding tasks, as well as answer the telephone and keep a diary for his or her boss. It should state who his or her superior in the organization is and whether or not the secretary is in charge of any other workers. Job descriptions are often prepared when a new worker is being recruited. When appropriate job evaluation has been carried out and recruitment decision is made, then the stage is set for recruitment, selection and placement of workers.



*Note*

However, it should be noted that vacancies occur in organizations as a result of the following: there is expansion and organizations need to take more staff; a staff resigns; a staff dies; a staff is re-deployed; staff establishment is revised upwards to normalize a situation of inadequate staffing; a staff is summarily dismissed; a staff's appointment is terminated; a staff retires after clocking certain age or length of service; a staff abandons employment; a staff is invalidated as a result of poor health; there is structuring, called by different names such as retrenchment/ downsizing/right-sizing and so on.

### **4.1.1 Recruitment**

Recruitment can be defined as a process of creating a pool of persons who are willing and available to work for a particular organisation. It is a process of attracting and inviting applicants to come and fill the job openings in an organisation and the process ends at a point where you are able to put people together for selection.

It is an array of organisation practices and decisions used to affect the number of types of individuals who are willing to apply for, or accept employment in an organisation.

It is a process of attracting a sufficient number of individuals with the right profile in terms of qualification, experience, skills and other relevant attributes to indicate their interests in working for the organisation.



There are two basic activity areas in this phase namely Posting of Vacancies or Advertisement of vacancies and Submission of applications/competition of forms.

This is the stage at which applicants are made aware of existing vacancies in organizations and are requested to react by submitting their applications and resume usually within a time frame. The process involves spelling out the job and applicant specifications, vacant positions, job responsibilities, mode of application, time frame and other conditions of employment.

Traditionally, this process involves the use of handbills placed in public institutions like Post Office, banks, recruitment centres, organizations' notice boards, radio, television, newspapers. In response, applicants would package their applications and credentials (hard copies) and submit such either personally, send through courier services, or post through the Post Offices to the appropriate officer. However, with the emerging ICT, employers now place their vacancies on their websites, Internet job boards or professional/career Web sites and request job applicants to respond by sending soft copies of their applications, credentials and curriculum vitae to the website stated. This modern approach has lots of advantages but it also comes with a lot of challenges especially for applicants in less developed societies where access to the internet is still a luxury.

#### 4.1.2 Selection

This is a process through which those who are recruited as candidates are winnowed down to the few who are hired. It can also be defined as a process of actually choosing the best candidates from those recruited.



Tip

- Selection is a systematic effort to identify the most suitable candidates to fill identified positions and the processes involved, vary from organisation to organisation.
- Basic activities: The basic activities involved in the selection process often include (sorting and short listing, selection test, main interviews, reference checks, medical examination, offer and acceptance.)

With the expiration of the deadline within which applicants should submit their applications, the next stage is for recruiters to sort the applications so as to determine those to be shortlisted for consideration. Such applications are sorted into three categories namely: Suitable, Possible and Unsuitable. Traditionally, this stage was done manually and could take a long time before it could be completed. It is cumbersome and the rate of accuracy is usually low. Today the computer is used to conduct this stage and it makes it faster and more accurate.

The next activity is the written test. This is a process of testing the intelligent quotient and mental skills of applicants. Depending on a number of factors which include organizations' recruitment policy, vacant positions etc, some recruiters/organizations do not conduct written tests for applicants. For those who use selection tests, many kinds of tests have been developed to help employers select good employees. According to Onasanya, (2005) and Mathis and Jackson, (2006), literacy

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tests, skill tests, psychological measurement tests, honesty tests are the major categories. They argue further that when carefully developed and properly administered, employment test allow employers to predict which applicants have the ability to do the job in question, who can learn in training and who will likely stay when employed.

After the written text comes the oral interview stage. While tests may not be adopted by all employers during the recruitment process, interviews have been found to be a universal exercise to decide on whom to employ into organizations. Selection interview is done both to obtain additional information and to clarify information gathered earlier about the applicants. Typically, interviews are conducted at two levels: first as an initial screening interview simply to see if the person has minimum qualifications, and then later, as an in-depth interview perhaps involving HR staff members and operating managers in the departments where the individuals will work. Mathis and Jackson (2006) identify two categories of interview: structured interviews which comprise of biographical, competency, situational interviews; and secondly, the less structured or unstructured category. There are other types which include stress interviews, team interviews, and panel interviews and so on.

Oral interviews provide the opportunity for both the recruiter and the applicants to interact, discuss further and probably conclude the employment contract. This affords the recruiter of having physical assessment of the applicants with a view to further determining the suitability of applicants for the positions under consideration.

The next stage is the physical examination of applicants. This is the stage at which candidates provisionally selected are required to report at a medical centre for tests and screening with a view to determining their health conditions. The cost of such medical tests is borne by the employer and the report provides more information about the candidate. Medical information on applicant may be used to determine their physical and mental capabilities for performing jobs. The medical examinations serve other purposes which include discovering any medical limitations in respect of the applicants; to establish a record and baseline of the applicants' health for future insurance or compensation claims; to detect any possible communicable diseases that may be unknown to the applicants; and to reduce absenteeism and accidents. Physical standards for jobs must be realistic, justifiable and geared to the job requirements. Workers with disabilities can perform satisfactorily in many jobs. However, in many places, they are rejected because of their disabilities, rather than being screened and placed in appropriate jobs.

There is also the reference check stage. This stage provides an opportunity for managers or recruiters to have usually, a confirmatory knowledge about job candidates. Candidates provide the names of previous employers and then prospective employers contact such previous employers to provide information on the candidates. According to Torrington (2005), there are two types: the factual check and the character reference. The factual check is the confirmation of facts the candidates have presented to the prospective employer. This normally follows the employment interview and decision to offer a post. It simply

confirms that the facts are accurate. On the other hand, character reference is such that the prospective employer asks for an opinion about the candidate usually before the interview so that information gained can be used in the decision making phase. Whichever method is being adopted, it requires the prospective employer to communicate with the previous employers and/or an individual whose name is given by the candidate.

### 4.1.3 Placement And Induction

After the candidates have successfully crossed over the medical and reference checks, they are then in the last phase. This phase is the implementation of the decision made concerning the applicant. It involves releasing a formal letter of appointment to the applicant and the applicant confirming in writing his acceptance of such an offer. In the past, this phase was conducted through physical contacts, through courier services, dispatch riders and postal system. These means are prone to so many disadvantages such as slowness and delays, safety and so on



*Tip*

Placement refers to the actual posting of selected candidates where they are expected to carry out their functions. In a more technical term, this stage is referred to as the on-boarding and orientation stage.

When negotiations are completed and the Job offer is accepted, the next step is on-boarding of the new hire. Traditionally, this stage was conducted physically and requires the new hires to assume duties and for him to undergo an induction process face-to-face throughout the entire stage. Some companies use this process to strengthen their brand image by conveying an excellent first impression to their new talents.

Placement is followed by induction. Induction is a process of receiving a new employee into the organisation. It is a process of telling him “this is us” and these are the ways we do things here. It is a process of introducing the new worker to the organisation, colleagues, policies, rules etc. The purpose is to help him adjust to the organisation and new responsibility. The actual processes depend on the organisation. Additionally, orientation programs are effective in introducing new employees to the organization environment and work culture and to ensure effective integration. The length and nature of the orientation depends on the nature of the job itself and the organization. If orientation programs are conducted, orientation schedules are included as part of the welcome package. Calendars of managers who will be conducting the orientation program are updated simultaneously. This ensures smooth orientation to the company for the new employee as well as allows managers to efficiently manage the on-boarding process. Costs of turnover are reduced, and the new hire is given the opportunity and support to reach productivity within a shorter time. With this, the staff recruitment process is completed.

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## ITQ

### Question

\_\_\_\_\_ refers to the process of identifying and attracting job seekers so as to build a pool of qualified job applicants.

- A. Selection
- B. placement
- C. Recruitments
- D. advertisement

### Feedback

Good! The correct answer is Recruitments.

## 4.1.4 Internal vs External Recruitment

...  
...  
The discussions so far are in respect of external recruitment, which is a process of bringing workers from outside the organization. The other type is called internal recruitment and this involves focusing on workers who are already in employment with the organization. The two types of recruitment have their advantages and disadvantages and the decision to use either depends on a number of factors which include the following:

Recruitment could be internal or external, and the decision to use either or combination of these depends on the following: Organisation policies; Level of position(s) to be filled; Cost involved in the process; Hiring time i.e. how urgent is the new worker needed? ; Number of job positions to be filled; Skills and experiences required (whether they are available internally; Business strategy and so on.

### Internal

#### Advantages:

- Morale of the promotee is always high
- The firm can better assess a candidate's abilities
- Recruiting costs are lower for some jobs.
- The process is a motivator for good performance
- The process causes a succession of promotions

#### Disadvantages:

- In-breeding occurs - no new blood
- Those not promoted may experience morale problem
- Employees may engage in political in-fighting for promotion
- A management development programme is needed.

## External

### Advantages:

- New blood brings new perspectives/ ideas
- Training new hire is likely cheaper and faster because of previous external experience
- The new hire has no group of political supporters in the organisation
- The new hire may bring new industry experience

### Disadvantages:

- The firm may not select someone who will fit the job or organisation (recruitment error)
- The process may cause morale problem for internal candidates
- The new hire may have a longer period of adjustment/orientation
- Recruitment cost could be higher

## ITQ

### Question

Which is not an advantage of external source of recruitment?

- A. Adsorption of new blood with ideas
- B. more competition
- C. Less expensive
- D. Less partial

### Feedback

When recruiting externally, the recruitment cost could be higher when compare to internal recruitment. Option C is the right answer.

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## Study Session Summary



### Summary

In this Study Session, we treated the meanings of recruitment, selection and placement. We also considered the types of recruitment as well as the activities that fall under each of the phases.

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## Assessment



*Assessment*

### **SAQ 4.1 (tests Learning Outcome 4.1)**

Explain the meaning of staff recruitment, selection and placement and identify various activities required under each of the concepts

### **SAQ 4.2 (tests Learning Outcome 4.2)**

What are the advantages and disadvantages associated with the types of recruitment?

# Study Session 5

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## Human Resource Development

### Introduction

In the last study session, discuss the concept of selection, recruitment and selection in an organisation. In this study session, we shall look into Human Resource Development (HRD) as a core HRM function. We shall look at the objectives of HRD, and explore various types and methods.

### Learning Outcomes



*Outcomes*

When you have studied this session, you should be able to:

- 5.1 Explain the meaning of Human Resource Development
- 5.2 Identify the various types of Human Resource Development programmes

### Terminology

<b>Coaching</b>	A form of development in which a person called a coach supports a learner or client in achieving a specific personal or professional goal by providing training, advice and guidance.
<b>Training</b>	Organized activity aimed at imparting information and/or instructions to improve the recipient's performance or to help him or her attain a required level of knowledge or skill.
<b>Mentoring</b>	A formal or informal process for more experienced workers to share their knowledge about a business or industry to achieve the business goals of the organization and personal goals of the individual.

### 5.1 Meaning of Human Resource Development

Human resource development is a core HRM functions in organization and it is a process of expanding the knowledge, productivity, programmes that will enhance workers optimal performance. Human resource development is very fundamental in every organization. It has to do with the education, skills levels, and problem solving abilities that will enable an individual to be a productive worker in the global economy of the twenty first century.



*Tip*

Human Resource Development (HRD) refers to array of organizational activities designed to increase the knowledge, skills, attitudes and competence level of workers. HRD constitutes a very important aspect and function of Human Resource Management because the success of organizations depends on the performance of the human resource.

The performance of the human resource is equally dependent on the level of knowledge, skill, attitude and the general competence of the workers.

Where human resources are well developed through regular training and other programmes, there are numbers of advantages which include among other things, giving equal opportunities to employees, improving employees quality of life, ensuring competition for highly talented personnel, avoidance of obsolescence and acquisition of new skills, retention of personnel, better utilization of employees, few accidents and greater versatility and adaptability of personnel. The focus of Human resource development is on developing the most superior workforce, so that the organization and individual employees can accomplish their work goals in satisfying their customers/clients.

Human Resource Development is a broad concept that comprises training and development, mentoring, succession planning, career planning and so on.

## 5.2 Training And Development

Training can be defined as a planned learning experience designed to bring about permanent change in an individual's knowledge, attitude or skills. It can also be defined as a systematic acquisition of skills, concepts, or attitudes which result in improved performance. Other scholars define it as organisational effort aimed at helping an employee to acquire basic skills for the efficient execution of his functions. Training is therefore a vital and necessary organizational activity that is required in all focus-minded organizations because it determines the effectiveness, efficiency of such organizations toward optimum goal(s) attainment. For every organization to get the best from their employees at all times and levels, they must institute regular training programmes to help the employees upgrade their skills. Through this, the organization will be helping the employees on a continuous basis to improve their abilities so as to fulfill the job responsibilities of today and tomorrow.

On the other hand, development refers to activities undertaken to expose an employee to perform additional duties and assume positions of importance in the organisation hierarchy. According to Adeleke (2000), training and development should emphasize the following:

- i. It should respond to the real needs of organization members;
- ii. It should be a continuous process;
- iii. It should apply to every member of the organization irrespective of their grade;

- iv. It should be seen as an investment which will yield dividend in terms of long-term corporate growth and survival;
- v. It should connote a planned effort on an individual, group or organizational basis so as to improve knowledge; develop skill or to change attitude;
- vi. It should include aspects for broadening one's experience of a formal planned nature;

There must exist or created organizational conditions that are supportive of employee training and development which make possible the full utilization of new skills and knowledge acquired as well as new behaviour and attitude learnt in the interest of organizational efficiency.

### **5.2.1 Methods/Types of Training and Development**

There are quite a variety of methods through which training and development programme could be delivered. A number of factors determine the choice of a particular method or mix of methods. The choice would partly depend on the content of the programme especially whether it is knowledge, skills or attitude development intensive. Other factors that dictate the choice of methods include:

- The available time
- The nature and characteristics of participant
- The available financial and other resources
- The anticipated training and development objectives

Types of training are identified as follows:

**1. Induction Training Programme-** Induction courses are organized with a view to giving new entrants into the organization a broad view of the entire system of the organization, thereby enabling them to understand their position and how the whole organization looks like. It is a way of familiarizing newly employed staff with the structure, operations and activities of the various units that make up the organization. By carrying out proper induction, it becomes much easier and faster for the new employee to be fully integrated into the system.

**2. On-the-Job Training:** This is required for both new entrants and the old staff to enhance their suitability on the job. This type of training is needed for easy adaptability to the new techniques of doing things by old staff or to effectively mainstream as early as possible new entrants to the work and the work environment. This type of training is more often than not given by the Supervisor or an outsider who would need to impart skills and competencies in – plant.

The benefit of this type of training is that employees may not need to be removed from the work environment. Therefore it is economical because associated training costs are removed. On-the-job training is the training within the industry designed to meet isolated needs. The United Nations handbook describes on-the-job training as a process of learning carried out internally within the work environment and it is normally conducted in a more or less informal manner through colleagues of greater experience or higher rank.

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This training type occurs at the work place, at the desk or machine where the employee is assigned to work. The bottom line of this is the impartation, in a specific form, job instructions and skills needed for employee's efficiency. Scholars believe that it is the most appropriate when skills and knowledge are to be learnt in a relatively short period of time. And that on the job training offers an opportunity for management development programmes to be effective.

Methods of on-the-job training include the following:

- i. **Job rotation:** Job rotation simply means to place an inexperienced worker directly on the job without any training and relocating the trainee when he or she has learnt the job. This involves the movement of trained employees among variety of jobs. The success of this training depends largely on the level of skills of the trainer who is expected to instruct, guide and give feedback to the trainees on their progress so far. This method is a form of self training which is more often than not based on trial by error. The demerits noticeable about this method include the fact that it increases the possibility of learning undesired or unrelated job behaviours or reinforce same, and also trainees are prone to making costly mistakes that can affect them as well as the organization.
- ii. **Vestibule training:** This is an intermediate approach between on and off the job approaches. In this method, a separate work area is provided for the trainees to perform the job. An instructor is assigned to oversee the training without any pressure. It reduces the prospect of making costly mistakes.
- iii. **Committee or Task force:** This approach places the trainees in real problem solving situations. They are selected and grouped together to find solutions to particular organizational problems, and their findings and recommendation are implemented for organizational goals. This method is commonly used for managerial training. It gives management the ability to identify certain skills, traits and competencies among employees.
- iv. **Observation learning:** Observation learning involves activities such as letting the trainers observe an experienced manager in action. This is with the assumption that the person being understudied exhibits effective behaviour.
- v. **On the job coaching and assignment:** In this method, the Supervisor and the Trainees are placed in a tutor-student relationship. The Supervisor who is the tutor gives explanations to the trainees in respect of the targeted objective.

The success and effectiveness of on-the-job training depend a lot on the skill that most supervisors may not necessarily possess without the right training and experience on their part too. The implication of this is that the supervisor who is to serve as a model or trainer to the trainees must themselves be good on their job and regard their assignment as necessary for the organizational achievement and not an avenue to display their skill without any corporate objective in mind.

**3. Off-the-Job Training:** This term simply means that the training is not part of everyday activities of the organization. The location of the training may be within the premises or outside the premises. The major idea is that the trainee is taken off his normal work environment and put in a classroom situation for impartation of knowledge, skill and attitudes. A major advantage of this method is that the trainer is not distracted by the work environment and schedule. However this method is often done at a great financial cost to the organization and at times transfer of leaning may be difficult after the training.

Off the job training methods include:

Lectures, Conferences, Seminars, Workshops, Talks, Retreats, Programmed instructions, Case studies, Role plays, Business games, Simulation and so on.



*Note*

Professional conferences, workshops and seminars are a major source of knowledge and exposure to current professional innovations, trends and developments. Organizations that sponsor their staff for such programmes are able to tap into a deep mine of knowledge that would otherwise be beyond their reach.

A list of major organizations and corporate bodies that organize off the job training are treated later in this study session.

**4: Self Learning/Development:** self learning is one in which the individual staff can meet the challenge of taking responsibilities for own development. Self learning simply refers to the process whereby the individual employee takes personal action, without the direct intervention of his employer, to acquire additional knowledge and skill. This takes place in form of reading books, periodicals and other publications, computer based training, web surfing, direct class room studies and so on. Programmes such as distance learning, part time studies/weekend studies constitute good avenues for employees to acquire additional knowledge and qualifications. This in most cases does not affect the employee's official work schedule. Practically behind such decision are two principal motives: to make himself more relevant and better equipped to do his job with the ultimate aim of earning promotion to a higher level; and secondly to make himself marketable for better jobs elsewhere.

## ITQ

### Question

Which of the following is not an off-the- job training?

- A. Induction training
- B. Conferences
- C. Seminars
- D. Workshops

### Feedback

An induction training programme is a type of training which is conducted to familiarize newly employed staff with the structure, operations and activities of the various units that make up the

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organization. It is not under off-the job training. Option A is the answer.

For organizing and conducting training programmes, a number of resources have to be utilized. These include facilities, supplies, equipment and aids. The human resources facilitators organize these resources to impact the needed knowledge and skills. Consequently the facilitators constitute the manpower development agents. A number of resource institutions exist in Nigeria for the purpose of providing training services and they can be classified under the following categories:

- a. Training Centers and Departments of Corporate Organizations
- b. Formal Institutions such as Universities, Polytechnics, Colleges of technology and education and so on.
- c. Private Training Organizations; Examples include Waltson and Associates; Mat Management Services Limited; Arthur Anderson; OAK Firm Management and Human Resources Consultants; Pelmann Associates Limited; Tripple and Associate; Gbiyele Consultants; Philip Morris; OPASS limited; Lagos Business School and others.
- d. Government Agencies: Examples are the Nigerian Council for Management Development, the Centre for Management Development, Industrial Training Fund, the Administrative Staff College of Nigeria, and The Central Bank of Nigeria Training School and so on.
- e. Professional Training Organizations such as Nigerian Institute of Management (Chartered), Chartered Institute of Personnel Management, the Chartered Institute of Bankers, ICAN, ANAN, FITC, NATE, COREN etc

The major importance of these bodies can be seen in the fact that they are designed to meet the professional needs of the various subject areas and fields they represent. Thus they provide required and specific training and skills upon the formal education provided by the universities, polytechnics and colleges of education.



*Note*

One major feature of the Training schools of organizations, professional training organizations and private training organizations is that they often design training programmes that address individual organization's problems. In other words, they provide tailor made training programmes to meet specific requirements of organizations. This contributes greatly to the richness of the contents of training for individuals and the organization.

## 5.2.2 Importance of Training and Development

Training and Development serve a number of functions in organizations. Some of these functions include:

- i. Increase in productivity;
- ii. Improvement in the quality of work and raise morale;
- iii. Developing new skills, knowledge, understanding and attitudes;

- iv. Using correctly new tools, machines, processes, methods or modification thereof;
- v. Reducing waste, accidents, turnover, lateness, absenteeism and other overhead costs;
- vi. Fighting obsolescence in skills, technologies, methods, products, markets, capital management and so on;
- vii. Developing replacements, prepare people for advancement, improve manpower deployment and ensure continuity of leadership;
- viii. Ensuring the survival and growth of the enterprise.

### 5.2.3 Training and Development Process

The need for training and employees development in an organization should be based on identified needs. Ubeku (1985) advised that training should not be undertaken just for the sake of it; but must be geared towards the objectives of the particular organization. Training should therefore be embarked upon only when there is established need for it in the organization. The rationalization should be based on analysis of the organization, the employees at work, the job content and performance and the adequacy of equipment being used. The training needs of any organization in essence falls into two categories, both of which are independent:

- ❖ Company training needs
- ❖ Individual training needs.

The Company needs arise from the individual needs and is focused to know what the present skills are, what training is required to meet the development of the necessary skills for the attainment of the company's objectives. Whatever the objectives are, the development and implementation of any training programme usually follow a process.

- a. **Identification of training needs:** While determining this, Koontz (1981) observed that no programme or method fits all needs. Therefore programmes and techniques should be selected on the basis of how effectively they satisfy personal needs and accomplish the developmental objectives.
- b. **Designing Training Programme:** The training programme must set the objectives, specify sequence, choose learning methods, choose location, choose instructor and set programme schedules.
- c. **Implementation:** this activity entails explaining the procedure to trainees; handout materials, visual aids, guides and other behavioural and attitude expectations from participants. Instructors are duly contacted, refreshments and basic conveniences are put in place and monitoring if necessary.
- d. **Evaluation of training:** the effects of training needs to be measured so as to make improvements where necessary. Brewster (1980) quoting the report of the Central Training Council warned that though the effectiveness of management training may be difficult to assess and often impossible to measure, but tangible yardsticks need to be put in place depending on the training needs identified before the training.

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## ITQ

### Question

Rearrange the following training process in the right order.

- A. Implementation , evaluation of training ,identification of training needs and designing training Programme
- B. Identification of training needs ,designing training programme, implementation and evaluation of training
- C. Implementation , identification of training needs and designing training Programm, evaluation of training,
- D. Identification of training needs, implementation,designing training programme and evaluation of training
- E.

### Feedback

The Correct answer is B. Identification of training needs and designing training programme, implementation and evaluation of training

## Other Methods Of Human Resource Development

Apart from training and development, other methods of HRD include the following:

### *Succession Planning*

Succession planning is a process for identifying and developing internal people with the potential to fill key leadership positions in the company. Succession planning is a process whereby an organization ensures that employees are recruited and developed to fill each key role within the company. Through your succession planning process, you recruit superior employees, develop their knowledge, skills, and abilities, and prepare them for advancement or promotion into ever more challenging roles. Therefore, succession planning establishes a process that recruits employees, develops their skills and abilities, and prepares them for advancement, all while retaining them to ensure a return on the organization's training investment.

*Succession planning is a process whereby an organization ensures that employees are recruited and developed to fill each key role within the company.*

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Succession planning ensures you can fill key roles from within your organization. Succession planning sits inside a very much wider set of

resourcing and development processes called 'succession management', encompassing management resourcing strategy, aggregate analysis of demand/supply (human resource planning and auditing), skills analysis, the job filling process, and management development (including graduate and high-flyer programmes). Taken narrowly, "replacement planning" for key roles is the heart of succession planning. Effective succession or talent-pool management concerns itself with building a series of feeder groups up and down the entire leadership pipeline or progression. In contrast, replacement planning is focused narrowly on identifying specific back-up candidates for given senior management positions.

### ***Career Planning***

This is the deliberate process through which someone becomes aware of his personal skills, interest, knowledge, motivation and other characteristics; acquires information about opportunities and choices; identifies career related goals; and establishes action plans to attain specific goals.

Careers today are not what they used to be in the past. People traditionally viewed careers as a sort of upward staircase from job to job, more often than not with just one or, at most a few firms. Today, mergers, acquisitions, consolidations and downsizing have changed the ground rules at least for most people. Many people still move up from job to job. But more often they find themselves having to re-invent themselves- thus a sales rep, laid off by a publishing company that has just merged, may re-invent his career as an account executive at a media-oriented accounting firm. These changes have implications for HR functions. Traditionally, the psychological contract between the employer and the employee was often "You be loyal to us and we will take care of you" Today, employees know they must take care of themselves. The contract appears to have changed to "I will do my best for you, but I expect you to provide me with the development and learning that will prepare me for the day I must move on, and for having the work balance that I desire". The new psychological contract is still beneficial to both parties: Employees offer high productivity and total commitment while with the employer and the employer offers enhanced employability rather than long term employment. The offer of employability centres on enabling employees to develop skills that are in demand and allows them opportunities to practice these and keep up to date.

### ***Coaching***

This is a process of attaching employees to a supervisor or superior who coaches/teaches them on specific issues. The process enables learning and development to occur and thus performance to improve. In improving employee's performance through coaching, coaches have two-fold roles namely: helping employees grow professionally and at the same time advancing the employee's own career; secondly, correcting the employee's performance problems.

*To be a successful coach requires a knowledge and understanding of the process as well as the variety of skills and techniques that are appropriate to the*

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*context in which the coaching takes place. It is helping another person to improve awareness, to set and achieve goals in order to improve a particular behavioural performance.*

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A major advantage of coaching is that it provides immediate feedback on the extent of learning. Coaching does not seek to resolve the deeper underlying psychological issues that are the cause of serious problems like poor motivation, low self esteem and poor job performance. Characteristics of coaching include:

It consists of one-to-one developmental discussions; it provides people with feedback on both their strengths and weaknesses; it is aimed at specific issues; it is relatively short-term activity, except in executive coaching, which tends to have a longer timeframe. It is essentially a non-directive form of development; it focuses on improving performance and developing individual's skills; it is used to address a wide range of issues; it has both organizational and individual goals; it assumes that the individual is psychologically healthy and does not require a clinical intervention; it is time-bound; it is a skilled activity; personal issues may be discussed but the emphasis is on performance at work; meetings are scheduled on a regular basis

## **MENTORING**

Mentoring is an organizational tool adopted in addition to formal learning events to achieve competence development of the human resources.

*Mentoring is a process where an individual (mentor) offers assistance, guidance, advice and support to facilitate the career development of another individual (mentee or protégé).*

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Eburajolo (2008) defines it as a relationship between a junior, often younger person (referred to as the mentee or protégé) and a senior person (the mentor) by virtue of which the mentor serves as a guide, counselor, confidant, adviser and role model to the protégé. It is a process of serving as a guide, counselor and teacher for another person, usually in an academic or occupational capacity. From the plethora of these definitions, it could be seen that mentoring is the provision of knowledge, experience and inspiration for another person, usually younger, less knowledgeable and less experienced. It could also be conceived of, in terms of the expected results: mentees observe, question, and explore while mentors demonstrate, explain and model. The focus of mentoring is on building relationships which serve as the basis for fostering a learning culture in the organization.

The term mentor is used both as a noun and as a verb: As a noun, it refers to an individual, usually, older and more experienced in the work place who offers guidance and advice to another person, usually younger and less experienced. As a verb, it refers to the process where an individual offers guidance and advice to another person with the aim of developing

the career and competence of the younger person. The younger and less experienced person is referred to as mentee or protégé and both concepts are used interchangeably in this paper.

Mentoring serves both career and psychosocial functions in organization. The career functions include sponsorship, exposure, coaching, and challenging assignments while the psychosocial functions include role modeling, acceptance and confirmation, protection counseling and friendship.

## ITQ

### Question

Study the table below carefully. Fill the empty columns appropriately from the options below: A) Coaching B) Mentoring C) Succession planning

I	_____	A process of attaching employees to a supervisor or superior who coaches/teaches them on specific issues.
II	_____	A process for identifying and developing new leaders within an organisation who can replace old leaders when they leave, retire or die.
III	_____	A process where an individual offers assistance, guidance, advice and support to facilitate the career development of another individual.

### Feedback

- I. B – Mentoring
- II . A – Succession planning
- III. C – Coaching

## Study Session Summary



In this Study Session, we discussed the meaning of HRD. We further considered training and Development as a vital method of HRD. We also treated other methods of HRD, which are coaching, mentoring, session

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*Summary*

planning and career planning.

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## Assessment



*Assessment*

### **SAQ 5.1 (tests Learning Outcome 5.1)**

What are the benefits of training and development

Discuss at least four method methods of Human Resources Development.

# Study Session 6

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## Industrial Relations

### Introduction

In this study session, we shall deal with two important functions of HRM in an organization; Industrial Relations and Remuneration Management. Under Industrial Relations, we shall consider many definitions, and examine the role of Human resource managers in ensuring good industrial relations climate in organizations. Similarly, we shall discuss the meaning of Remuneration Management as a function of HRM. Also, we shall examine the purpose, types of reward system and look at issues that constitute reward management.

### Learning Outcomes



*Outcomes*

When you have studied this session, you should be able to:

- 6.1 explain the meaning of industrial relations.
- 6.2 Explain how the manager can maintain good industrial relations climate in organizations.

### Terminology

<b>Industrial Relations</b>	The relations between management and workers in industry.
<b>Reward</b>	A thing given in recognition of service, effort, or achievement.
<b>Compensation</b>	A systematic approach to providing monetary value to employees in exchange for work performed.
<b>Remuneration</b>	The compensation that one receives in exchange for the work or services performed.

### 6.1 Industrial Relations

Industrial Relations, broadly, refers all dealings, transactions, and activities affecting the determination and enforcement of the terms and conditions of employment. It is concerned with the relations between the parties in industrial, particularly with regard to the determination of working conditions (Okafor and Bode-Okunade (2005). At the larger

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societal level, the parties to industrial relations are: the government; the employer/management; and the workers/trade unions. In practice, at the plant level, the relationship is pronounced between the employer/management on one-side and workers/trade unions on the other side. The relationship between employers and employees developed differently in various parts of the world.

In the early 19th century, before the growth of the factory system, wages and hours of work were usually arranged in direct dealings between employers and individual employees. The prevailing legal and social opinions and the economic situation did not favor the development of workers' organizations. Because the disparity in bargaining power between employers and employees caused many abuses, however, the workers in various industries organized trade unions, which demanded better terms of employment and enforced their demands by means of the strike. In addition, three types of regulation—protective legislation, labour relations legislation, and collective agreements between unions and employers were developed to remedy abuses and preserve industrial peace. Dealings between most modern-day representatives of management and unions have been characterized by mutual respect, the product of years of negotiation and joint administration of agreements.



*Note*

Although labour and management continue to differ on various economic problems, they generally realize that neither group can reach its goals without the assistance of the other. Where the relationship is cordial, it gives room for industrial peace and harmony and consequently, peaceful operations and profitability for the organization. On the other hand, if the relationship is not cordial and well handled, it could lead to disorder, workers' unrest, strikes, losses and other threats to both parties.

A major tool for maintaining peaceful industrial relations is collective bargaining. Collective bargaining is the process by which negotiations about working conditions and terms of employment between an employer or group of employers on one hand, and one or more workers Unions' representatives on the other hand with a view to reaching mutual agreements. This process ensures industrial democracy by imposing certain restrictions on industrial relations parties to prevent unilateral decisions. The products of collective bargaining are referred to as collective agreements. Collective bargaining serves a number of purposes which include regulating relationships between and among social partners in the process, tool for protecting workers' interests, balances power relations in the workplace, enhancing involvement in decision making, tool for resolving conflicts and so on.



*Note*

In organizations, the responsibility of dealing with trade unions, i.e. industrial relations, lies on the human resource department. It is its responsibility to ensure there is peace and harmony between workers represented by their unions and management.

The HR department carries out the maintenance of good industrial relations climate function through the following ways:

1. Effective consultation and communication with workers' representatives especially on issues that may affect workers directly or indirectly.
2. Responsible for ensuring there is collective bargaining on terms and conditions of employment and that the collective agreements so reached are well documented and implemented.
3. The HRD is also responsible for handling grievances, in other words, minor conflicts between individual workers and management, as well as collective grievances affecting a group of workers or all workers.
4. The department is in charge of conflict resolution using the instruments of collective bargaining as well as relevant legislations contained in the Trade Disputes Acts of 1976. Conflicts are inevitable between workers/workers unions and management, and such conflicts need to be managed to avoid a situation of permanent breakdown in relationship and closure of the organization. The department is also responsible for liaison with the ministry of labour, employment and productivity, all with a view to ensuring good labour standards and maintaining good industrial relations climate.
5. The department is in charge of monitoring and implementing labour legislations from time to time for necessary compliance.

## ITQ

### Question

Identify the major actor of industrial relations from the following.

- A. Employers
- B. Unions
- C. Government
- D. All of the above

### Feedback

If you can recollect while we are discussing parties to industrial relations at the larger societal level and plant level are we identified the government, the employer/management; and the workers/trade unions are actors in industrial relations. The correct answer is Option C, Employers, Union and Government are Major actors of industrial relations.

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## 6.2 Remuneration/Reward/Compensation Management

The concept remuneration is also referred to as reward, compensation of workers. Traditionally, it was simply referred to as Salary and Wages Administration function, but the scope has widened in the contemporary business world and the term reward management or remuneration system have been adopted as a more preferable title. It is a central function of HRM in organizations. Remuneration can be defined as general term that refers to all forms of payment or rewards going to employees at all organisational levels and arising from employment in an organization. It is however to be noted that this reward may be one or a combination of employees salary or wages, fringe benefit and non-monetary rewards. With this, employee needs to be provided with adequate and equitable rewards for his contribution to organizational goals.



*Note*

There are a number of ways a company might compensate an employee to work beyond a standard wage or salary. These methods of payment include offering benefit packages, health insurance, stock options, and time off work, among many others.

Armstrong (2002) defines Remuneration Management as being concerned with the formulation and implementation of strategies and policies that aim to reward people fairly, equitably and consistently in accordance with their value to the organization. It deals with the design, implementation and maintenance of reward practices that are geared towards improvement of organizational, team and individual performances.



*Tip*

*Basic remuneration is the employee's salary or wage, which may be computed in several different ways. The employee may receive an hourly wage, and get paid specifically for hours worked. Other employees get a salary or set amount of pay per month, twice monthly, bi-weekly or per year, no matter how many hours they work. Many sales' employees work on a commission basis and may only make money if they sell products and/or services. Others have a basic salary they draw, in addition to added commission based on their sales.*

Remuneration is also employee benefit, according to (Clookman,1975) who defined employees benefit as those benefits which are provided by employer to or for the benefits of an employee and which are in the form of wages, salaries and time related payment. According to him it covers plans that provide security for employees and their dependent determined wages and various employees' services. Employees benefit includes health insurance, severance payment unemployment benefit, retirement benefits and payments for time not covered (such as annual leave, casual leave, sick leave, maternity leave and sabbatical leave).

Benefits of Remuneration:

- i. Allows organizations to achieve the goals of the enterprise.
- ii. Aligns core enterprise values.
- iii. Attracts, retains and rewards workers whilst contributing to organizational goals and values.
- iv. Commits to fairness in dealings with workers.
- v. Uses the logic and transparency of differential job worth to determine 'internal equity'.
- vi. Creates an affordable and sustainable enterprise over time.
- vii. Complies with the legal requirement of proportional income differentials across all occupational levels within the enterprise.

### **6.1.1 Components of Remuneration Management**

Organisations all have different remuneration policies with different content. It is what gives them their competitive advantage. A review of literature yielded the following remuneration policy headings of fixed pay and variable pay.

#### **Fixed Pay**

- Base Pay: the guaranteed basic received each month by employees
- Competence based pay: a pay system where the organisation has an express policy that recognizes competence and pays for it.
- Fixed period employment contracts: Employment contract that are for a fixed period of time, say five years, with performance goals attached.
- Fringe benefit: Benefit received in addition to base pay (for example company car, or Car allowance)
- International remuneration: To any remuneration that is received overseas for example directors fee, bonuses, retirement.
- Merit Pay: Merit pay or performance-related pay (PRP) refers to paying for individual contributions usually measured by a way of a performance management system. This pay is normally added to the guaranteed package by way of a salary increase and therefore considered fixed pay.
- Retirement Funds: Provident funds, pension fund, deferred compensation.
- Total Package: The concept of all remuneration grossed up and monetized and then employers have choice of structuring their own package within company regulations.

#### **Variable Pay**

- Long term incentives: incentives schemes where the measurement period or payment is higher than one year, usually several years, which 'bank' bonus over, say, three years, phantom share schemes, deferred compensations.
- Shares schemes: Any type of share scheme, the most common being share options performance shares, share purchase schemes.

- 
- Short term incentives: Incentives scheme where the measurement period is around one year and payments are in cash (e.g. Profit share, gain share, commission share, bonus share)

### ITQ

#### Question

Compensation can be \_\_\_\_\_ benefits

- A. Monetary
- B. Non-monetary
- C. both 'a' and 'b'
- D. None of the above

#### Feedback

Option C is the correct answer. Compensation comprises of both monetary and non-monetary benefits like car, access to free medical facilities and so on.

### ITQ

#### Question

Which of the following is not an example of a fixed pay?

- A. Share scheme
- B. Base pay
- C. Merit pay
- D. Total pay

#### Feedback

When you look carefully at examples of Fixed and variable pay identified early, you will discover that Share scheme was listed under variable pay, therefore option A is the correct answer.

## 6.2.2 Factors influencing Remuneration System

There are a number of factors as argued by scholars that influence the remuneration system payable to employees. These factors are categorized into either external or internal factors.

Among the **External Factors** are the following

- **Competitors:** For many organisations global competition and globalisation play a big part in setting remuneration policy. Cognizance needs to be taken of traditional remuneration levels as executives and professionals become increasingly mobile. Those organisations facing stiff competition in the local market from international competitors need to match the cost and quality of the local service or product. This has bearing on remuneration of staff which can account for half of the fixed costs of running a business.
- **Advanced technological developments:** Often there is a requirement for a new set of skills when there is a step change in technological development. Sometimes new skills have to be hired in at a premium, which has an impact on current salary curve. This affects market positioning and the remuneration mix. Where organisations train and develop from within the organisation, this could lead to payment for the additional competence in the form of competency-based pay, or sharing in the results of the improved business performance.
- **Labour market:** The labour market goes a long way in determining or fixing remuneration for employees in the workplace. However, demand for and supply of labour influence wage and salary fixation, a low wage may be fixed when the supply of labour exceeds the demand for it, a higher wage will have to be paid when demand exceeds supply, as in the case of skilled labour as well as high remuneration to skilled labour is necessary to attract and retain them. But exploitation of unskilled labour, like, for instance, paying niggardly wages because it is available in plenty, is unjustified. The Going rate system involves fixing wage/salary rates in tune with what is paid by different units of an industry in a locality. Going rates are generally paid in the initial stages of plant operators. Productivity of labour also influences wage fixation. Productivity can arise due to increased effort of the worker, or as results of the factors beyond the control of the management, and the like.
- **Legislation:** In many countries, legislation dictates that the top executives pay must be reported in the annual financial statement. This requirement goes some way in ensuring that the public salaries are defensible. It is anticipated that such legislation will be promulgated in Nigeria. Even though not required by law, some organisations are publishing their top executives' pay levels anyway. This is a powerful driver of remuneration policy.
- **Cost of Living:** The cost of living in the society is also a determinant in which organisation fix his or her wage, this can view in light of a rise in the cost of living is sought to be compensated by payment of dearness allowance, basic pay to remain undisturbed. Many companies include an escalator clause in their wage agreement in terms of which certain allowances increase or decrease depending upon the movement of consumer price index (CPI)

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- **Labour unions:** The presence or absence of labour organizations often determines the quantum of wages paid to employees. Employers of non-unionized factories enjoy the freedom to fix wages and salaries as they please.
  - **Society:** Remuneration paid to employees is reflected in the price fixed by an organization for its goods and services. Remuneration paid to employees has social implications too.
  - **The economy:** The last external factor that has its impact on wage and salary fixation is the state of the economy. In most cases, the standard of living will rise in an expanding economy. Since the cost of living is commonly used as a pay standard, the economy's health exerts a major impact upon pay decisions. Labour unions, the government, and the society are all less likely to press for pay increases in a depressed economy.

The **Internal Factors** include the following:

- **Business strategy:** The overall strategy which a company pursues should determine the remuneration to its employees. Where the strategy of the enterprise is to achieve rapid growth, remuneration should be higher than the competitors pay. Where the strategy is to maintain and protect current earnings, because of the declining fortune of the company, remuneration level needs to be average or even below average.
- **Job evaluation and performance appraisal:** Job evaluation helps establish satisfactory wage differentials among jobs. Performance evaluation is the systematic evaluation of the individual with respect to his performance on the job and his potential for development. Performance appraisal helps award pay increase to employees who show improved performance.
- **Affordability:** Rising cost, inflation, currency fluctuations and competition have a bearing on the cost of doing business. Organisations are always on the lookout to be as cost effective as possible and hedge their cost where possible. This sometimes leads to retrenchment, where those left behind usually fill the space and tend to work harder or smarter.
- **Board of Director:** In most organisations, the board of directors would commission the compensation review process. So too would they put the recommendations forward to the committee and shareholders. They probably have the single biggest influence on the remuneration policy proposals.
- **Change in Culture:** A major issue in designing a compensation plan is the trade-off between absorption of risk by the organisation and provision of variable pay. Bento and Ferreira make the point that organisational culture and compensation design are inextricably linked. Culture 'allows' certain policies and rejects other policies that do not fit in.
- **The employee:** Several employee-related factors interact to determine his or her remuneration. These include:

- Performance --- Performance is always rewarded with pay increase. Rewarding performance motivates the employee to do better.
- Seniority --- Managements prefer performance to effect pay increases but union new seniority as the most objective criterion for pay increase
- Experience --- makes an employee gain valuable insights and should therefore be rewarded.
- Potential ---is useless if it is never realized. Yet organizations do pay some individuals based on their potential. Young managers are paid more because of their potential to perform even if they are short of experience.
- Sheer luck---some people have luck to be at the right place at the right time.

Further to the remuneration packages, the HRD is also responsible for ensuring employee welfare and benefits. Some of these welfare benefits are required by the law. For example, the factory Act that specifies the need for the provision of toilets, drinking facilities and a host of other safety gadgets and provisions. There are other welfare services such as canteen, medical facilities. There are also non-monetary facilities such as product gifts, bonuses and many others that make up the components of the remuneration management.

The HRD carries out these remuneration functions through the following ways:

- i. Job evaluation;
- ii. Wage Surveys;
- iii. Design and review of salary structures/Scales;
- iv. Periodic salary reviews.

## ITQ

### Question

Which of the following factors is not an external influencing factor in wages and salary administration?

- A. Cost of living
- B. Labour legislations
- C. Labour market conditions
- D. Ability to pay

### Feedback

Yes! Option D is the correct answer, Ability to pay is not and external factor that affect wages and salary system.

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## Study Session Summary



### Summary

So far in this Study Session, we have discussed the concept of human relation. We examined different ways through which the HRD ensures good industrial relations climate in organisations. We also explore the concept of remuneration. We discussed the meaning and various modes of remuneration. Factors that influence the remuneration package and functions of Human Relations Department were also treated.

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## Assessment



### Assessment

#### SAQ 6.1 (tests Learning Outcome 6.1)

What is industrial relation?

#### SAQ 6.2 (tests Learning Outcome 6.2)

Identify factors influencing remuneration system.

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## Study Session 7

# Performance Appraisal

## Introduction

In every organisations, there are ways in which management assess or evaluate how their targets, objectives or goal. In this study session we, we shall focus on Staff Evaluation also known as Performance Appraisal. In doing this, we shall look at the purposes, methods, principles, pitfalls of Performance Appraisal. We shall also discuss appraisal interview as a necessary ingredient of the appraisal system.

## Learning Outcomes



### Outcomes

When you have studied this session, you should be able to:

- 7.1 Explain the meaning of Performance Appraisal
- 7.2 Identify the various methods and principles guiding performance appraisal
- 7.3 Explain how relevant is performance appraisal to organizations?

## Terminology

Appraisal	The act of examining someone or something in order to judge their qualities, success, or needs.
Performance	How well a person does a piece of work or an activity.

### 7.1 Meaning of Performance Appraisal

Performance appraisal is an important functional activity of HRM and it is receiving more serious attentions in the contemporary world in both private and public sectors. Workers are employed by organizations for the purpose of performing certain tasks which are instrumental to the achievement of organizational goals. Periodically, the organization is interested in reviewing the worker's performance in order to know how far he has been able to meet the targets set and the level of compliance with laid down criteria. Such review is referred to as Performance Appraisal. To appraise is to judge the worth, quality or condition of something or to find out its value. When applied to performance, it is to assess worker's output over a period of time with a view to improving such level of performance. The concept is sometimes referred to as staff appraisal, employee evaluation, performance rating or performance evaluation. Whatever name it is called, the main idea is that it helps to find out where the employee is, compared to where he is expected to be.

Armstrong (1999) defined performance appraisal as a process of reviewing an individual's performance and progress in a job and assessing his potential for future promotion. Cascio (1996) also defined it as the systematic description of an employee's job relevant strengths and weaknesses. He went further to describe it as a complex and often misunderstood process and in highlighting this complexity, he sees it as an exercise in observation and judgment, a feedback process, and organizational intervention, a measurement process as well as an intensely emotional process.

It is a process of evaluating performance to encourage workers' motivation, and to provide information to be used in managerial decisions. Mullins (1999) supported the views that it is important that members of the organization know exactly what is expected of them and the yardsticks by which their performance and results will be measured. A formalized and systematic appraisal will enable a regular assessment of the individual performance, highlight potential and identify training and development needs. Performance appraisal is therefore a crucial activity of the personnel function and the management of human resources.

Aluko (2000) defined it as the process of evaluating employee performance in relation to expectations and providing feedbacks. Performance appraisal compares an individual's job performance against standard or objectives developed for the individual position.



*Tip*

A performance appraisal (PA), also referred to as a performance review, performance evaluation, (career) development discussion, or employee appraisal is a method by which the job performance of an employee is documented and evaluated.

From the analysis of the definitions given by various scholars, it could be seen that performance appraisal involves crosschecking an employee's level of achievement in relation to what is expected of him. In other words, performance is measured against the given yardsticks. The definitions are more succinctly summarized by Aluko who categorized the essence of appraisal into two – judgmental and developmental orientation. While judgmental orientation focuses on past performance and provides a basis for making judgments, developmental orientation is concerned with improving future performance. These two broad categories are not mutually exclusive.

The above summary is also supported by Drucker's postulation that "to appraise a subordinate and his performance is part of the manager's job. Indeed and unless he does the appraising himself, he cannot adequately discharge his responsibility for assisting and teaching his subordinates. His view as a whole is that managers are responsible for achieving results. These results are obtained from the management of human, material and financial resources, all of which should be monitored. Monitoring means setting standards, measuring performance and taking appropriate actions.



*Note*

For our purpose and after a synthesis of the posturing of various authors, we will define performance appraisal as the process of taking stock of an employee's performance in the course of doing his job against mutually agreed standards of performance over a period of time and set against the background of the objectives of both the job holder's career aspiration within the context of the organization's goals and objectives.

Certain pre-requisites are fundamental to the success of performance appraisal. These include:

1. The employee must understand the tasks that comprise his job. In other words, responsibilities must be clearly defined.
2. Standard of performance must be clearly laid down and communicated to the employees.
3. Appraisal must be a continuous exercise. Managers must guide against the situation where at the end of the year, an employee is told that his work during the year is not satisfactory. The general reaction from such an employee could be "but I did not get any verbal or written warning during the year" and such reaction is quite understandable.

Nwachukwu (1988) supported the above that the formal annual appraisal should not be a substitute for the periodic informal appraisal and that the periodic exercise gives the opportunity to correct deficiencies before the formal annual exercise. The periodic exercise makes the annual exercise

easy and predictable as the employee has been receiving feedback throughout the year. He went further to conclude that the essence of the exercise is to evaluate the employee's strengths and weaknesses and to take appropriate corrective or motivating actions.

He added that it is not an end in itself but a means to end. The end is to help the employee know his weaknesses and strengths and to help the employer to make some basic decisions on how to distribute organizational favours.

### **7.1.1 Purposes of Performance Appraisal**

- a. To help a manager decide what increases of pay shall be given to employees on merit ground
- b. To determine the future use of an employee. For example, it aids decision on transfers, promotions, layoffs and so on.
- c. To identify training needs, that is, it shows areas of performance that need improvement through training.
- d. To motivate the employee to do better on his job by giving him knowledge of results, recognition of merits and the opportunity to discuss his work with his manager.

It could be seen from the above that appraisal is concerned with utilization (future use) and with motivation (pay and feedback)

Performance appraisal serves the following purposes:

- a. Appraisal of performance: assessing the extent to which objectives have been attained and what improvements could be made.
- b. Appraisal of potential: future development, strengths and weaknesses, further training needed the advisability of transfer and readiness for promotion.
- c. A salary review, usually in formal terms.

Ubeku (1975) highlighted the purposes of performance appraisal as follows:

- a. To provide an opportunity for the manager or supervisor and the subordinates to review the latter's work in light of the objectives set. This two-way communication would eventually improve relations between the boss and the subordinates.
- b. It would encourage the manager think analytically about his subordinates and their level of competence and ability. This would therefore assist him in planning his work.

Cole (1996) summarized the several reasons why appraisals are carried out in an organization as follows:

- To identify an individual's current level of job performance.
- To identify employee's strengths and weaknesses.
- To enable employees improve their performance.
- To provide a basis for rewarding employees in relation to their

Contributions to organizational goals:

- To motivate individuals.

- 
- To identify potential performance.
  - To provide information for succession planning.

According to Mullins (1999), the underlying objective of performance appraisal is to improve the performance of individual leading to improvement in the performance of the organization as a whole. The scheme offers a number of potential benefits to both the individual and the organization:

- It can identify an individual's strengths and weaknesses and indicate how such strengths may best be utilized and weaknesses overcome.
- It can help to reveal problems which may be restricting progress and causing inefficient work practices.
- It can develop a greater degree of consistency through regular feedback on performance and discussion about potential. This encourages better performance from staff.
- It can provide information for human resources planning, to assist succession planning, to determine suitability for promotion and for particular types of employment and training.
- It can improve communications by giving staff the opportunity to talk about their ideas and expectations, and how well they are progressing.
- The scheme can also improve the quality of working life by increasing mutual understanding between managers and their staff.

Performance Appraisal is useful and beneficial to:-

- a. **The employee:** this is by assisting him to evaluate his performance and in the process, identify opportunities, learn to reinforce and build on his strengths as well as address and eliminate his weaknesses for career growth and self development for future challenges.
- b. **The company:** for a better and more efficient way of running the business through an optimal utilization of its human resources which could guarantee the continued growth, survival and relevance of the organization to the dynamics of stake holders' expectations.



*Note*

Performance appraisal also serves the purpose of being a key input in administering a formal organizational sanction and reward system as it is used in making decisions on such personnel issues such as promotion, separation of performers, merit increases, transfers, deployments, discipline and so on.

Aluko (2000) equally highlighted the purposes of performance appraisal as follows:

- a. Providing a basis for reward allocation including raises, promotions, transfers, layoffs and so on.
- b. Identify the effectiveness of employees.
- c. Validating the effectiveness of employee selection procedures.

- d. Evaluating or appraising previous training programmes.
- e. Facilitating future performance improvement.
- f. Developing ways of overcoming obstacles and performance barriers.
- g. Identifying training and development opportunities.
- h. Establishing superior-employee agreement on performance expectations.

## ITQ

### Question (True or False)

The two minor purposes of performance appraisal are to provide information for personnel decisions and to serve as a measure of training effectiveness.

### Feedback

True. Performance appraisal facilitates personnel decisions and serve as a way of evaluating personnel development training effectiveness.

## ITQ

### Question

Which of the following is an alternate term used for performance appraisal?

- A. Staff appraisal,
- B. Employee evaluation,
- C. Performance rating or
- D. Performance evaluation.
- E. All of the above

### Feedback

All the above terms are referring to performance Appraisal whose main idea is to help find out where the employee is, compared to where he is expected to be.

## 7.2 Principles and Methods of Performance Appraisal

### 7.2.1 Principles of Performance Appraisal

Performance appraisal is aimed at assessing performance on the job with the ultimate aim of leading to better organizational efficiency. In conducting the exercise, a lot of factors influence the success or failure of

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the exercise and these have come to be regarded as principles of performance appraisal.

Ubeku (1975) highlighted some of the principles as follows:-

- a. The exercise should be focused on the performance of the employee on the job and not the employee himself. Emphasis should be on results. We should therefore not see it as an inquisition but rather as a means of developing the employee on the job and consequently it must be approached with the intention to strengthen the strong points and correct the weak points.
- b. A manager must avoid personal prejudice. To some managers, their subordinates would never do well. So rather than appraise them on the extent to which they have achieved the objectives set, the subordinates' appraisal are based on what the manager thinks the subordinates have achieved. Where an employee detects bias, distrust creeps in and effective work cannot go on. To avoid the risk of bias, he suggested that appraisals could be done by immediate senior and one other person whose work brings him in contact with the employee being appraised.

Appraisal should be discussed with subordinates and such discussion must be free of any inhibition. In other words, subordinates must be allowed to talk freely.

According to Akanni (1987), for some people especially those whose values fit the work ethics, evaluations and promotion are very important. If this process is badly handled, turnover may increase, morale may decline and productivity could drop.

Nwachukwu (1988) cautioned against halo effect, that is, not to allow one outstanding negative or positive incident or trait to influence one's ratings of the employee and that we should rate the man and not the job holder.

Mullins (1999) also suggested that a performance system operated in an organizational context must, if it is to have any credibility, be based on clear ethical principles. These are particularly important to an involved culture where individual development, trust and openness are fundamental values. These principles would apply to both appraiser and appraisee. He also added as follows:

- Appraise on the basis of representative information.
- Appraise on the basis of sufficient information.
- Appraise on the basis of relevant information.
- Make an honest appraisal
- Keep written and oral appraisal consistent.
- Present appraisal as opinion.

Mullins (1999) advised that the purpose and nature of the appraisal system should be made clear and should establish a regular dialogue and lead to an improvement in manager-subordinate relationship. The system should not be perceived as something which is the prerogative of the Human Resources Department. Top management should be seen to own the system and fully committed to it. Top management should ensure

proper dialogue with trade unions, staff representatives and embark on proper training for appraisers.

The appraisal system should not be viewed in isolation but in relation to the corporate objectives of the organization and designed to suit its culture and particular requirements. The system needs to be monitored regularly to ensure that it is being carried out properly and to obtain feedback from managers. It should also be kept under continual review and when necessary, modified to meet changing environmental influences.

From the above, it could be seen that certain principles need to be followed and adopted to ensure the success of the exercise. Not only this, the principles will equally ensure the credibility, maintain goodwill and guarantee acceptability of the exercise.

## 7.2.2 Methods of Performance Appraisal

- a. **Ranking Method:** This requires that the Manager ranks his subordinates in order of merit, usually on their total ability on the job. This is similar to Nwachukwu's idea that the Manager ranks his subordinates from the most productive to the least productive. This method is very easy for a small number of subordinates, and can be effectively used to decide pay mainly but not to identify training needs or to provide motivation, though it puts the subordinates in order of merit, it does not show how much better the first is, than the least.
- b. **Grading Method:** This method allots employees into a pre-determined series of merit categories usually five. Subordinates are put into five categories in the following proportions, ensuring that the assessment of merit is distributed normally, for example, poor below average, average, above average and exceptional. This method has the same uses and limitation as ranking.
- c. **Merit Rating Method:** This is believed to be the most commonly used method of performance appraisal. It consists of a list of personal characteristics or factors against each of which is a scale, usually of five points for the assessor to mark. Nwachukwu stated that this method measures two major areas of employees work characteristics namely: The basic work characteristics such as knowledge, initiative, leadership and so on; The employee's contribution to the organization such as quality and volume of work done. Rating factors are defined and there are columns at the form for general remarks, suggestions and recommendations. This method is good for deciding pay, determining future use and indicating training needs but it is difficult for motivating the employees.
- d. **Written Assessment Method:** Here the Manager is required to write down his views on each subordinate. This method emphasizes the way the job is performed. It also asks the manager four questions about the subordinates:
  - o What are his strong points in relation to his job?
  - o What are his weak points in relation to his job?
  - o What is his promotion potential?

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o What are his training needs?

However, this system suffers from subjectivity and cannot be used for effectively deciding pay. However, it is good for determining future needs and for motivating employees. Deverell added that under this method, comparison of a number of essay ratings is difficult.

- e. **Management by Objective:** In all the other methods of performance appraisal, the manager is sitting in judgment on the performance of the subordinates, hoping to obtain an impartial, objective factual and acceptable scores.

Flippo goes further that, instead of sitting in judgment. The supervisor should devote attention to establishment of goals so that subordinates can exercise self control in pursuit of those goals.

Management by Objective is defined as a system which attempts to improve the performance of the company and motivate, assess and train its employees by integrating their personal goals with organizational goals. Management by objective could therefore be seen as a process by which managers and their subordinates participate jointly in setting goals activities and target dates as well as the evaluation of performance as it relates to established objectives. Performance is assessed against quantifiable set targets which have been previously discussed. The results achieved are then used to make a written assessment of performance. This method greatly reduces subjectivity and is very good for motivating employees.

Drucker (1977) added that this method measures performance and results against the goals and that its greatest advantage is that it makes it possible for Managers to control their performances. On the other hand, Deverell significantly added that at lower levels, many employees do not always want to be involved in their own goal setting and this method could then become one of pseudo-participation.

- f. **Field Review Method:** Here, a number of the staff of the Personnel Department meets small groups of raters from each supervisory unit and goes over each employee's rating with them to identify any areas of disagreement between raters, to promote agreements and to check similarity of standard. This method enhances the fairness of individual ratings but one limitation is that it is time consuming.

- g. **Appraisal by critical incidents:** The rater notes down daily or weekly the incidents which are critical in the performance on the job. Graham summarized the methods by saying that they all involve employees to be matched against the requirements of their job specifications which include performance standard against which an employee would be appraised.

**Question**

A performance appraisal method which consists of a list of personal characteristics or factors against each of which is a scale, usually of five points for the assessor to mark is known as \_\_\_\_\_

- A. Management by objective
- B. Merit Rating Method
- C. Grading Method
- D. Ranking method

**Feedback**

Yes! Merit Rating Method is the correct answer.

## 7.3 The Appraisal Interview

Any systematic approach to performance appraisal will commence with the completion of an appropriate appraisal form. This preparatory stage is followed by the appraisal interview, where the appraiser and the appraisee jointly and openly discuss on the appraisals made. Appraisal interview provides a two-way discussion of the report and is very essential to the achievement of the appraisal objectives.

A manager must therefore be ready and able to adopt different approaches to every situation that occurs in the course of appraisal interview. For the interview, employees must be given prior notice to enable him get prepared for the interview. On the other hand, the assessor should collect, collate and properly study all relevant documents and data including job description and target appraisal forms. There should be adequate time for the interview with the employee being allowed to freely express his mind. Such discussions should be based on the employees' job. Personal issues could only be brought in if such issues have direct impact on the performance on duty.

In conclusion, appraisal exercise should be taken as a developmental step, that is, to increase the ability of worker through an increase in knowledge, change in attitude or enlargement of skill. It is essential to know the past in order to plan for the future. The past has been analyzed and so concrete development plans should be taken to make the future better.

The exercise should be taken as one when on completion, would motivate the employee concerned to work harder because one of the consequences of the review should be the exposure and consequent removal or reduction in impact of obstacles, sources of disenchantment or frustration inhibiting performance.

The Human Resource Department is responsible for the appraisal scheme. The department introduces and monitors the scheme, plans and conducts it, arranges for the appraisal interview, solves problems associated with it, passes the feedback and recommendations to management and acts on the outcomes of the exercise.

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## ITQ

### Question

An interview in which supervisor and subordinate review appraisal is called

- A. structured interview.
- B. hiring interview.
- C. unstructured interview.
- D. appraisal interview

### Feedback

Answer is D - Appraisal interview.

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## Study Session Summary



### Summary

In this Study Session, you learned the meaning of Performance Appraisal. Different opinions of scholars on purposes performance appraisal were considered. We also examined methods, principles and pitfalls of Performance appraisal.

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## Assessment



### Assessment

#### SAQ 7.1 (tests Learning Outcome 7.1)

What is Performance Appraisal?

#### SAQ7.2 (tests Learning Outcome 7.2)

Identify the various methods and principles guiding performance appraisal

#### SAQ 7.3 (tests Learning Outcome 7.3)

How relevant is performance appraisal to organizations?

## *Study Session 8*

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# **Staff Motivation**

## **Introduction**

This is the concluding session of the course. Here, we shall examine staff motivation. To start with, we shall look at the importance of motivation; tips about motivation and various theories of motivation will be listed and briefly discussed.

## **Learning Outcomes**



*Outcomes*

When you have studied this session, you should be able to:

- 8.1 Explain the meaning of motivation.
- 8.2 Identify the various means (financial and non-financial) of motivation.

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## Terminology

<b>Motivation</b>	A reason or reasons for acting or behaving in a particular way.
<b>Staff</b>	The entire group of employees who work at a company.

### 8.1 Defining Motivation

The term ‘motivation’ has its origin in the Latin word “movere” which means to “move”. It refers to the force that energizes behavior, gives direction to it, and underlines a tendency to persist (Ogunbameru, 2008). It also refers to factors that stimulate desire and energy in people to be continually interested in and committed to a job, role, or subject, and to exert persistent effort in attaining a goal. Motivation is the energizer of behavior and mother of all action. It results from the interactions among conscious and unconscious factors such as the:

- intensity of desire or need,
- incentive or reward value of the goal, and
- expectations of the individual .

Employees in any organization need motivation to keep them working. An employee must be motivated to work for a company or organization. Absence of motivation brings about low quality of work.

Motivation is the inner drive or energy that pushes an individual towards acting, achieving and performing an action. Motivation strengthens the ambition, increases initiative and gives direction, courage, energy and the persistence to follow one’s goals. It is also a desire to achieve a goal, combined with the energy to work towards that goal (Onyeonoru, 2005; Mullins 1999). Employee motivation is the level of energy, commitment and creativity that a company’s workers apply to their jobs. In the increasingly competitive business environment of recent years, finding ways to motivate employees has become a pressing concern for many managers.

Motivation is the driving force which causes people to achieve goals. It is said to be intrinsic or extrinsic. According to various theories, motivation may be rooted in the basic need to minimize physical pain and maximize pleasure or it may include specific needs such as eating and resting, or a desired object, goal, state of being. Conceptually, motivation should not be confused with either volition or optimism. All organizations have their various stated goals and objectives, the focus of which must be met no matter what it takes those saddled with such responsibilities to achieve them. The various forms of behaviour and character or attitude and disposition which an organization requires of its employees in order to achieve its set goals and objectives depend on the various motivational

facilities in the organization such as award for labour and other incentives.

According to Dubin (2000), motivation could be defined as “the complex of forces starting and keeping a person at work in an organisation.



*Tip*

Motivation is something that moves the person to action, and continues in the course of action already initiated.

Motivation refers to the way a person is enthused at work to intensify his/her desire and willingness to use and channelize his/her energy for the achievement of organisational objectives. The role of motivation is to develop and intensify the desire in every member of the organisation to work effectively and efficiently in his position.

In the words of McFarland (1970), “motivation is the way in which urges, desires, aspiration, striving or needs direct, control or explain the behaviour of human being”. Motivation has very close relationship with the behaviour. It explains how and why the human behaviour is caused.

According to behavioural scientists, motivation refers to a dynamic driving force, which activates or moves individual into action and continues him in the course of action enthusiastically. Thus, motivation is defined as a force that activates, energizes or moves behaviour towards goals.



*Note*

Motivation is an important function performed by managers for actuating the people to work for the accomplishment of organisational objectives. Issuance of well-conceived instructions and orders does not mean that they will be followed. A manager has to make appropriate use of various techniques of motivation to enthuse the employees to follow them. Effective motivation succeeds not only in having an order accepted but also in gaining a determination to see that it is executed efficiently and effectively.

Motivation is an important aspect of management, since the leading function of management involves influencing others to work towards organizational goals.

There are two kinds of motivation:

1. ***Intrinsic motivation*** occurs when people are internally motivated to do something because it either brings them pleasure, they think it is important, or they feel that what they are learning is significant.
2. ***Extrinsic motivation*** comes into play when a person is compelled to do something or act in a certain way because of factors external to him or her (like money or good grades)

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## 8.2 Tips on Staff Motivation

Employee motivation can be enhanced and improved by creating a work environment that maximizes the factors that affect performance. These factors are simple to understand, easy to measure, and can add tremendous value to any organization that is willing to implement them. These 10 tips can be used to energize and inspire to produce the best results possible.

### 1. Interesting Work

Intrinsic motivation comes from the sheer joy and pleasure of doing a task. When you read a great book, no one has to pay for each page you read. It is a pleasure to learn how the story unfolds and watch the plot develop. It is the same way with employee motivation. To maximize employee performance, find out what employees like about their jobs and then try to add more tasks that align with their own natural interests and talents.

### 2. Appreciation & Recognition

William James said, "The deepest desire in human nature is to be appreciated." It does not matter how much you pay someone, everyone wants to know that their efforts are being seen and appreciated, especially by their manager. Appreciate them and describe how their behavior and performance have added value to the team and organization. Make it a point to catch people doing things right and they will inevitably do things right more often.

### 3. Feeling Involved In the Work Process

Research shows that when people get to participate in creating a system or process, they are much more likely to follow it than one simply imposed upon them by an outside expert. Recognize that the people doing the job have the knowledge of how things can be done better, faster, and cheaper. If you want them to tell you, then make it easy for them to offer suggestions and reward employees who contribute ideas that add value to the bottom line.

### 4. Achievement

Napoleon once remarked, "It is amazing how willing men are to risk their lives for a little bit of tin and ribbon to wear upon their chest." Awards and prizes can serve as a great motivator to harness the power of healthy competition. It is always better to use rewards that are meaningful and inspiring. When an employee exceeds your expectations, then make sure you recognize their achievement. On the day someone retires, they will pack up these awards and prizes to serve as fond reminders of a wonderful career.

### 5. Job Security

If everybody had what it takes to be an entrepreneur, then there would be no General Electric or Toyota and we would all be buying products from artisans and craft workers. Thankfully, many people prefer to be part of a

large organization and can be more productive when they get to focus on doing their job instead of worrying about developing a business plan or marketing strategy. Telling people that they are lucky to have a job creates an atmosphere of fear and worry that decreases job performance. Instead, tell your employees that the company is lucky to have such a skilled and committed workforce and people will take pride in their work and their company.

#### **6. Increased Responsibility**

We all know that some employees lack ambition and have no desire to advance on the job, but the vast majority of workers want a chance to take on more responsibility and add more value to the organization. Always be aware of opportunities for training that will equip your employees with the skills and tools they will need to advance in their career. Always try to fill open positions with internal applicants before looking for an outside candidate. This will create a culture of career development and preserve institutional memory and organizational knowledge so that it can be transferred to rising employees as they advance in their own career.

#### **7. Good Working Conditions**

If you want to get the most out of people, you need to create an environment that facilitates success. At the minimum, you must offer a safe, clean, and sanitary work site. To get the most out of employees, help them take pride in their workspace, even if it is only a cubicle or workstation. Allow people to personalize their own work sites with photos or small trinkets so they will feel like they have a place that belongs solely to them.

#### **8. Being Part of a Team**

Being part of a dysfunctional team is an emotionally draining experience that results in low morale, low productivity, and high turnover. The great coach, Vince Lombardi, once remarked, "Individual commitment to a group effort -- that is what makes a team work, a company work, a society work, a civilization work." We are all social beings and we all want to be part of a healthy team where we can give and receive support, help, and encouragement. Organizations can harness this natural human desire by aligning employee efforts to achieve goals that are mutually beneficial to both the organization and its employees.

#### **9. Help with Personal Problems**

How many times have you heard about a bad boss who told their employees to leave their problems at the door so they could focus on their job? Unfortunately, they probably left their motivation and productivity at the door as well. Smart managers know that it is not their job to be a counselor or therapist, but it is their job to recognize when one of their employees is having personal problems that are affecting their job performance. They need to have open lines of honest communication so that employees can feel encouraged to ask for help and then be directed to their Human Resources Department or their Employee Assistance Programs.

#### **10. Good Salaries and Wages**

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All the above are non-financial types of motivation. Good salaries and wages also serve to motivate workers. It has been argued that this is the most important type of motivator in Nigeria and other developing countries, because of the burden placed on workers in terms of their commitment to the extended families and the low level of developments thereby lacking basic necessities the government is failing to provide. The motivational power of money was also corroborated by (Vroom, 1966). He saw money as the most significant instrument with which individual needs and desire can be obtained or translated into reality. Money possesses significant motivating power in as much as it symbolizes intangible goals like; security, power, prestige and success. Possession of large sum of money tends to confer power, security, prestige and sense of achievement on the owner and thus spurs him to greater performance. Money has the power to attract, retain and motivate individuals toward higher performance. Salary increment in Nigeria, is always received with a great jubilation. For example, the recent clamouring for new minimum wage of N18, 000 for workers which brought about 3 days warning strike by both the NLC and TUC which paralyzed all the activities in both public and private establishments. The fact remains that the degree or level of salary and wages per worker determines the purchasing power of such a worker.

Robert Bosch, founder of the world's largest automobile parts supplier, said, "I do not pay good wages because I have a lot of money; I have a lot of money because I pay good wages." If you want motivated, high productive employees you have to pay such people according to their ability and performance. Good employees are motivated by more than just good wages, but never allow low wages to be the wedge a competitor can use to steal away your best people.

### **Role of HR Department in Motivation**

The HR department is charged with the responsibility of attracting, retaining and motivating workers, it is therefore a core responsibility of this department to be in charge of the schemes meant to motivate workers. The question of what to pay, how to pay, when to pay and so on, are handled by the HR department.

#### **ITQ**

#### **Question (true /false)**

Good salaries and wages are the only potent source of motivation in

every organisations

**Feedback**

False. Motivation can be monetary and non -monetary.

## 8.3 Theories of Motivation

A number of theories have been propounded by scholars with a view to providing more understanding of the factors that motivate workers. Some of these theories are:

- 1) Abraham Maslow's hierarchy of needs theory;
- 2) Victor Vroom's expectancy theory;
- 3) Herzberg's two-factor theory;
- 4) McGregor's theory X and Y
- 5) Alderfer's ERG theory and so on.

### ITQ

**Question**

Mr Tee is a passionate teacher, he remains a committed teacher despite different challenges he encounters daily in the school environment. Mr Tee can be said to be exhibiting \_\_\_\_\_

- A. Intrinsic motivation.
- B. Morale.
- C. Extrinsic motivation.
- D. Nonfinancial motivation.

**Feedback**

Good ! He is internally motivated there for the answer is **A** - Intrinsic motivation.

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## Study Session Summary



*Summary*

In this Study Session, we looked at the meaning of motivation as a core activity in the retention of workers. We also looked at various purposes and types of motivation. We identified and mentioned different theories of motivation and concluded with the role of the HR department in motivation of staff.

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## Assessment



**SAQ 8.1 (tests Learning Outcome8.1)**

- I. What do you understand by motivation?
- II. How relevant is it to organizations?

## *Notes on Self Assessment Questions*

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### **SAQ 1.1**

The concepts human resource management has been discussed extensively in this study session. We considered various definitions given by different scholars. Some of the definitions we cited include that of

Armstrong, Ogunbameru , Cascio and Miller. You can back to study these definitions once again to refresh your memory.

### **SAQ 1.2**

The subject matter of HRM was also discussed in study session. We noted that the subject matter of HRM is human being, also referred to as the human resources, workers, employees etc. Organizations are nothing without people. Human beings are central to organizations both at the followership and leadership levels. They are referred to as one of the factors of production. Today, they are technically referred to as human capital.

### **SAQ 1.3**

Features of human resources identified are;

Human beings differ from each other.

Human beings cannot be standardized as inanimate objects

Labour cannot be easily stored away the way capital can be stored. Workers can lose their skills if left unused for a long time.

Man is unique because it is a human factor; and as a human factor, it can make mistakes, complain and can be unpredictable.

People come from different backgrounds- (social, cultural, religious etc)

People have their individual goals to achieve.

Human beings have emotions and feelings.

### **SAQ 1.4**

To answer this question, you need to discuss the importance and role of human beings/people in an organisation. Note that without human capital other factors of productions cannot achieve organisation goals. Human resources, both workers and management, are the most important resources utilized by any business organization. Machines and all other resources of the business will produce nothing without the human element to activate and control them.

### **SAQ 2.1**

Do you still remember the meaning of policy? If no, try to recall that we refer to a policy as a plan of action in our discussion. We also disrobe it as a statement of intended conduct, or a rule of behaviour, which is intended to apply across the organization. We went further by describing Human Resource policy (traditionally referred to as Personnel policy) is a set of proposals and actions that act as a reference point for managers in their dealings with employees.

Functions of Human Resource policy in organizations identified in study session are.

- i. It serves as a basis of guidelines for HRM activities;
- ii. It ensures uniformity in the conduct of HRM functions;
- iii. It ensures consistency in the conduct of HRM functions;
- iv. It promotes fairness and justice in the conduct of HRM functions;
- v. It reduces subjectivity and bias in the conduct of HRM functions;

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- vi. It reduces conflict and contradictory opinions in the conduct of HRM functions.

**SAQ 3.1**

Here, you are expected to discuss the importance of Human resource/ Manpower planning.

**SAQ 4.1**

Recruitment is a process of creating a pool of persons who are willing and available to work for a particular organisation. It is a process of attracting and inviting applicants to come and fill the job openings in an organisation and the process ends at a point where you are able to put people together for selection. There are two basic activity areas in this phase namely Posting of Vacancies or Advertisement of vacancies and Submission of applications/competition of forms.

Selection is a process through which those who are recruited as candidates are winnowed down to the few who are hired. It can also be defined as a process of actually choosing the best candidates from those recruited. It is a systematic effort to identify the most suitable candidates to fill identified positions and the processes involved, vary from organisation to organisation.

The basic activities involved in the selection process often include (sorting and short listing, selection test, main interviews, reference checks, medical examination, offer and acceptance.)

Placement refers to the actual posting of selected candidates where they are expected to carry out their functions. In a more technical term, this stage is referred to as the on-boarding and orientation stage. It involves releasing a formal letter of appointment to the applicant and the applicant confirming in writing his acceptance of such an offer.

**SAQ 5.1**

- A. definitions and explanations of Human Resource Development?  
B. Identify at least four methods of Human Resource Development?

**SAQ 5.3**

Training and Development serve a number of functions in organizations. Some of these functions include:

- Increase in productivity
- Improvement in the quality of work and raise morale;
- Developing new skills, knowledge, understanding and attitudes;
- Using correctly new tools, machines, processes, methods or modification thereof;
- Reducing waste, accidents, turnover, lateness, absenteeism and other overhead costs;
- Fighting obsolescence in skills, technologies, methods, products, markets, capital management and so on
- Developing replacements, prepare people for advancement, improve manpower deployment and ensure continuity of leadership

- Ensuring the survival and growth of the enterprise.

### **SAQ 5.3**

You are expected to expatiate the following

- i. Development and training
- ii. Succession planning
- iii. Career development
- iv. Coaching and
- v. Mentoring

### **SAQ 6.1**

Industrial Relations, broadly, refers all dealings, transactions, and activities affecting the determination and enforcement of the terms and conditions of employment.

### **SAQ 6.2**

Competitors, Advanced technological developments, Labour market, Legislation, Cost of Living society , econmy, change in culture, board of director and the employee among others are comprise external and internal factors affecting the remuneration system.

### **SAQ 7.1**

The concept of Performance Appraisal was discussed in study session seven, you can go through the again to refresh your memory.

### **SAQ 7.2**

Methods identified in the course material are:

1. Management by objective
2. Merit Rating Method
3. Grading Method
4. Ranking method

Various principles from different scholars were pointed out in the course material, you are expected to discuss some of those principles.

### **SAQ 7.2**

When discussing the reliance of performance appraisal, you are expected to stress the importance /advantages of performance appraisal in organizations in your response.

### **SAQ 8.1**

I. Your explanation must reflect that Motivation is the inner drive or energy that pushes an individual towards acting, achieving and performing an action.

II. You are expected to point out reasons and advantages of motivation in an organization, you are expected to buttress your point with types and means on motivation.

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