

# Human Resource Management (HRM)

***HRM policies***

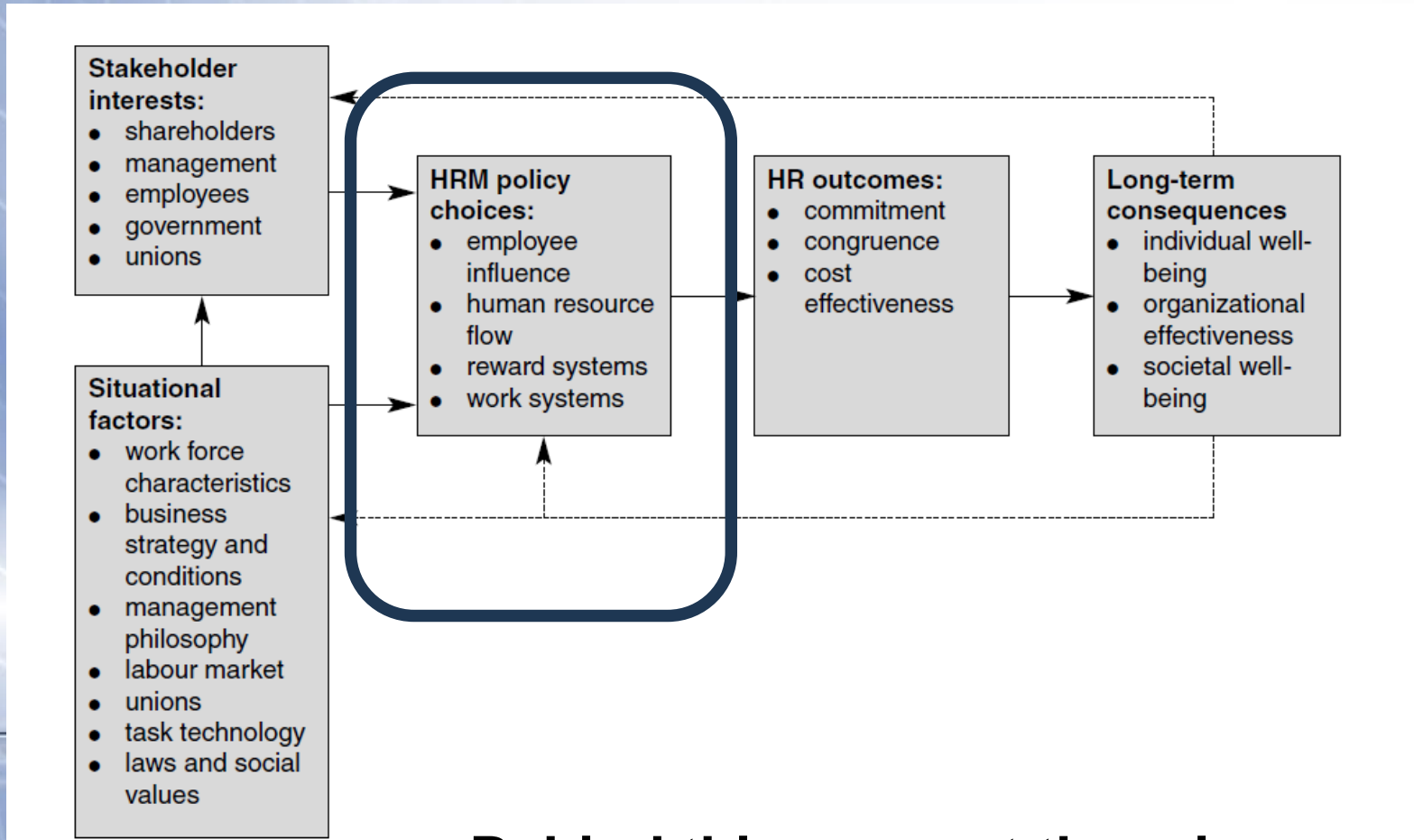


REMINDER

# Human resource system

1. HR philosophies (values and guiding principles adopted in managing people)
2. HR strategies (defining the direction)
3. **HR policies (how values, principles should be applied)**
4. HR processes ( formal procedures and methods → put HR plans into effect)
5. HR practices ( informal approaches used)
6. HR programmes (which enable strategies, policies, practices to be implemented)

# Models of HRM – The Harvard Framework



**Behind this concept there is a central philosophy (or vision) by general managers.**

# What HRM Policies Are

- ...continuing guidelines on the approach the organization intends to adopt in managing its people.
- They define the philosophies and values of the organization on how people should be treated.
- From these are derived the principles upon which managers are expected to act when dealing with HR matters.



# Why have HR Policies?

1. Basic approach – in line with corporate values
2. Converting espoused values into values in use.
3. Providing a framework within which consistent decisions are made
4. Promoting equity in the way in which people are treated.

→ *HR Policies have to fit the corporate culture and they can also help to shape it.*

# Do policies need to be formalized?

All organizations have HR Policies.

– Some however exist implicitly as a philosophy of management and an attitude to employees

- How to handle HR issues?

- For example how to handle the introduction of a new technology?

– Why formalize?

- Advantages: Consistency, better understanding

- Disadvantages: inflexibility, constrictiveness, written policies can be platitudinous → written policies are important, but their value is reduced if they are not backed up by a supportive culture.



# HR Policy Areas

HR Policies can be expressed as overall statements of the values of the organization.

- Two Areas:
  - Overall Policy
  - Specific Policies



# OVERALL POLICY

- Defines how the organization fulfils its *social responsibilities*
- It is an expression of its values or beliefs about *how people should be treated*.





# Values refer to the following concepts

- Equity: treating employees fairly and justly
- Consideration: taking account of individual circumstances
- Organizational learning
- Performance through people
- Work-life balance
- Quality of working life: sense of satisfaction, reducing monotony, autonomy, responsibility, stress etc.
- Working conditions: healthy, safe, predicatable, pleasant

# SPECIFIC POLICIES

Specific policies should cover the following areas:

- Equal opportunity
- Managing diversity
- Age and employment
- Promotion
- Work-life balance
- Employee development
- Reward(ing)
- Involvement and participation
- Employee relations
- Health and safety, new technology etc.

# Formulating and implementing HR policies

There are general rules of formulating HR Policies, such as:

- Gain understanding of **corporate culture** and its core values
- Analyze existing policies: written and unwritten
- Seek the views of union representatives
- Check with managers
- Implement policies **fairly and consistently**

# Equal opportunity

The organization's determination to give equal opportunities to all, irrespective of sex, race, creed, disability, age, or marital status.

# Managing diversity

A policy on managing diversity recognizes that there are differences among employees and that these differences, if properly managed, will enable work to be done more efficiently and effectively.

# Age and Employment

This policy should take into account the following facts:

1. Age is a POOR predictor of job performance.
2. It is misleading to equate physical and mental ability with age.
3. More of the population are living active, healthy lives as they get older.

Engage, promote and train older employees (too).

## Promotion

- Promote from within.
- Need for „fresh blood”
- Encourage to apply.
- Do not hold back subordinates.

# Work-life balance

The organization intends to allow employees greater flexibility in the working patterns so that they can balance what they do at work with the responsibilities and interests they have outside work. Aim: less burnout, higher retention rate and productivity.

What can the employer do:

- alternative work arrangements:
  - Flexitime (with ,core hours'), flexible working conditions
  - Job splitting
  - Part-time working, leave options
  - Working from home (remote working, home office)
  - Etc.
- Other help to the employees (assistance etc.)
  - Child- and dependent care benefits
  - Pro-family organizational culture
  - Worksite wellness/assistance programs



# Karōshi

- Japanese word for "overwork death", or occupational sudden mortality.
- The first reported case: 1969.
- Major medical causes of karōshi: heart attack and stroke (due to stress and a unhealthy diet).
- Mandatory after-hours socializing is also responsible.
- Related: overwork induced suicide.
- In China, the analogous concept is "guolaosi".
- Measurement of is complicated because of unrecorded overtime.
- The cultural factor is strong.

# Company responses to karōshi

- Limiting overtime
- Announcements pointing out the importance of rest and urging workers to go home
- Telecommuting (teleworking) for office workers
- "No overtime days"
- and so on...

# Employee development

This policy could express the commitment to the *continuous* development of the skills and abilities of the employees in order to maximize their contribution.  
Increasing employability.



# Reward policy

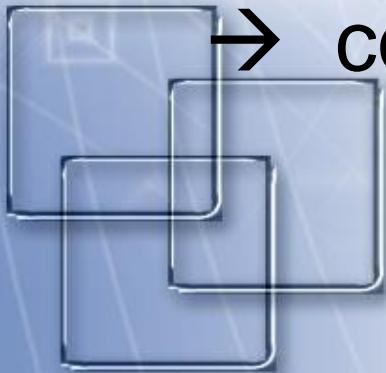
This policy should cover special matters such as:

- providing an equitable pay system,
- equal pay for work of equal value,
- paying for performance and competence, etc.

# Involvement and participation

The employee voice policy

→ consultation and suggestion schemes.



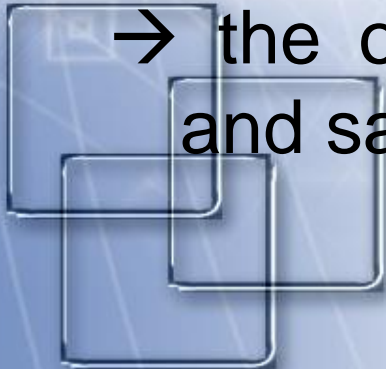
# New Technology

This policy statement could state that there will be consultation about the introduction of new technology, and the steps that would be taken by the organization to minimize the *risks*.

# Health and Safety

The Health and Safety policy

→ the organization intends to provide healthy and safe places and systems of work.



# Discipline

Employees have the right to know what is expected from them and what could happen if they infringe the organization's rules.

# Grievances (complaints)

Employees have the right to raise their grievances with their manager, to be accompanied by a representative if they so wish, and appeal to a higher level if they feel that their grievances haven't been resolved satisfactorily.



# Redudancy

Such a policy could state that is the organization's intention to use its best endeavors to avoid involuntary redundancy through its redeployment and retraining procedures.

# Sexual Harassment

It should state that sexual harassment will not be tolerated. Employees subjected to sexual harassment will be given advice, support and counselling as required. Complaints will be handled sensitively and with due respect for the rights of both the complainant and the accused.

# Bullying

An anti-bullying policy will state that bullying won't be tolerated and those who persist in bullying their staff will be subject to disciplinary action.

# Substance (drug) abuse

Employees identified as having substance abuse problems will be offered advice and help. Any reasonable absence from work necessary to receive treatment will be granted under the organization's sickness scheme provided that there is full cooperation from the employee.

# Smoking

The smoking policy would define no-smoking rules including where, if at all, smoking is permitted.

# E-mails, internet, telephones...

The policy on e-mails could state that sending or downloading of offensive e-mails is prohibited, and that those sending or downloading such messages will be subject to normal disciplinary procedures. Monitoring is possible but it should be included in the policy.

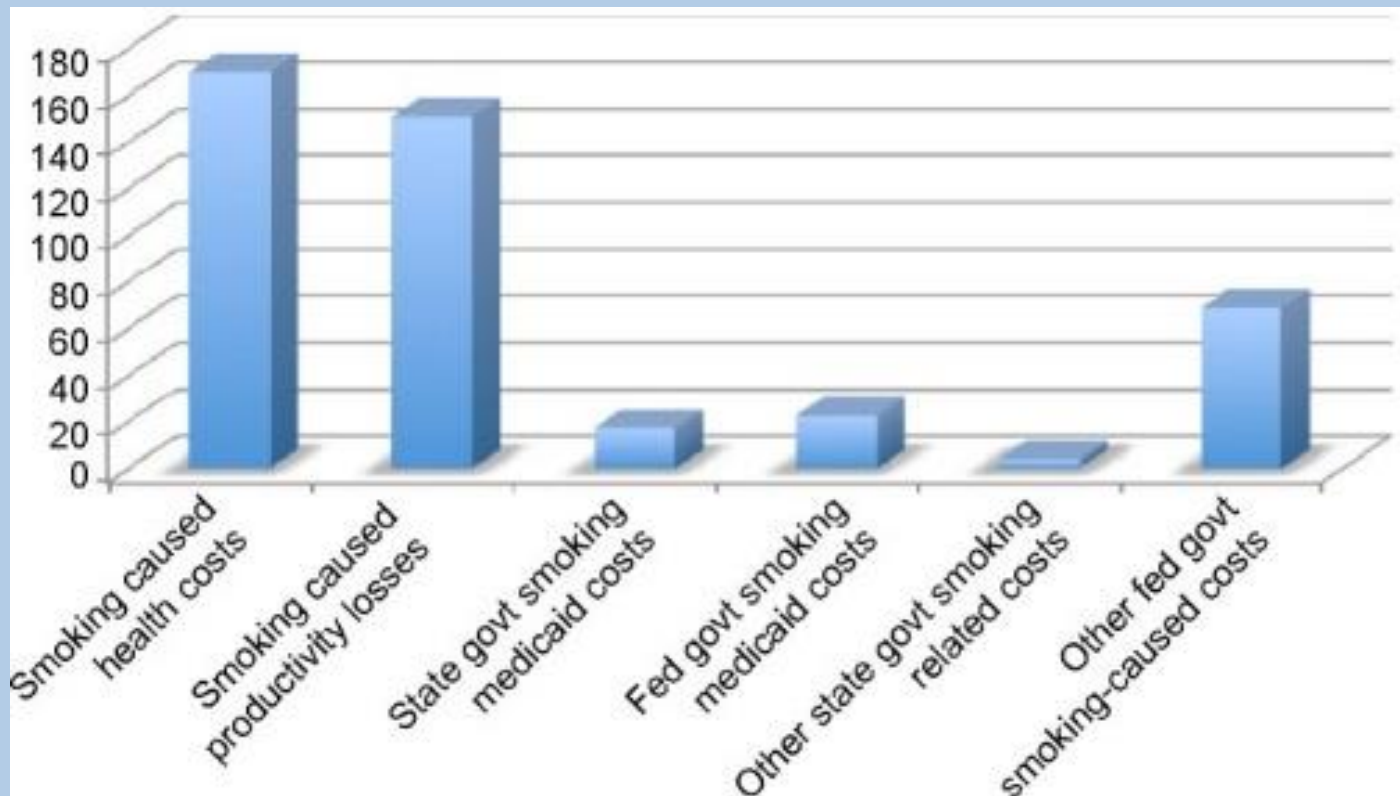
# Literature review findings about the economic effects of smoking

## Economic damages caused by smoking:

- health- and non-health-related costs to the affected individuals, employers, and the society at large.
- WHO estimation: over US\$500 billion in economic damage each year globally.
- 15% of the aggregate health care expenditure in high-income countries can be attributed to smoking.
- import losses for net importer countries,
- fire damages (in 2000 the estimated total cost of fires caused by smoking was US\$27 billion in the US),
- the total productivity losses (among indirect costs of smoking) caused by smoking each year in the US have been estimated at US\$151 billion.
- high productivity costs because of **sick workers** and those who **die prematurely during their working years**,

# Literature review findings about the economic effects of smoking

Smoking-attributable expenditure in the United States (USD billion).



Source: Ekpu & Brown (2015), doi: 10.4137/TUI.S15628

# Literature review findings about the economic effects of smoking

## Employer losses caused by smoking:

- workplace absenteeism and the resulting lost productivity:
  - US smokers are absent from work approximately 6.5 days more per year than nonsmokers,
  - smokers make about 6 visits more to the health care centers per year than their nonsmoking counterparts, while dependents of smokers visit health care centers 4 times more than nonsmokers.
- smoking-induced illness and premature death of its smoking employees during productive years,
- smoking-caused disability during work lives,
- smoking-caused productivity declines when at work.
  - In California alone, the annual value of lost productivity owing to smoking-related illness between 2000 and 2004 averaged US\$8.54 billion



# Literature review findings about the economic effects of smoking

## **Economic benefits caused by smoking:**

- **income** generated by production and consumption of tobacco
- huge **tax revenues** for governments (7.4% of centrally collected government revenue in China),
- **employment** (tobacco farming employs about 33 million people worldwide; in China, over 4 million households rely on tobacco for their livelihood),
- smoking yields **cost savings in pension** payments from the premature death of smokers.

Source: Ekpu & Brown (2015), doi:  
10.4137/TUI.S15628

# Literature review findings about the economic effects of smoking

**,Workplace-based interventions** could represent a sound economic investment to both employers and the society at large, achieving **a benefit–cost ratio of up to 8.75 and generating 12-month employer cost savings of between \$150 and \$540 per nonsmoking employee.** Implementing smoke-free workplaces would also produce myriads of new quitters and reduce the amount of cigarette consumption, leading to cost savings in direct medical costs to primary health care providers. Workplace interventions are, however, likely to yield **far greater economic benefits over the long term, as reduced prevalence will lead to a healthier and more productive workforce.**'

# Readings

*Textbook Chapter 10*



**Thank you for your attention**

