Human Resource System Evaluation

I. **Objective**: To help you critically analyze a human resource management system, identify problems, and recommend constructive improvements.

II. **Out-of-Class Preparation Time**: 30–40 hours per group (10–15 hours per individual student)

III. **In-Class Time Suggested**: None, unless an oral report is required by the instructor

IV. **Procedures**: You should identify a real organization, form groups of two to three people, and receive permission from either the CEO or the Personnel Director to study the organization. Once permission is received, your group should arrange to interview as many of the following as possible: the Human Resources Director, other human resource department employees, employees performing different functions at different levels in the organization, and labor union officials (if any).

V. **General Purpose**: The study will focus upon the selected organization’s human resources and employee relations objectives, structures, policies, practices, and selected administrative problems. It will give you the opportunity to learn firsthand about the management of human resource systems in actual organizations. It will also provide you with the opportunity to develop field research methodologies and evaluation skills that should prove beneficial in future academic and professional assignments. Finally, for the organization cooperating with each of the student projects, the results of these studies should be helpful in future efforts to improve the efficiency and effectiveness of their human resource systems.

The final product of this study will be a comprehensive written report to be submitted no later than one week before the end of the term. Each of you should assume the stance of an outside consultant who has been called in to evaluate the human resource system of the particular organization. At a minimum, the paper should reflect the items contained in the Evaluation Guide that follows. Alternatively, your instructor may permit each group to focus on one or a few selected parts of the organization’s human resource system.

**Evaluation Guide**

I. *The Organization and Its Mission*

A. When and why was this organization established?
   1. Under what statutory or legal authority was it created?
   2. What are the principal needs and objectives that the organization is designed to fulfill?
B. What are the structural components of the organization?
1. How is the organization organized to carry out its objectives?
2. Where is the focus of decision-making authority for carrying out these objectives?
   a. How centralized or decentralized is the decision-making process with respect to
      i. organizational planning?
      ii. operational management?
   b. What is the relationship between the leadership of this organization and
      i. elected public officials?
      ii. other public officials?
      iii. leaders in the private sector?
      iv. representatives of employee organizations or associations, if any?
      v. professional and technical staffs?
3. What budgetary constraints confront the organization?
   a. What are the sources of revenue for this company?
      i. for capital expenditures?
      ii. for operating expenditures?
   b. What changes have occurred in the organization's budget in recent years?
      i. Have there been any noticeable increases or decreases in revenues?
      ii. Have there been any new sources of funding?
      iii. Have any old sources of funding been reduced or eliminated?
      iv. How have these trends affected management of the organization?
4. What is the total employment complement of the organization?
   a. How are these employees distributed throughout the organization?
      i. by department or operational function?
      ii. by skill, e.g., managerial, professional, technical, clerical, skilled craftsperson, semi-skilled operatives, unskilled laborers, etc.?
   b. What have been some of the noticeable employment trends in recent years?
5. Does the organization operate overseas?

C. What are the major problems and opportunities confronting this organization? Up to this point, how well has the organization responded to these challenges? What are your recommendations? Why?

D. Does the organization have a strategic management plan including goals, objectives, and timetables?
II. The Role of the Human Resource Function
   A. Does this organization have a formal and identifiable human resource function (department)?
      1. When was this department or function formally established and why?
      2. How is the human resource function or department organized to carry out the objectives of the organization?
      3. How many individuals are directly associated with the human resource function or department?
      4. What are the academic and employment backgrounds of those involved in the function or department?
   B. What is the focus of decision-making authority on personnel matters within the company?
      1. Who establishes the objectives and policies related to human resource matters?
      2. What is the relationship between the human resource functions and other operations of the organization in the administration of personnel policies and practices?
   C. To what degree has the human resource function used information technology to manage information?
   D. To what degree is the Internet used in the human resource function? How?
   E. What is the perceived importance of the human resource function or department relative to other functional operations of the organization?
   F. Does the human resource function provide support in foreign countries? What problems or challenges does this present?
   G. What recommendations do you have (if any) for reorganizing the human resource function? Why?

III. Employment Decisions
   A. To what degree is human resources management integrated into the strategic management of the organization? How?
   B. Who is responsible for human resource planning and forecasting for the organization?
      1. What methods are used to determine staffing needs?
      2. Does the organization focus primarily upon short-run or long-run human resource needs, or both?
      3. Are job analyses and job descriptions made for each position in the organization? To what degree are they updated periodically?
      4. What specific problems have been encountered in the human resource planning process?
         a. To what can they be attributed?
         b. What are the major alternatives for resolving these problems?
         c. Which solutions are most feasible, and why?
5. If no human resource planning is done:
   a. Why not?
   b. Has the lack of human resource planning had any negative impact? Why?

6. Does the organization provide career planning and career counseling for employees? Why or why not?

C. Once staffing needs are established, what procedures are utilized for filling job vacancies?
   1. Who is responsible for staffing the organization—the human resource department or the respective functional departments?
   2. What methods are used to recruit new employees?
   3. What methods and criteria are used for evaluating and selecting job applicants? Have these methods been validated? How?
   4. To what extent are new employee recruitment, evaluation, and selection procedures aided or restricted by:
      a. established policies or practices of the organization?
      b. provisions contained in employment laws?
      c. factors associated with local labor markets?
   5. To what degree does the organization seek to fill existing job vacancies from among present employees or by recruiting new employees, and why?
   6. To what degree does the staffing reflect the skills, knowledge, and abilities necessary to successfully implement the strategic goals of the organization?
   7. To what degree and how does the organization support a goal of diversity in the workplace?
   8. What does the organization do to enhance the work and family interface?

D. What specific problems have been encountered in the employment staffing process?
   1. To what can these be attributed?
   2. What are the major alternatives for resolving these problems?
   3. Which solutions are most feasible, and why?

IV. Determination of Working Conditions and Rewards

A. Is an occupational classification system utilized by the organization?
   1. Who is responsible for determining the classification system?
   2. What are the basic features of this system?
      a. Does the classification system appropriately reflect variations in job skills?
      b. Is it used effectively as a mechanism for identifying career paths? Explain.
      c. Have there been any recent reviews and evaluations of the performance of the classification system in relation to organizational and personnel goals?
B. How are wage and salary levels and annual improvements determined?
   1. Does the organization conduct periodic internal and external wage surveys?
   2. Are salary levels adequate to enable the organization to attract and maintain an effective work force? Why or why not?
   3. Do differentials in salary grades appropriately reflect differentials in skills and responsibilities?
   4. Are large proportions of employees grouped into particular salary grade levels?
   5. How do salary levels compare with those of other comparable organizations for the same or similar occupational and experience groupings?
   6. Does the current reward system adequately reward employees with the requisite knowledge, skills, and abilities necessary to implement the strategic plan?
   7. What trends have taken place in salary levels over the past few years?
   8. To what degree is incentive compensation used and in what areas?

C. What methods are used for evaluating employees for the purpose of determining their effectiveness and any merited salary increases?
   1. Do employee performance appraisal systems actually reflect job performance? Why or why not?
   2. How adequate or inadequate are the performance appraisal methods currently being used? Why?
   3. Do they reflect the knowledge, skills, and abilities needed to successfully implement the particular department's strategic goals?

D. How adequate are non-wage fringe benefits?
   1. How are they determined?
   2. How do they compare with those of other organizations?
   3. How have they changed in recent years and how will they change in the future?

E. Has the organization introduced any special programs or activities to improve safety and health conditions on the job?

F. What efforts, if any, are utilized to maintain employee morale and job satisfaction?

G. Does the organization provide for flexible work options such as telecommuting or job sharing? Please provide details.

H. To what degree is outsourcing used and in what specific areas?

I. What retirement options are currently offered and how are they expected to change in the future?

J. What improvements in compensation and employee motivation should be made? Why?
V. Employee Training and Development

A. Has the organization supported programs for employee training and development? Why or why not?
   1. What kinds of programs have been established? Have they been oriented toward:
      a. job skills?
      b. supervisory and leadership skills?
      c. basic educational skills?
      d. knowledge, skills, and abilities necessary for strategic goal attainment?
   2. How do these programs relate to the organization’s strategic and operational objectives?
   3. Does the organization maintain its own training staff or are outside organizations used for training purposes?
   4. What proportion of employees have participated in training and development programs supported by the organization?

B. To what extent has the organization’s programs of employee training and development been used in making decisions related to promotions and transfers within the organization?
   1. Are promotion decisions based primarily upon the measured and observed abilities of employees or upon their seniority in the job?

C. What problems, if any, have been encountered in the administration of employee training and development programs within the organization? What suggestions for improvement can you make? Why?

VI. Employee Frictions

A. What methods and procedures are available for resolving employee complaints and grievances?
   1. Have there been large numbers of such grievances? Why?
   2. Has the volume of grievances been growing or declining? Why?
   3. What are the major problems eliciting the majority of employee grievances?

B. Have there been many employee discipline problems?
   1. Are there clearly spelled out formal procedures within the organization for handling discipline cases? What are they?
   2. How often are employees disciplined or discharged?
      a. What are the major causes of such problems?
      b. How have these been dealt with by the organization?

C. To what extent have employee tardiness, absenteeism, and turnover been problems?
   1. Have these problems been studied to determine their most likely causes? What are they?
   2. What steps have been taken to resolve these problems, if they exist? What steps should have been taken? Why?
D. Have any of the employees sought to join labor organizations for the purpose of engaging in collective bargaining over wages, hours, and working conditions? Explain.
   1. Why have, or have not, such organizing activities taken place?
   2. What is the official position of the organization toward acceptance or rejection of unionism for its employees?
   3. If a labor union exists in this organization, what effect has the union had upon:
      a. overall decision making within the organization?
      b. the efficiency and productivity of the organization?
      c. the administration of the personnel function?
      d. the relations between the managers of the organization and its non-managerial personnel?
      e. the interpersonal relationships among non-supervisory employees?

E. What has been the relationship between management and union leaders? (e.g., cooperative; neutral; cold; hostile)
   1. Have there been any noticeable changes in the nature of this relationship in the recent past? Why or why not?
   2. Have there been any work stoppages among employees of the agency in order to pressure management into agreeing to union demands?
      a. What were the issue(s)?
      b. Why did the dispute occur?
      c. How was it resolved?
      d. What has been its subsequent impact upon:
         i. the operation of the company?
         ii. employee performance?
         iii. the work environment?
         iv. the decision-making process involved in personnel matters?

F. What suggestions would you make for minimizing employee grievances and improving the labor relations climate (if applicable)? Why?

VII. Summary and Evaluation
A. How effectively is the human resource function of this organization contributing to the fulfillment of its mission, objectives, and strategic plan?
B. What are some of the problems of human resources management that have been adequately solved or are now in the process of being solved by the organization?
C. What are some of the major human resource problems that remain to be confronted and solved?
D. What would appear to be among the most desirable solutions to these problems? Provide specific detail and justification for your recommendations.