

Lecture 1st: Introduction to Human Resource Management

Definition and content



ReinFORCE SOCIAL Entrepreneurial Spirit through setting up Innovative Support Structures in the cross-border Territory "Social Forces"

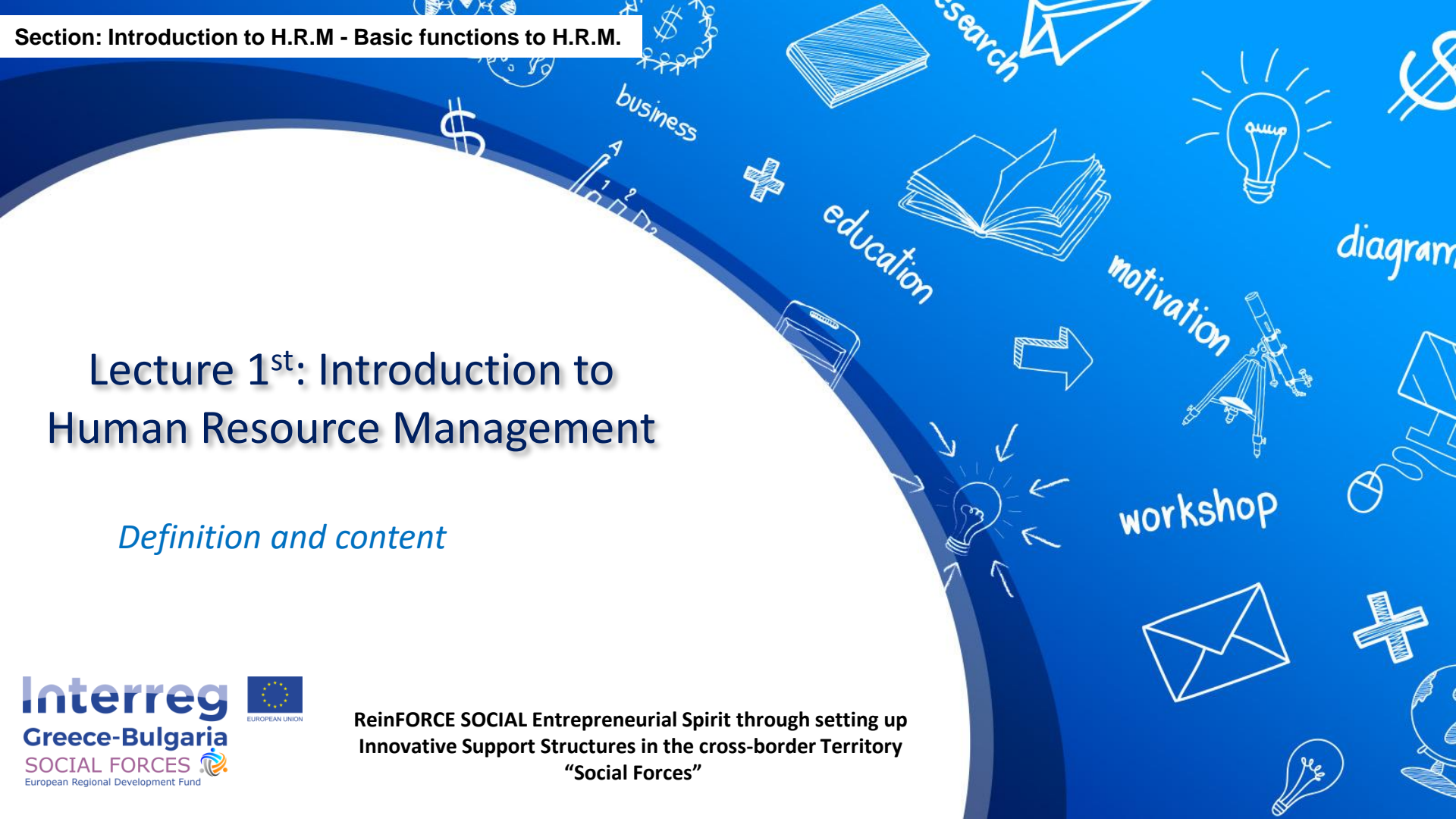


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HUMAN RESOURCES MANAGEMENT



1. Administration

Administration is the most important activity of a private or public organization or a company. It concerns the way in which the resources and the instruments (human resources, equipment, capital, etc.) are **planned, organized, mobilized and coordinated**. In order to achieve its goals in a specific period and to attain the best result-driven.



1.1. Definition of «Administration»

There are many definitions for «Administration». Some of them are:

- 👍 Administration is considered to be the achievement of the goals of an organization through the cooperation and the supervision of employees.
- 👍 Administration includes the coordination and the assignment of company's activities and aiming at the effective and efficient completion of the business objectives.
- 👍 Every organization, regardless of its legal form, sets specific goals which it wants to achieve and for this reason it commits certain resources (financial, human, material-technical resources). *This utilization of resources is called administration.*



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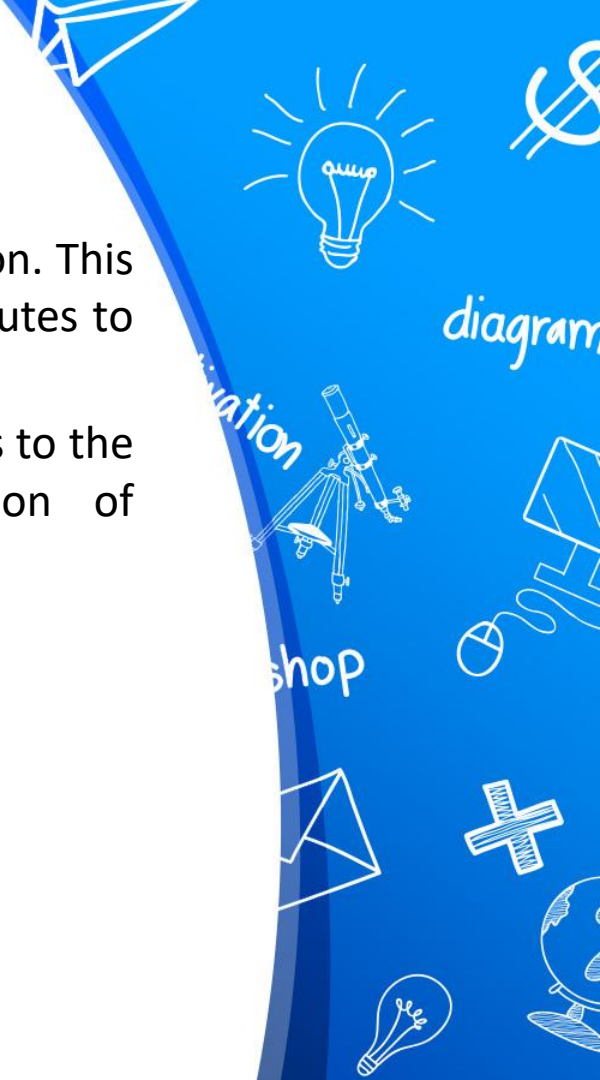


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2. Human Resources Management (1/3)

- An organized activity was created in the field of Administration. This activity is called Human Resources Management and contributes to the well-functioning of an organization or a business.
- Nowadays, the term «Human Resources Management» refers to the philosophy and the methodology of the administration of employees in a company.



2. Human Resources Management (2/3)

- Human resources are **the most important part** of any company. The technology and the capital can be acquired with various ways. The real and the dominant advantage over competitors is to gain the way in which **capable and strong teams** create the resources in the desired and ideal operation.
- The effort of the human factor, his knowledge, his natural talent and his ability to use other resources create useful products and services.
- The success or the failure of an organization depends on the attract, the retention, the training and the motivation of the appropriate human resources as well as the creation of the right culture.



2. Human Resources Management (3/3)

- The term «**Human Resources Management**» is an effort of a **systemic** and a **long term** deal with the human resources of a company which is treated as «**productive factor**».
- In this case, it is given attach importance to the planning of **activities and policies**, which have to do with the **total of human resources (employees and managers)** in relation to the long term needs of the company.
- Human resources management has an **administrative character and long term perspective**, which requires **strategic planning**.



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2.1. Basic principles of Human Resources Management

The essence of employee management in a company is to acquire capable employees, who will be able to work together, under of specific systems and functions, in order to motivate the other productive factors to achieve specific aims.

Human Resources Management has multidimensional meaning and applies the following principles:

- ✓ **Finance** (salaries, markets, sources)
- ✓ **Psychology** (motivation, pleasure)
- ✓ **Sociology** (organizational structure, culture)
- ✓ **Law** (salaries, employment contracts)



2.2. The Role of Human Resources Management

The Role of Human Resources Management means:

- To hire the suitable people and fit them in the right position.
- To make the human resources more efficient and effective.
- To increase the turnover of the company.
- To avoid discriminations and legal consequences.
- To control safety and health issues.
- To evaluate more correctly of human resources.



2.3. Objectives of Human Resources Management (1/2)

- 🎯 Satisfaction of organizational goals in the company.
- 🎯 The best utilization of the potential of the employees (in qualitative and quantitative level).
- 🎯 Cultivation of the sense of commitment to the company's human resources
- 🎯 Strengthen of the appropriate culture and the organizational climate.
- 🎯 Improving the quality of the result of the productive process.
- 🎯 Improving the life quality in the office environment by encouraging communication between departments.



2.3. Objectives of Human Resources Management (2/2)

- 🎯 Encouraging employees to develop and utilize their innovative ideas.
- 🎯 Improving the efficiency and the productivity of human resources.
- 🎯 Promoting Change Management
- 🎯 Abidance legal obligations and ensuring orderly employment relationships
- 🎯 Ensuring the effective communication, the cooperation and the teamwork between human resources.



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2.4. Features of Human Resources Management

- **One of the main competitive advantage in a company is the properly trained and dedicated employees.** This fact requires **new human resources management way.**
- The association of the company's goals with external and strategic issues result in gradual change of the human resources management **goals.**
- **Human Resources Management objectives focus on: competitiveness, efficiency, subsistence, the creating a competitive advantage and a work adaptability.**
- In recent decades, employers have depend on more and more on employee's **motivation** and **performance** in order to achieve the company's **competitive advantage.**



2.5. Human Resource Management Practices

Human resource management practices include:

- **Job analysis** (determining the job position)
- Human resources **needs planning** and **attracting potential employees**
- Employees **selection**
- Employees **training**
- **Performance appraisal**
- **Salaries** management
- Providing **inducements** and **offers**
- **Communication** ways



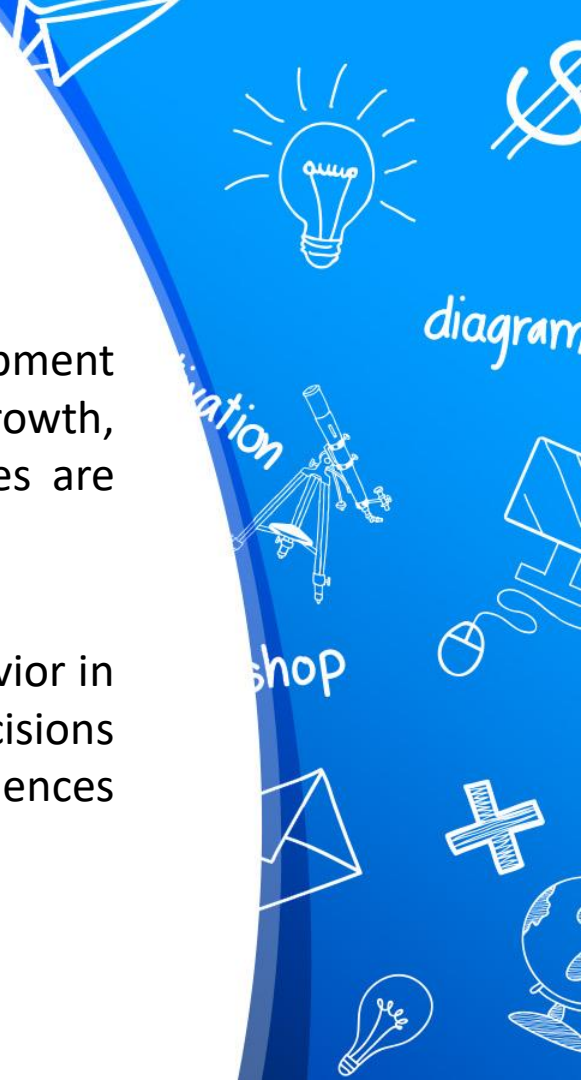
2.6. Human Resource Management Theories (1/4)

Organizational life cycle theory

Organizational life cycle theory alleges that a company's development pass through the following stages: planning, development, fully growth, and discontinuance of a business's operations. Human resources are the motivating power in all stages of production.

Role behavior theory

Role behavior theory interprets and predicts the employees behavior in a company. This information assists managers in making decisions about employees management as well as the expected consequences during the production process.



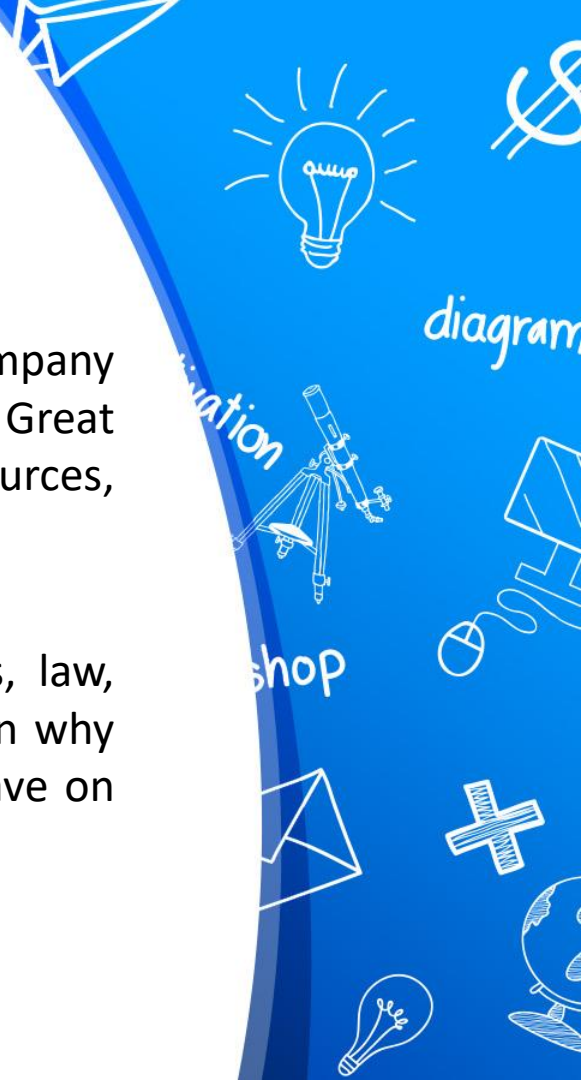
2.6. Human Resource Management Theories (2/4)

Resource dependency

The more efficient use of a company's resources, makes the company more competitive. The resources of a company are its strength. Great importance is given to treating employees as necessary resources, which should be acquired, utilized, developed and maintained.

Institutional theory

Institutional theory is a system of rules that combines politics, law, psychology, public administration and finance. In order to explain why certain decisions or measures are taken and what effect they have on the company.



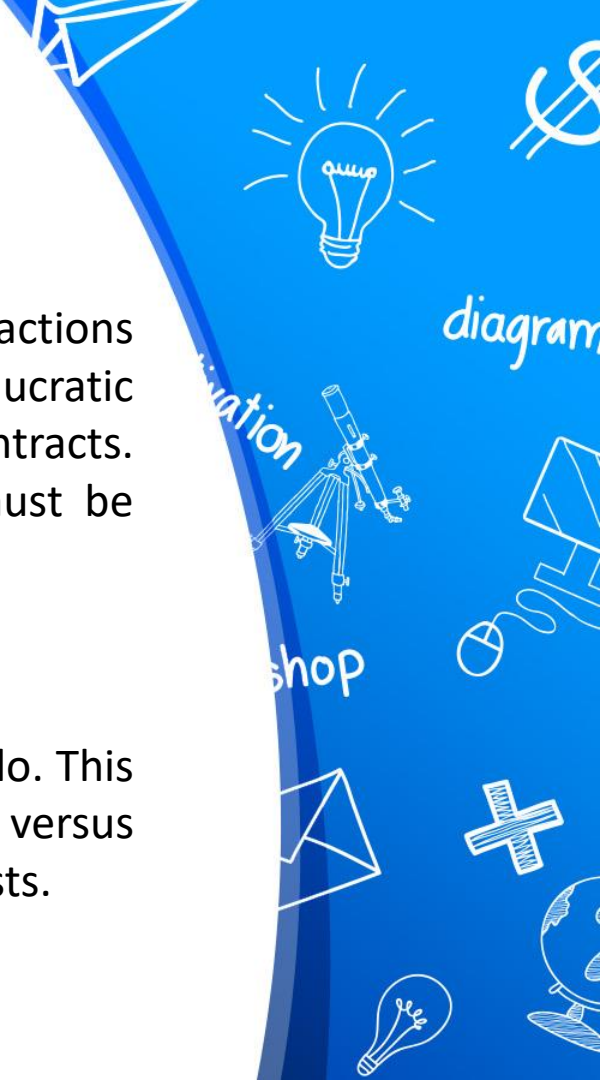
2.6. Human Resource Management Theories (3/4)

Transaction cost theory

Transaction cost theory is the execution of commercial transactions through the economic prism. These costs include bureaucratic structures or procedures and the execution of employment contracts. Labor relations, which may result to high exchange costs, must be minimized.

Comparative advantage theory

The main spokesman of this theory is the economist David Ricardo. This theory focuses on strengthening the company's internal capacity versus competitors, in order to minimize production and distribution costs.



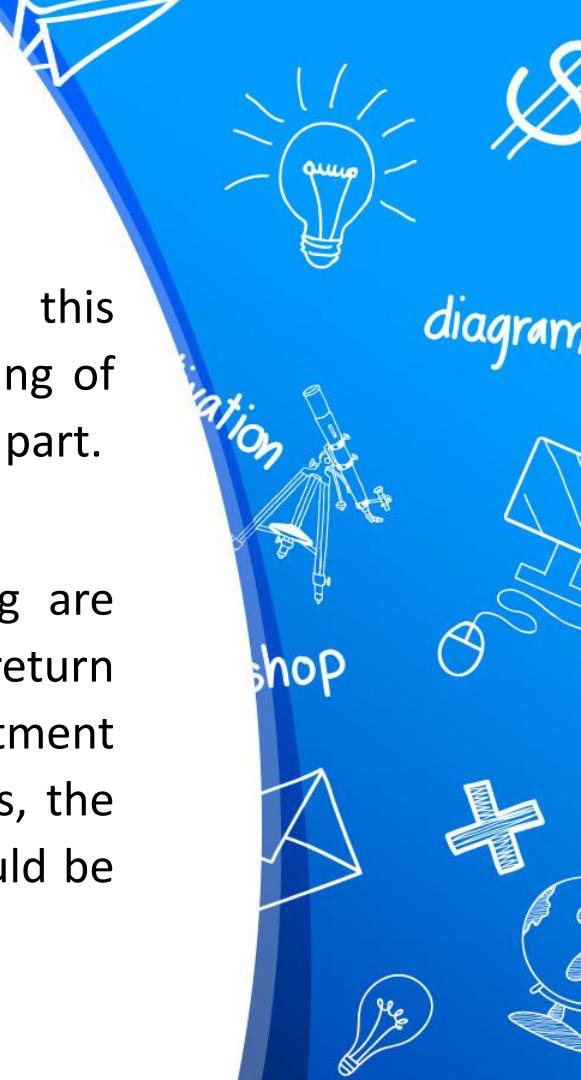
2.6. Human Resource Management Theories (4/4)

General systems theory

Companies are interaction with their environment. In this environment, they are treated as connected systems consisting of parts and if one part fails this results to the failure of the other part.

Human capital theory

This theory advocates that the education and the training are capital sources. Training and development are «return investments», which should be part of the company's investment capital. In terms of the successful development of a business, the decisions and the estimates of human resources training should be based on developed and proved investment models.



2.7. Factors of change in Human Resource Management (1/2)

Human Resources Management faces the **transformations** in the external environment of the company, but it also faces the transformations in the internal organizational environment.

Changing factors in the external environment:

- Speed of changes
- Globalization – internationalization
- Changes in the Legislation
- Labor Diversity
- Unsteady family and labor roles.
- Professional skills lack
- Abruptly development of Tertiary Sector
- Rapid technology development
- Amalgamation, mergers, company takeover



2.7. Factors of change in Human Resource Management (2/2)

Changing factors in the internal organizational environment:

- Total quality management
- Business Process Reengineering
- Empowerment
- Benchmarking
- Organizational learning, knowledge management
- Organizational culture, environment
- Assigning tasks to external partners (outsourcing)
- EVA-Economic Value Added
- Reduction of hierarchical levels (Delaying)



2.8. Human Resources Management Functions

The main **functions** of the Human Resources Management are the following:

1. Human Resources Planning
2. Human Resources Attract
3. Human Resources Selection
4. Human Resources Training and Development
5. Performance appraisal
6. Rewards
7. Industrial Relations
8. Employees protection(health and safety)



2.9. Human Resources Information System (1/3)

- Modern Human Resource Management emphasizes to the technology whose efficient use helps **to reduce the cost and time of performing standard tasks.**
- Human Resource Management Information Systems are the most important tools of Human Resource Management.
- Through the information systems, the processing of the human resources functions becomes more direct and efficient and at the same time it helps in the data collection for making decisions, performance appraisal and satisfaction control of company's objectives.



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2.9. Human Resources Information System (2/3)

- The impact of technology in human resources is measurable and increasing.
- Companies, regardless of size, location or business, focus on typical technologies (including mobile phones, applications, business data, cloud computing and social media). All of these technologies are widely used in human resources departments and at the larger companies they serve.



2.9. Human Resources Information System (3/3)

Human Resource Information System – HRIS

HRIS is a concise system that keeps all the functions, procedures and data of Human Resource Management together. It produces all the useful information of human resources which are needed by all management departments.

It provides **broad spectrum of information**, regardless the typical functions such as employees record, the payroll and employees absences.



2.10. Examples of Human Resources Information system (1/3)

- ❑ Motorola uses the PeopleClick application to find easily new talented people among potential employees and at the same time the application is handy and reduce the time-consuming paperwork.
- ❑ PeopleClick Recruitment Management System has many capabilities at the recruitment sector and provides also outsourcing services. Motorola has chosen the PeopleClick RMS to control the labor requirements and the PeopleClick CAAMS software for the payroll. Both of the softwares are components of the PeopleClick Talent Acquisition Suite.



2.10. Examples of Human Resources Information system (2/3)

- ❑ Epsilon Net ScanHRMS software covers the full range of Human Resource Management tasks such as the job management, tracking and selecting suitable employees, employees management, the performance appraisal of skills and functions, employees training and development, the payroll management, the payroll issuance and the labor cost budgeting.
- ❑ At General Dynamics company, one module of the human resources information system is called Healthnet System. This system keeps records of employee's diseases and accidents and it makes reports to the occupational healthy and safety Administration and detects dangerously materials.



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2.10. Examples of Human Resources Information system (3/3)

Video recording of structured interviews

- Benefit: It increases standardization and helps in saving time
- Limitation: there is a lack of interaction as in the live interview

Digital demo-tests

- Adapted online test for the needs of position job
- Psychometric evaluation
- Concerns about the safety terms

Detailed text and export phonetically profile

- Algorithmic recognition of emotions which are created by voice
- (Micro)- Expressions and automated emotion recognition



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Lecture 2nd: The role of Human Resources in business



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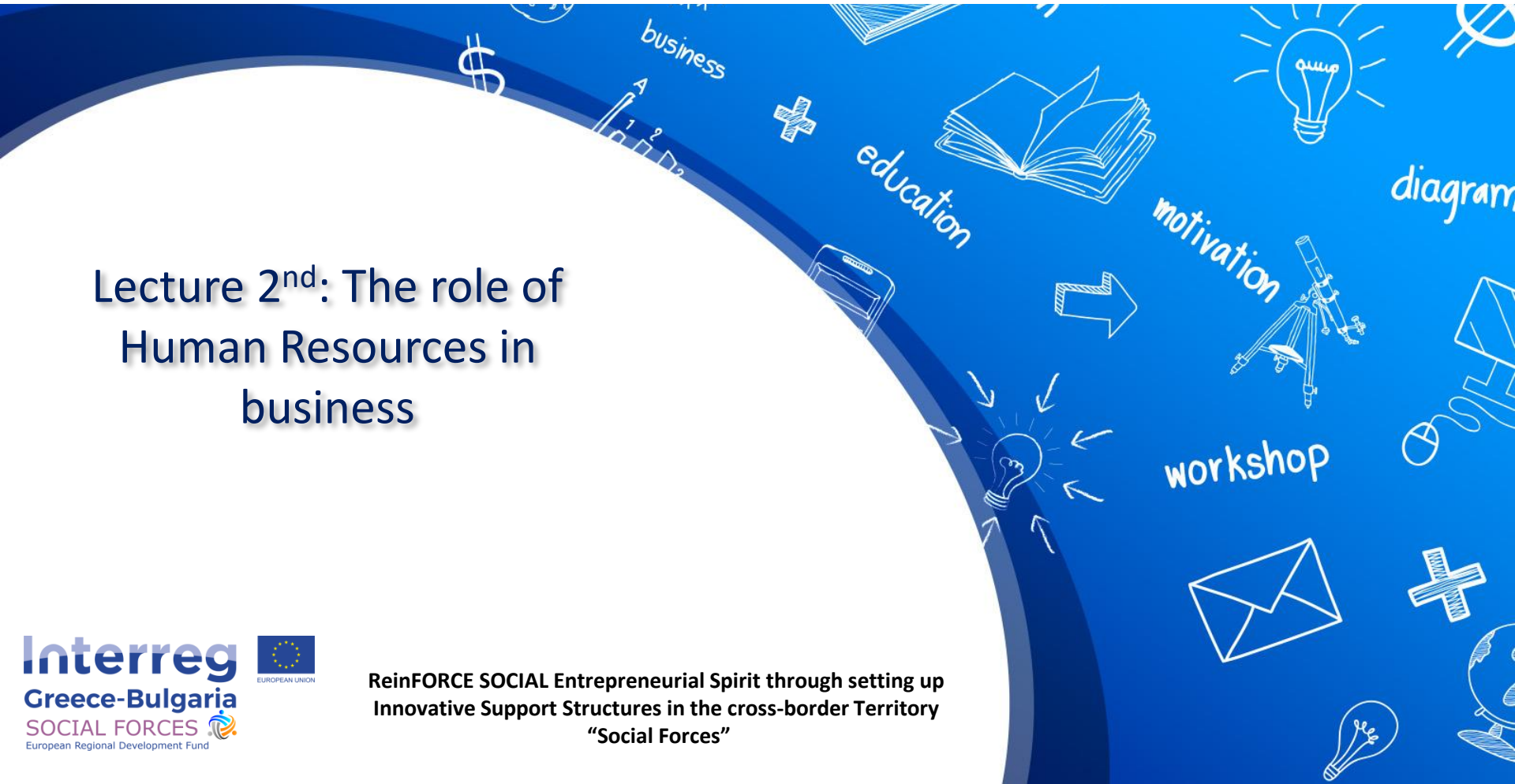


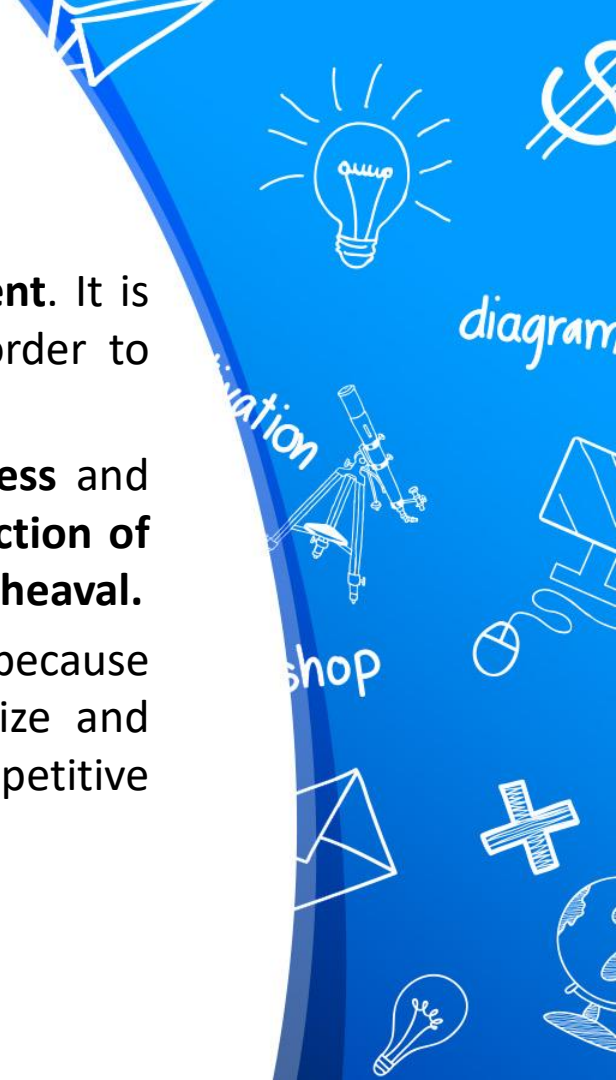
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1. The importance of HR in business (1/4)

- Nowadays, companies operate in a **competitive environment**. It is important to **revise their old ways of management**, in order to adapt in the environment changes and be able to grow.
- **New conditions** include the **globalization of competitiveness** and the **development of multinationals partnerships**, the **reduction of consumer demand**, **markets differentiation** and **political upheaval**.
- **The company's human resources** has an important role because through of it, the company will predict, evaluate, organize and implement new strategies, in order to gain the competitive advantage.



1.The importance of HR in business (2/4)

- The success of a business is based, almost entirely, on the human resources factor.
- **Job satisfaction, enthusiasm, fair treatment of employees and motivation affect the productivity and viability of a company.**
- The develop of human factor in educational, physical, social and mental level constitute an investment that doesn't differ from other investments in physical capital.
- Globally, the companies which invest in human resources development can survive and develop. Other companies that don't take the human factor into account, they close or simply survive in the competitive arena.



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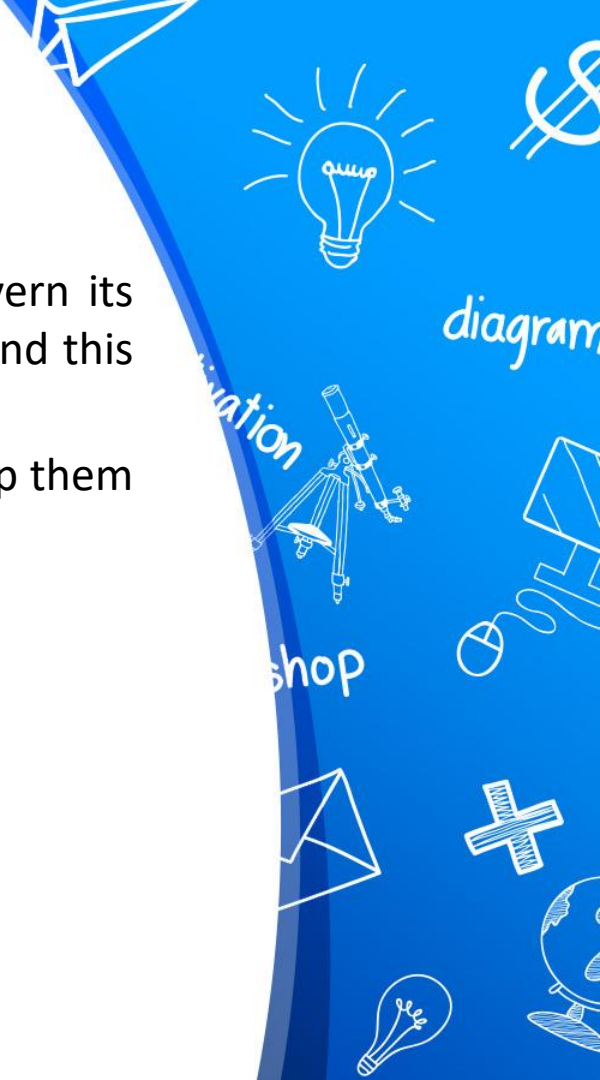


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1. The importance of HR in business (3/4)

- A company differs from others through the values that govern its organization and the employees who achieve its objectives and this isn't easily copied.
- Human Resources must be managed in such a way, which help them to integrate and stay in the company.



1. The importance of HR in business (4/4)

To achieve this:

1. Employees should be carefully selected, in order to meet the company's requirements for knowledge and skills.
2. They should be continuously trained to support more and more complex competitive advantages.
3. They should get rewards for the objectives, which they achieve, and for their contribution to the company.
4. They should work in an environment in which organizational changes are expected.



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***HUMAN
RESOURCES AS
COMPETITIVE
ADVANTAGE***



2.1. Workforce Productivity (1/2)

- Productivity is a main prerequisite for the company's survival.
- Productivity measures the quantity of produced products. This measurement is made through the use of given amount of factor of production. With other words, it measures the quantity of factors of production, which correspond to the product unit.
- It is related to the term "outflows" (produced goods or services).
- Productivity is the ratio between the result of an activity to the consumption of factors (labor, materials, energy, etc.).



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2.1. Workforce Productivity (2/2)

- The slowdown in a country's productivity growth often means the beginning of a **difficult financial period**.
- On the other hand, the improvement of a country's productivity means that it starts a period with **improvements** in the living standards of population.



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2.2. The connection between Human Recourses and Workforce productivity (1/2)

- **Employees' productivity is related to their dedication.** Especially, in the service sector, the loyal employees develop personal relationships with the company's customers through services. This method has positive impacts and interactions between the employees and the customers.
- **Trust and emotional commitment** are essential to build relationships with the customers.
- High levels of trust and emotional commitment increase the possibilities to keep going the customers this relationship.
- The right recruitment/selection is the first step to maintain the productive employees.



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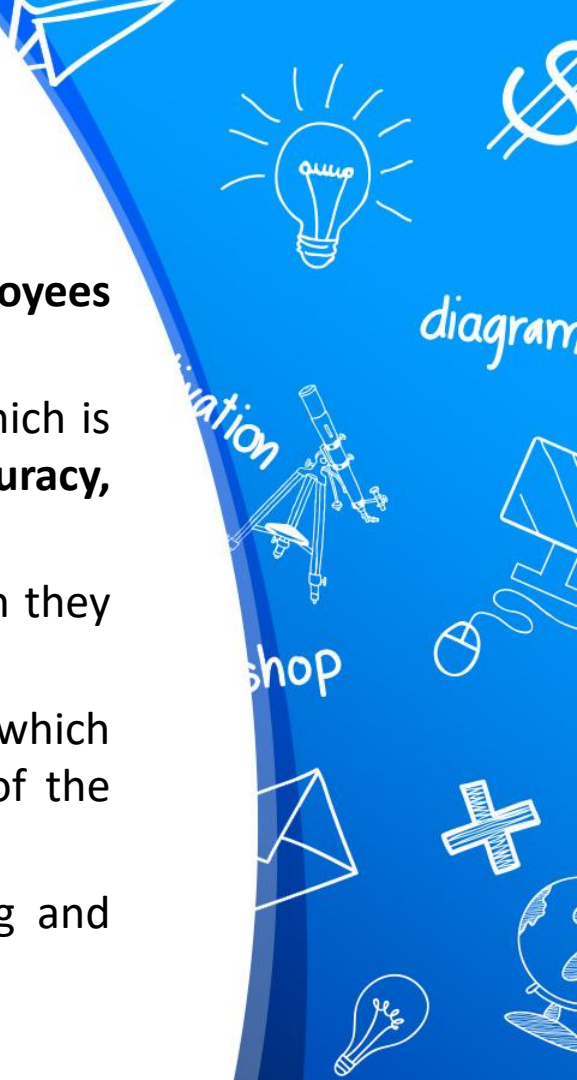
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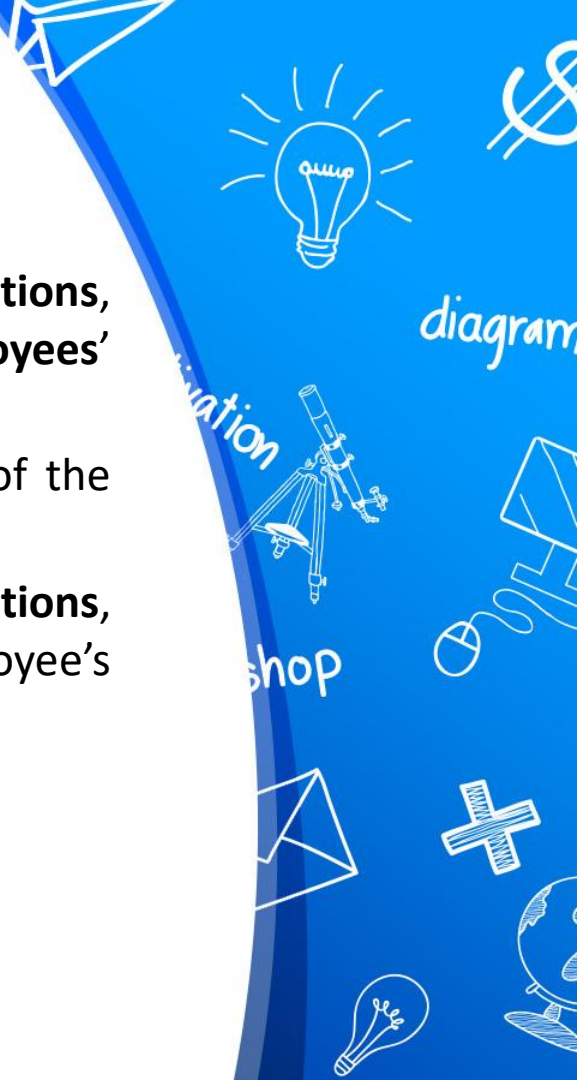
2.2. The connection between Human Recourses and Workforce productivity (2/2)

- The term "**productivity**" is directly related to the **employees performance**.
- The term "performance" **means the completion of a task**, which is measured by predefined known standards such as: **accuracy, completeness, cost and speed**.
- The most important thing in a company is the way with which they will manage the employees' performance.
- **Performance Management** is defined as a systemic process which improve the company's performance, through the develop of the performance of individuals and groups.
- **Human Resources Management** is responsible for managing and improving the employee's performance.



2.3. Factors Affecting Workforce Productivity (1/2)

- An organization can affect significantly the **working conditions**, many **factors of performance** and at the same time the **employees' productivity**.
- These factors are related to mental and spiritual attributes of the employee.
- When an organization knows the **employee behavior motivations**, they can improve their staff's policy and the employee's performance through HRM practices.



2.3. Factors Affecting Workforce Productivity (2/2)

Factors that affect the workforce productivity are:

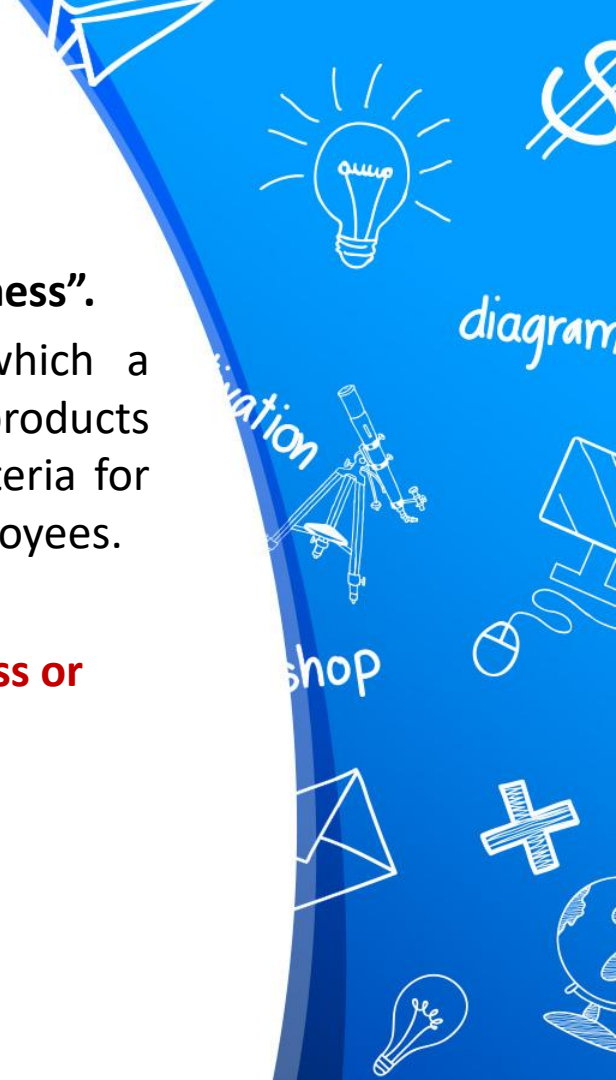
- ✓ Quality of the working environment
- ✓ Work planning
- ✓ Work simplification
- ✓ Working method
- ✓ Company size
- ✓ Competition
- ✓ Human capital skills
- ✓ Investments, quantity and quality of capital
- ✓ Innovation and technology-based companies



2.4. Human Resources as competitive advantage (1/6)

- ❑ The term “**productivity**” is related to the term “**competitiveness**”.
- ❑ The term “**competitiveness**” refers to the extent in which a company/organization or national economy can produce products or services that meet the characteristics of acceptance criteria for international market and increase the actual income of employees.

Human resources is a competitive advantage for any business or organization.



2.4. Human Resources as competitive advantage (2/6)

- ❑ There are four objectives in Human Resources Management Practices which can be used for **competitive purposes**.
- ❑ In particular, these objectives include **the same the organization, the customers, the distributors and the suppliers**.
- ❑ Planning, recruitment, appraisal, rewards, training and development programs and relations with trade unions have also important role.
- ❑ There are **two strategic directions** that a company can adapt, in order to get over the competition with human resources management practices.



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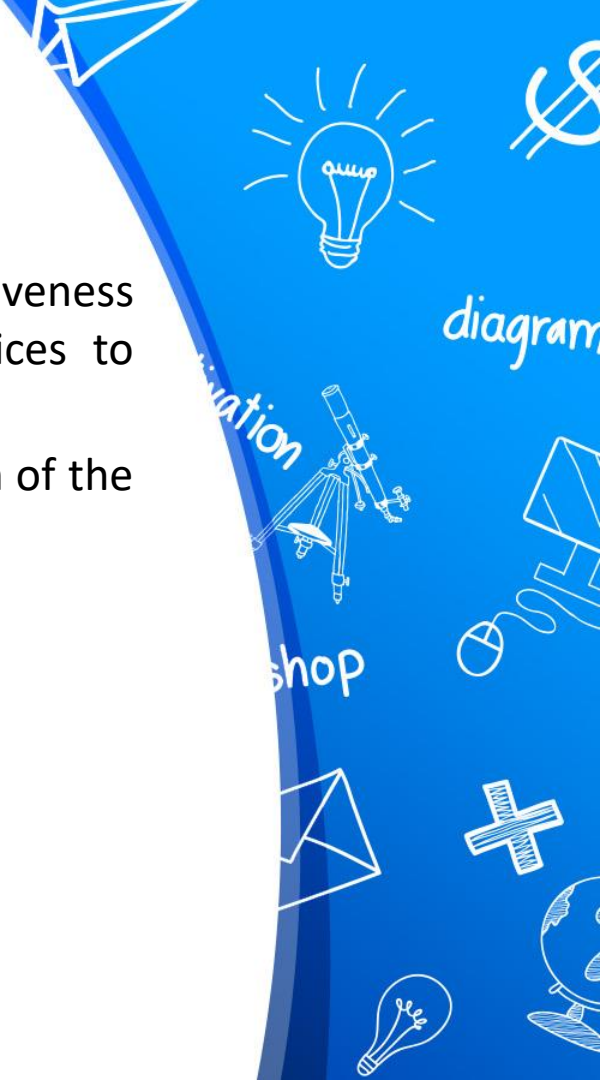


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2.4. Human Resources as competitive advantage (3/6)

- ❑ The first strategic direction is related to the cost and effectiveness such as the use of human resources management practices to increase the production efficiency and to reduce the cost.
- ❑ The second strategic direction is related to the differentiation of the product or service from its competitors.



2.4. Human Resources as competitive advantage (4/6)

- ✎ Barney (1991) develops an approach and increases a model, which refers that the resource must create value for the organization and it must be rare, inimitable and non-substitutable in order to be a source of sustained competitive advantage.
- ✎ According to this model, **human resources** have more possibilities to be the resource that will **provide the sustainable competitive advantage**.



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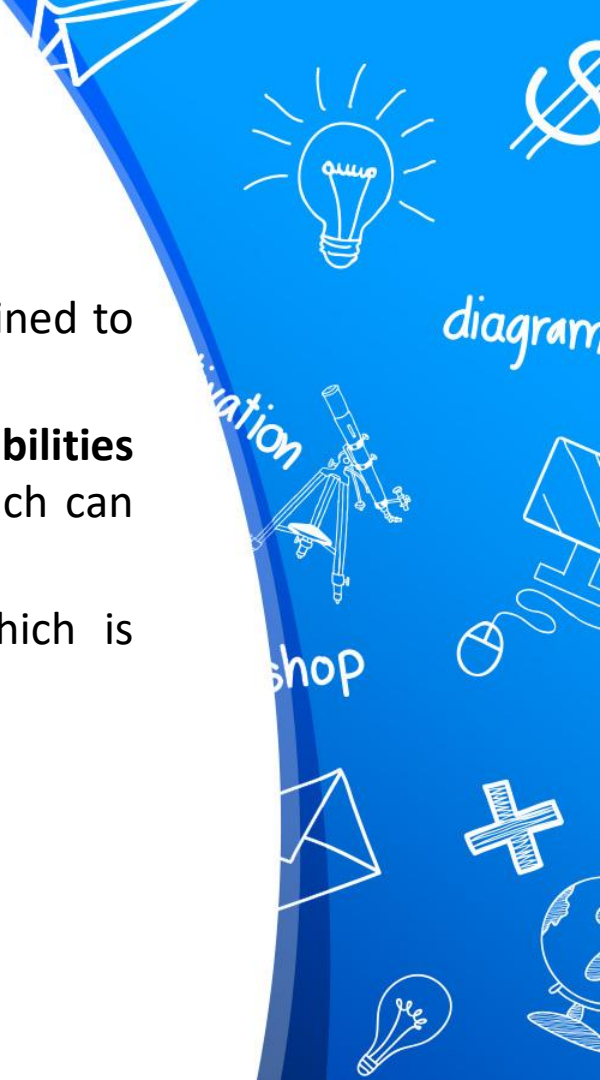
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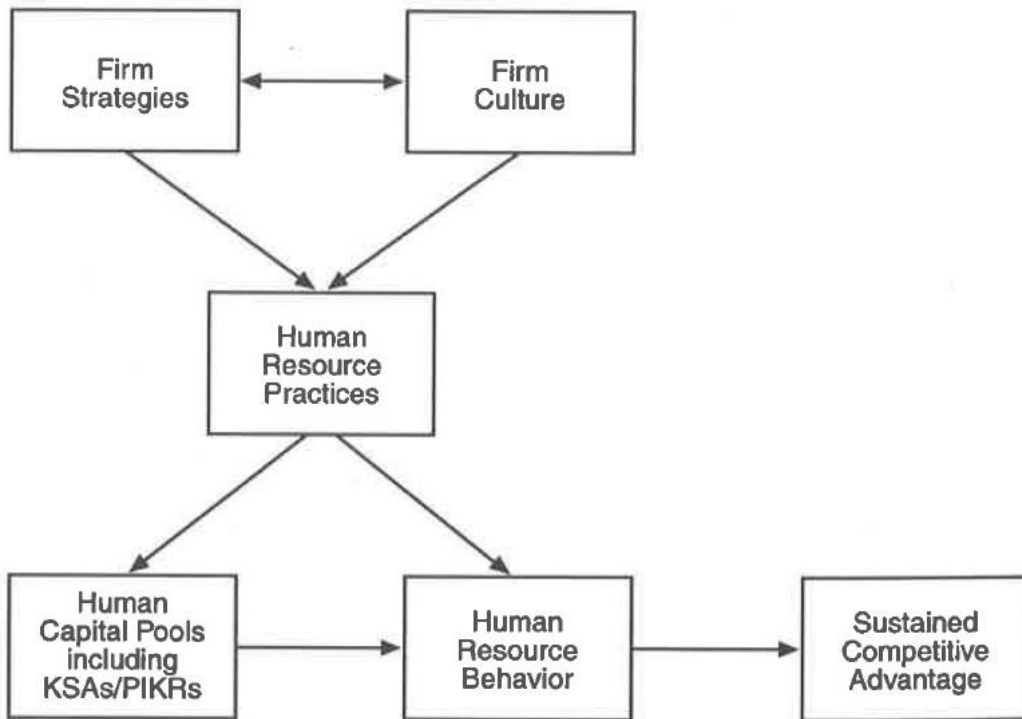
2.4. Human Resources as competitive advantage (5/6)

There are two aspects of human resources, which are combined to create competitive advantage in the company.

- The **first aspect** concerns the **innate knowledge, skills and abilities** and **the strength, information, knowledge and reward**, which can be developed by each individual.
- The **second aspect** concerns the **employee behavior**, which is necessary for the operation and productivity of the company.

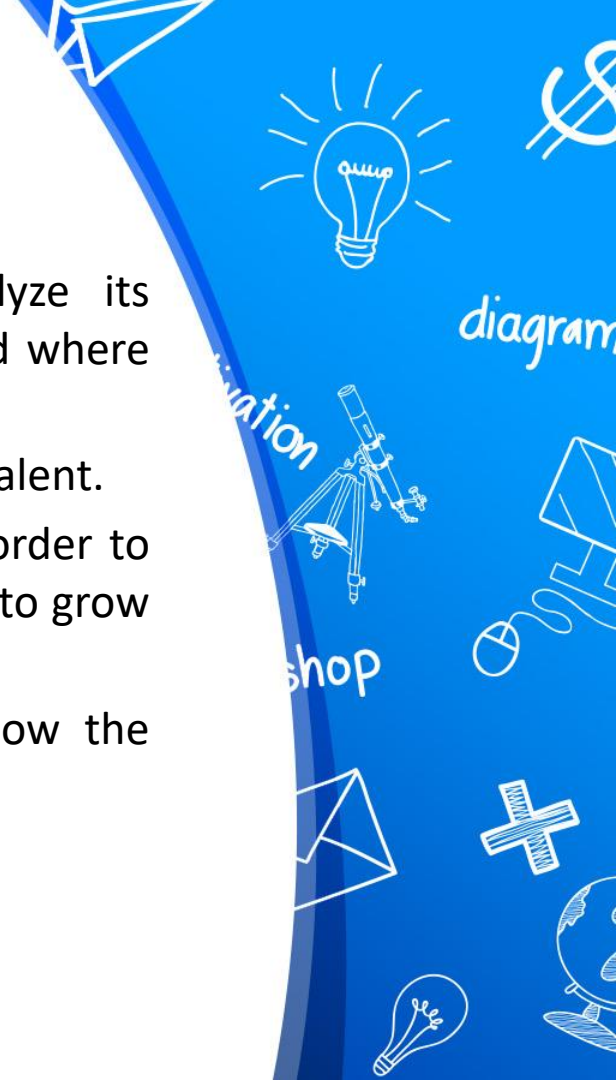


2.4. Human Resources as competitive advantage (6/6)



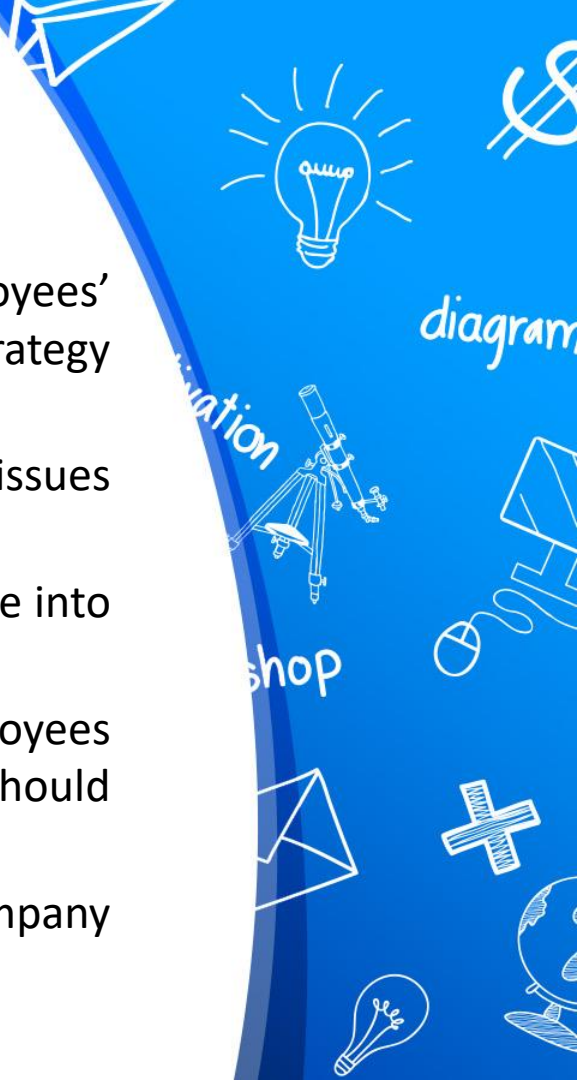
2.4.1. HRM as a Competitive Advantage (1/2)

- ❖ Human Resources Management can use data to analyze its sustainability and to identify problems which may exist and where exactly are they.
- ❖ It can provide information for prices on the market for new talent.
- ❖ It can help managers to find the right talented person, in order to acquire the needed skills for the company which will help it to grow and be competitive.
- ❖ Human Resources Management can use data to show how the employees' skills evolve over time.



2.4.1. HRM as a Competitive Advantage (2/2)

- ❖ Human Resources Management can make plans for the employees' development which take into account the organization's strategy and its long-term needs.
- ❖ It can use data to find potential employee issues before these issues turn into problems.
- ❖ Human Resources can connect with successor plans, which take into account the strategic objectives of the organization.
- ❖ Human Resources Management can perceive which of employees have high performance and inform the administration who should be monitored, in order to promote new projects.
- ❖ Guidance of Human Resources on legal issues can save the company from costly legal problems.

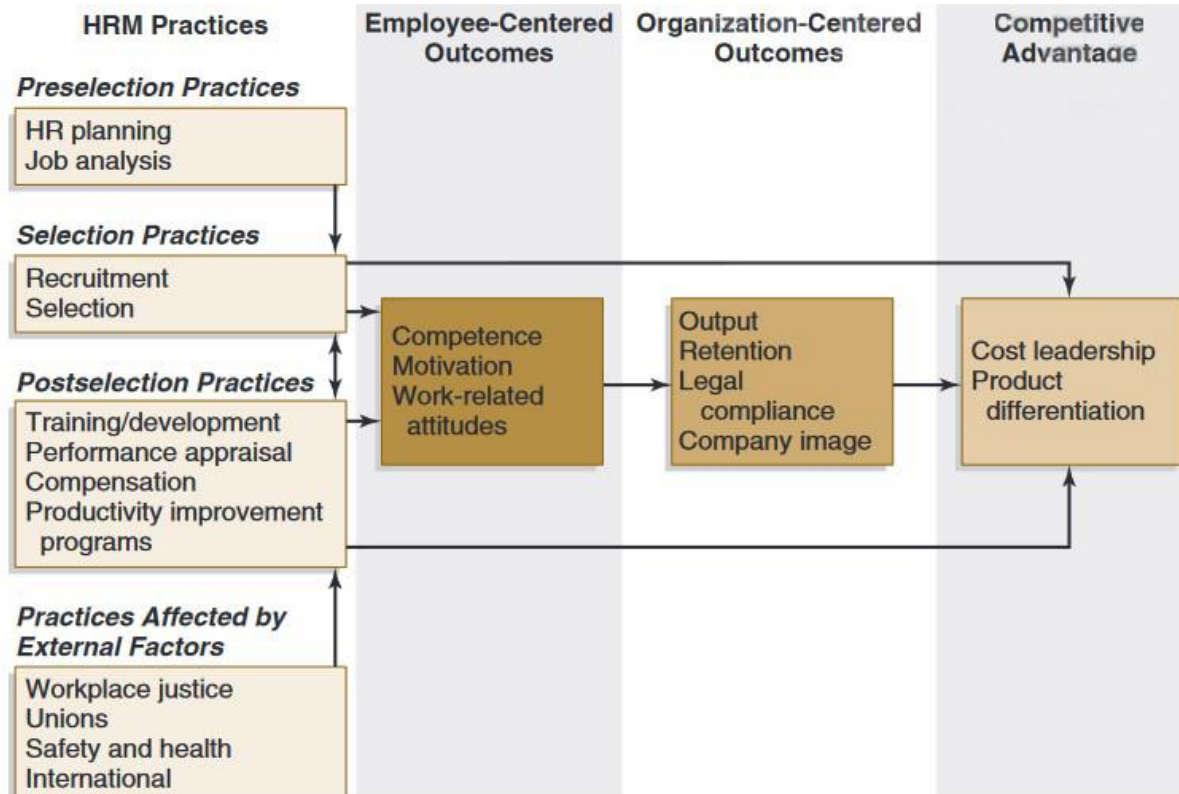


2.4.2. HRM Practices and Competitive Advantage

1. Worker Protection
2. High wages and salaries
3. Recruitment selectivity
4. Incentives rewards
5. Information exchange
6. Participating and strengthening of employees
7. Replanning the work and team
8. Training and skills development
9. Training in many different tasks
10. Equality
11. Internal promotions
12. Long-term perspective



2.4.3. HRM Practices and Competitive Advantage Linkages



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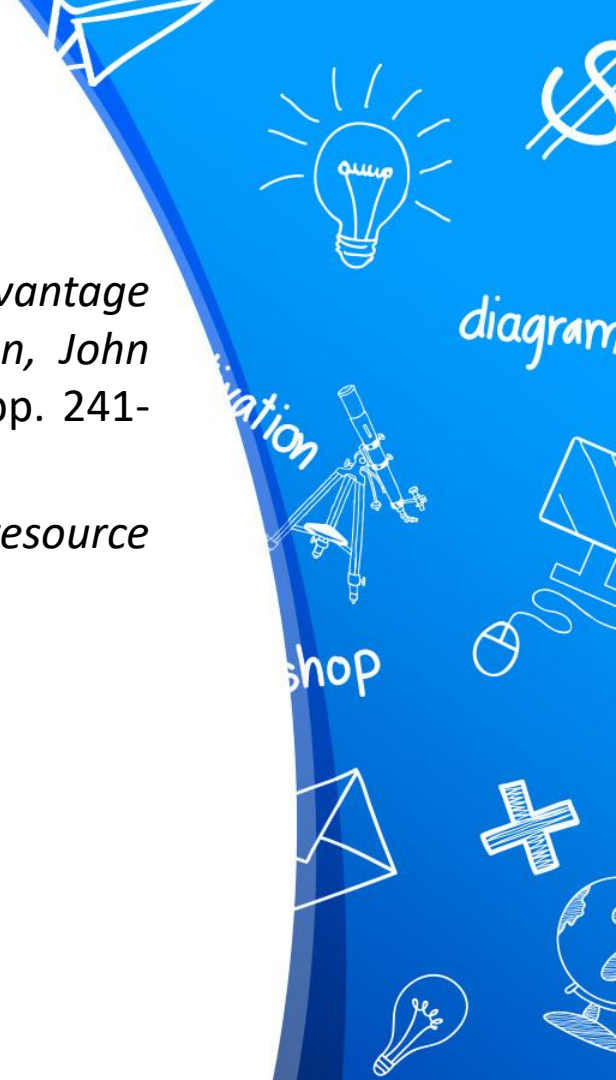


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Lecture 3rd: Human Resources Management Functions

Part A: Planning, Recruitment and Selection

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HUMAN RESOURCES PLANNING



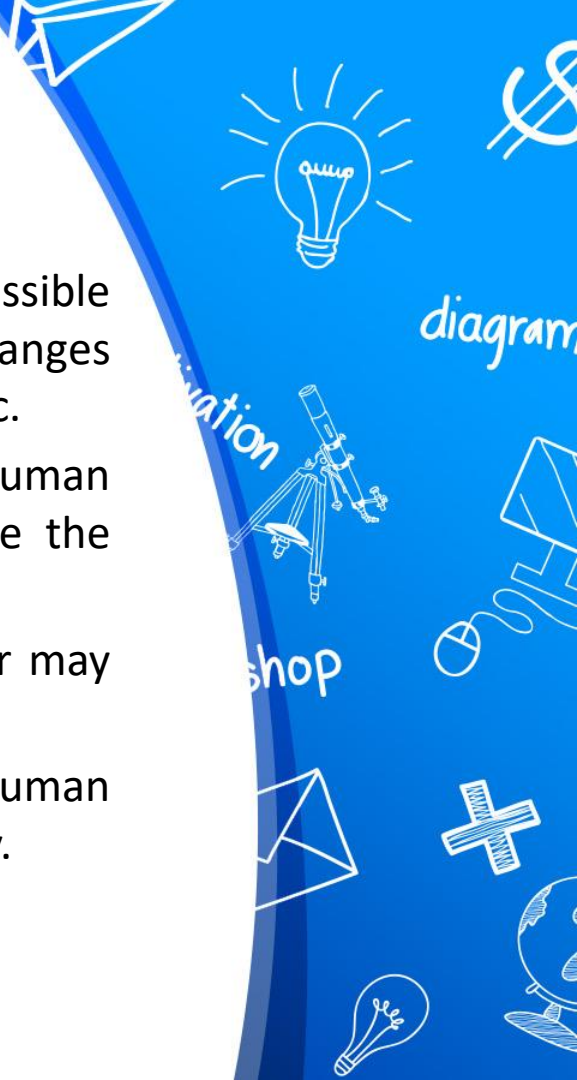
1. Human Resources Planning (1/2)

- Human resources management process in a company starts from the planning stage.
- Human resources management planning is an **on-going process** that begins before the start of the operation of an organization and continues throughout its existence.
- The **purpose of this operation** is to ensure that the company will recruit the necessary, suitable and efficient human resources, in the right place, at the right time in order to achieve efficiently its goals .



1. Human Resources Planning (2/2)

- Human Resources Planning helps the company to predict possible potential gaps in its operation, in its strategics and other job changes such as promotions, pensions, redundancies, leave maternity etc.
- The management is informed about the company' s needs in human resources and proceeds with recruitments in order to ensure the necessary and suitable human resources for the company.
- The management has the ability to make **non-staff changes** or may **hire** or **fire** staff.
- This helps the company to plan timely its demand for human resources needs and to fill the job-positions when it is necessary.



1.1. Human resources Planning process (1/6)

Planning process includes **4 basic stages**:

1. Assessment of **the current situation** in human resources.
2. Predicting **future** human resources needs.
3. Predicting the human resources **supply**.
4. Defining **the final human resource planning plans**.

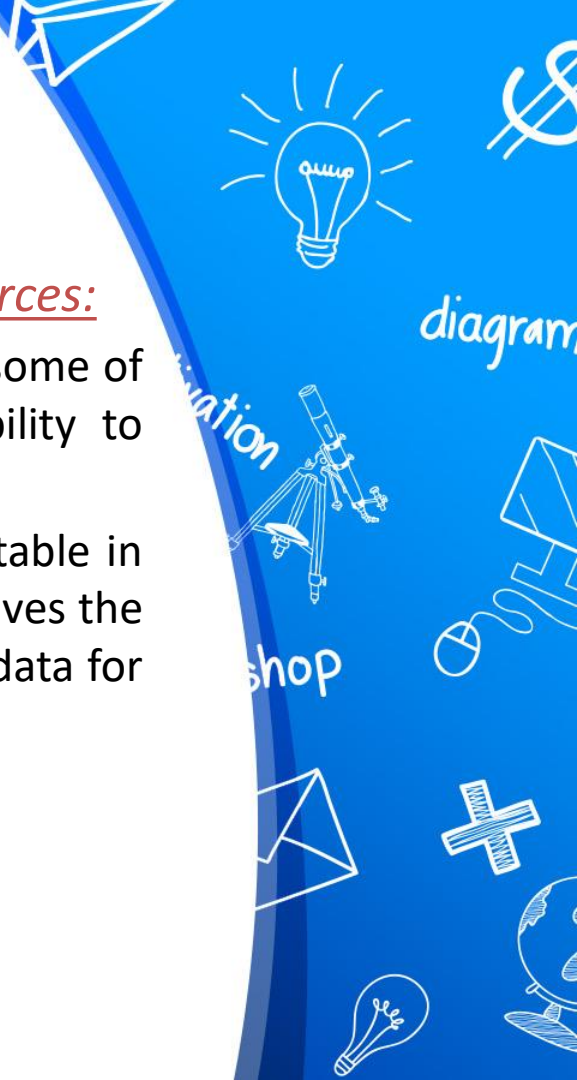


1.1. Human resources Planning process (2/6)

1. Assessment stage of the current situation in human resources:

At this stage, basic quantitative data are collected and classified, some of them are: age, studies, work experience performance and ability to evolve.

In order to collect these data, it is necessary to create a census table in which the human resources are updated constantly. This quickly gives the overall picture of each department in the company and provides data for the availability of human resources that can be used in the future.

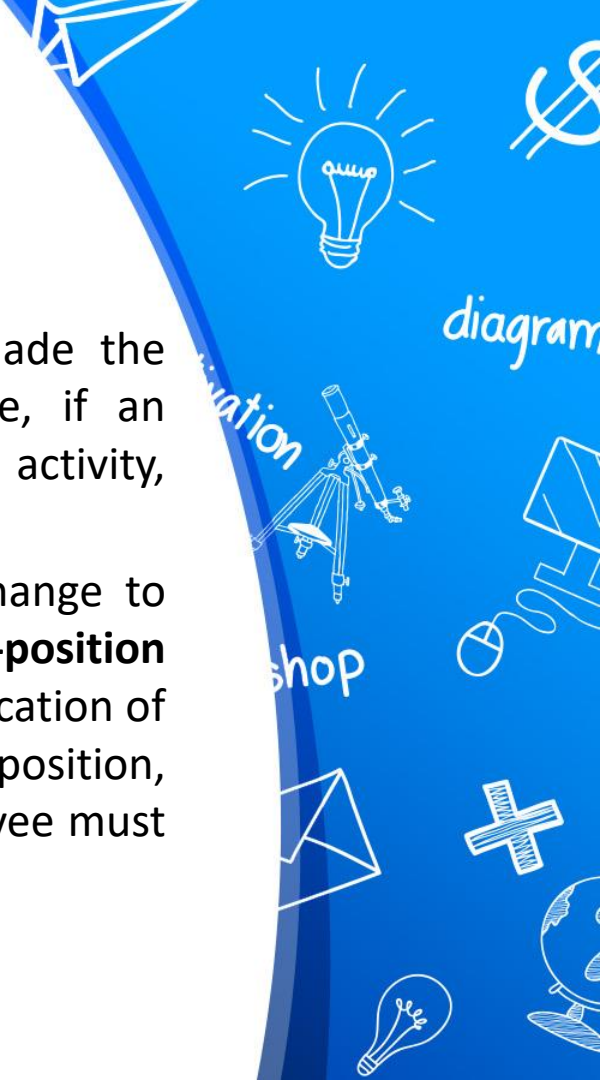


1.1. Human resources Planning process (3/6)

2. Predicting stage of future human resources needs:

At the second stage of human resources programming is made the forecast for future needs of human resources. For example, if an organization's strategy foresees future changes in its economic activity, then it will make also changes in its human resources.

Before the company makes any decision, which includes a change to human resources, in the first place, it must be done a **job-position analysis**. The project analysis includes the description and specification of each job position. This process defines the **duties** of each job position, but also it defines **the prerequisite qualifications** that an employee must have in order to work in this position.



1.1. Human resources Planning process (4/6)

JOB ANALYSIS

```
graph LR; A[JOB ANALYSIS] --> B[JOB DESCRIPTION]; A --> C[JOB SPECIFICATION];
```

JOB DESCRIPTION

Job title
Location
Working hours
Duties and Responsibilities
Salary and benefits
Working conditions

JOB SPECIFICATION

Education
Experience
Responsibility
Natural Conditions
Communications skills



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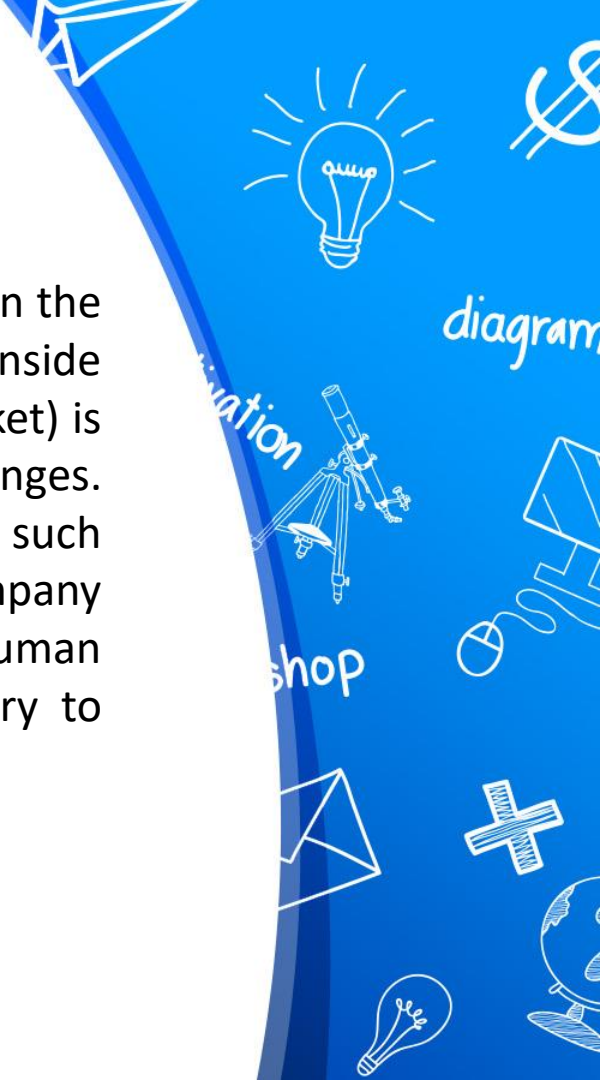
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1.1. Human Resources Planning process (5/6)

3. Predicting stage of the human resources supply:

When the needs predicting stage in a company is completed, then the company evaluates the supply of human resources whether it is inside or outside the company. Inside the company (internal labor market) is evaluated the current situation and estimated possible changes. Concurrently, from the external labor market are collected data such as the demographic characteristics of the area in which the company exists and is estimated if there is any possibility to attract human resources from other areas. With these data, the company try to estimate if human resources will be available.

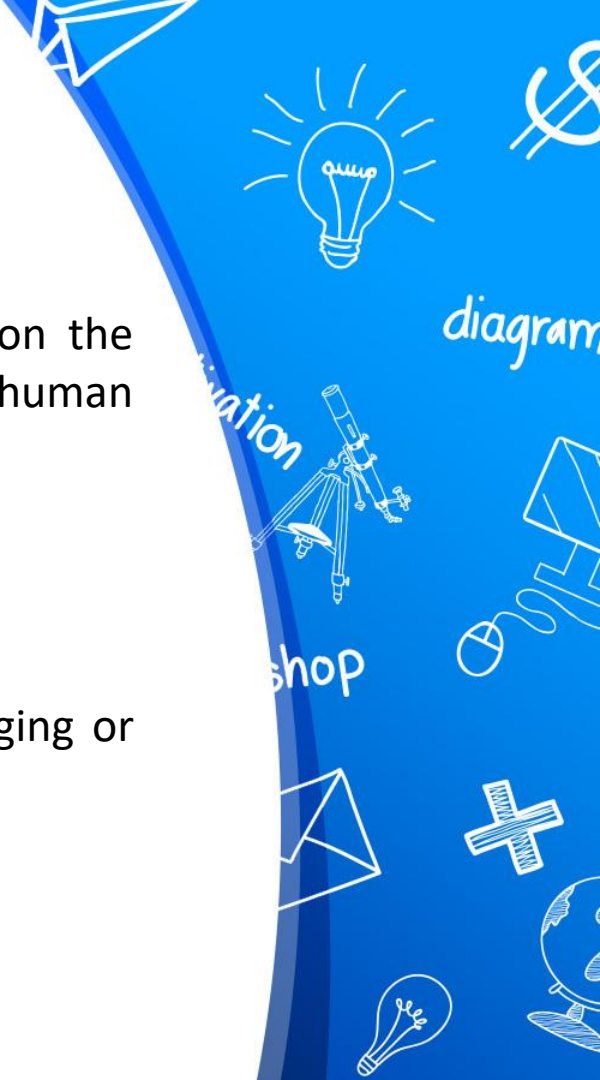


1.1. Human resources Planning process (6/6)

4. Defining final human resource programming plans:

It is the last stage of human resources planning. Depending on the predictions which have made in the supply and demand of human resources, the company have to decide if it will:

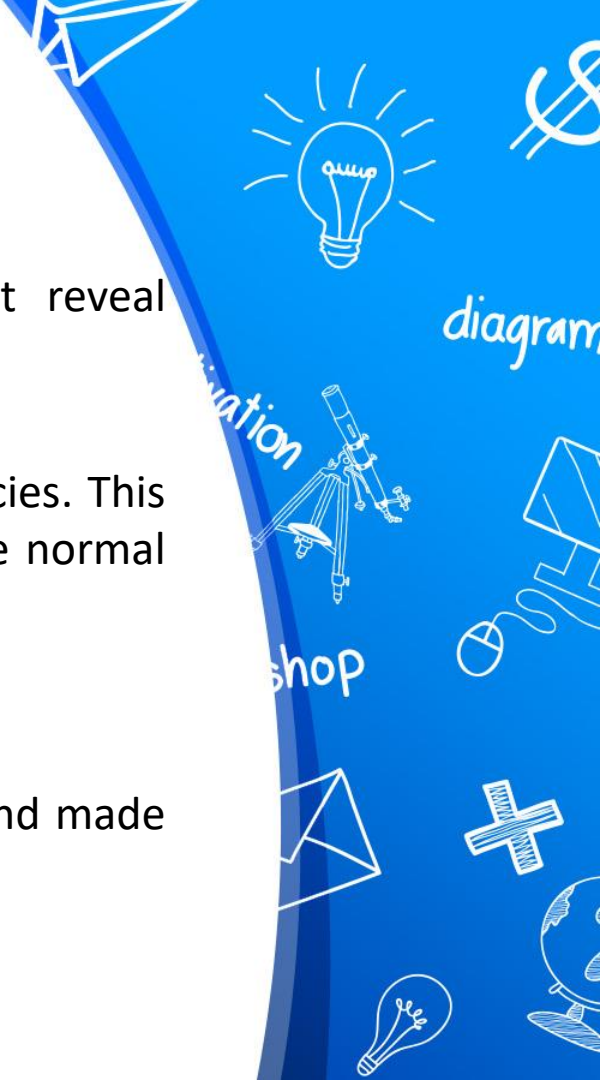
- Promote employees,
- Hire new employees,
- Relocate employees,
- Use new technology, in order to reduce the needs of changing or hiring new human resources,
- Assign in an external company some activities.



1.2. Benefits of Human Resources Planning

The **main benefits** of planning are:

- The overview of the current recruitment level, it might reveal deficiencies, surplus or lack of human resources.
- Timely recruitment of human resources.
- It is possible to predict and also to avoid possible redundancies. This is possible with the estimation to relocate employees or the normal losses (pensions, maternity leave etc.).
- Timely preparation of educational programs.
- Timely planning of employee succession.
- The consequences of the changes can be assessed, costed and made relevant predictions.



Human Resources Recruitment



2. Human Resources Recruitment

- After the determination of needs in human resources is completed, then it follows the search for the **suitable candidates**.
- It is the process of locating, attracting and expressing the interest of suitable candidates (inside or outside the company) to fill vacancies.
- **The main goal** of human resources recruitment is to find the suitable candidate, who will have the ability to fill the needs and the requirements of the job position, to improve and develop it.
- Firstly, it should be decided if there are suitable candidates from the existing human resources (internal labor market) or if new employees will be hired (external labor market).



diagram

evaluation



shop



2.1. Methods of Human Resources Recruitment (1/3)

Internal recruitment :

This method concerns the selecting staff who work already in the company or its surroundings. In this case, the company relies on its existing staff and will fill the position from the internal labor market.

Benefits:

- Candidates are well-known in workplace
- The selection cost is low.
- The education cost is low.
- There are increased passion of candidates for getting a better job position in the company.



2.1. Methods of Human Resources Recruitment (2/3)

External recruitment :

In this method the company or organization identifies candidates from its external environment. External recruitment is the most common method.

Methods of external recruitment:

1. University, Technological Educational Institutes (Liaison Offices & Career days)
2. Professional associations, chambers, unions
3. Competitive companies («immoral competition»)
4. Internet (business or office website)
5. Employee lease offices



2.1. Methods of Human Resources Recruitment (3/3)

Methods of external recruitment :

7. Employment agencies
8. Employment Promotion Centers
9. Consulting companies («big fish»)
10. Job posting in social media

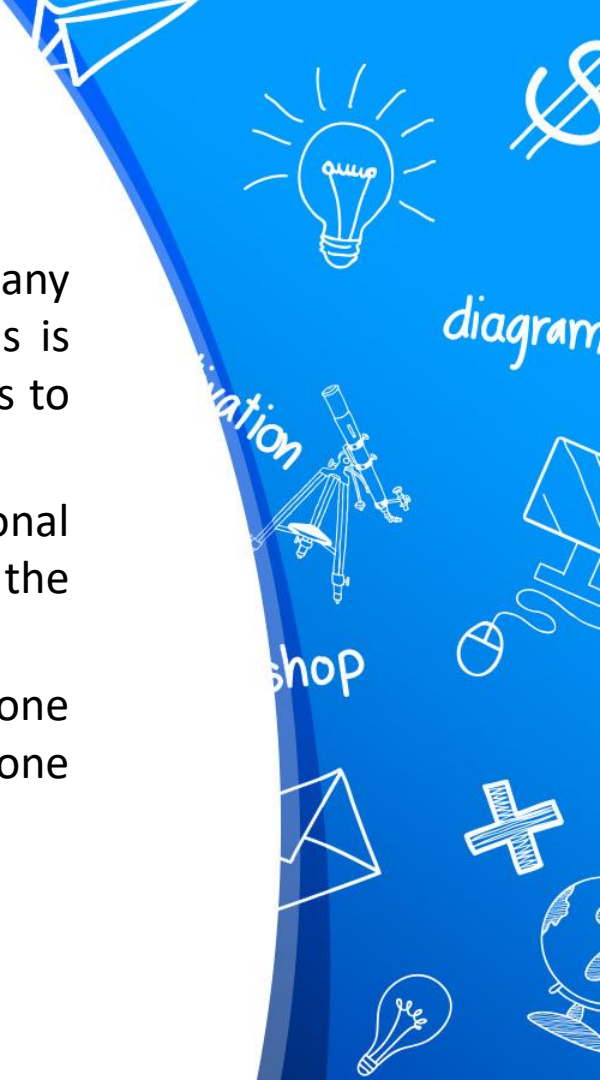


2.2. E-Recruitment (1/2)

E-recruitment is the process of staffing employees in a company which using Information and Communication Technologies. This is possible when businesses and the labor market have easy access to Internet.

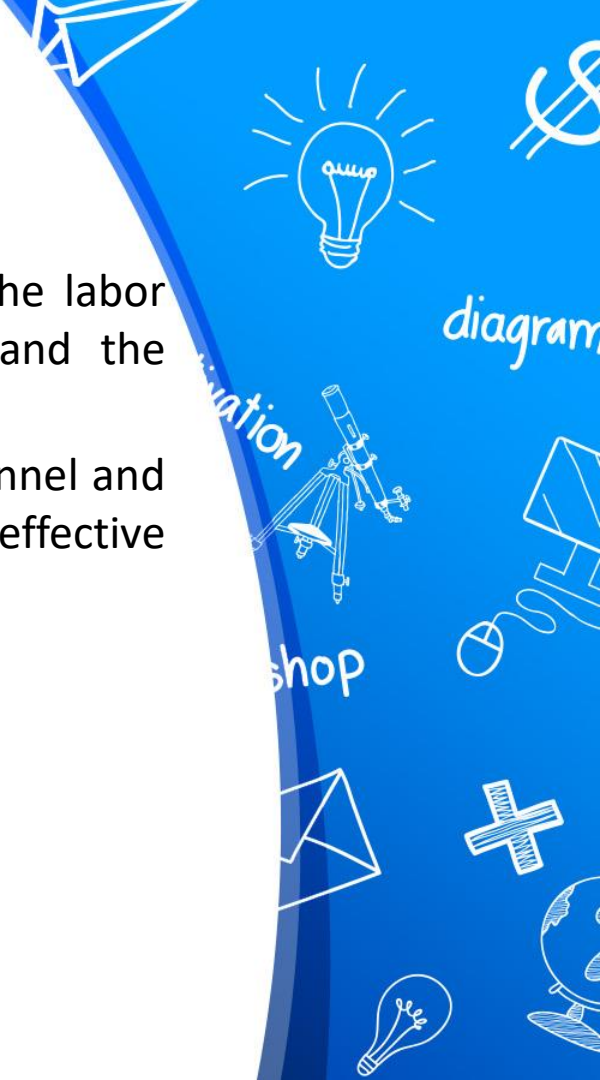
E-recruitment process consists of similar functions as the traditional process, but it is also possible to change tasks and the time of the functions, because some of them can be done simultaneously.

For instance, a part of the evaluations and selection can be done before the candidates apply for the vacancy. This can be done through online tests and the use of other evaluation tools.

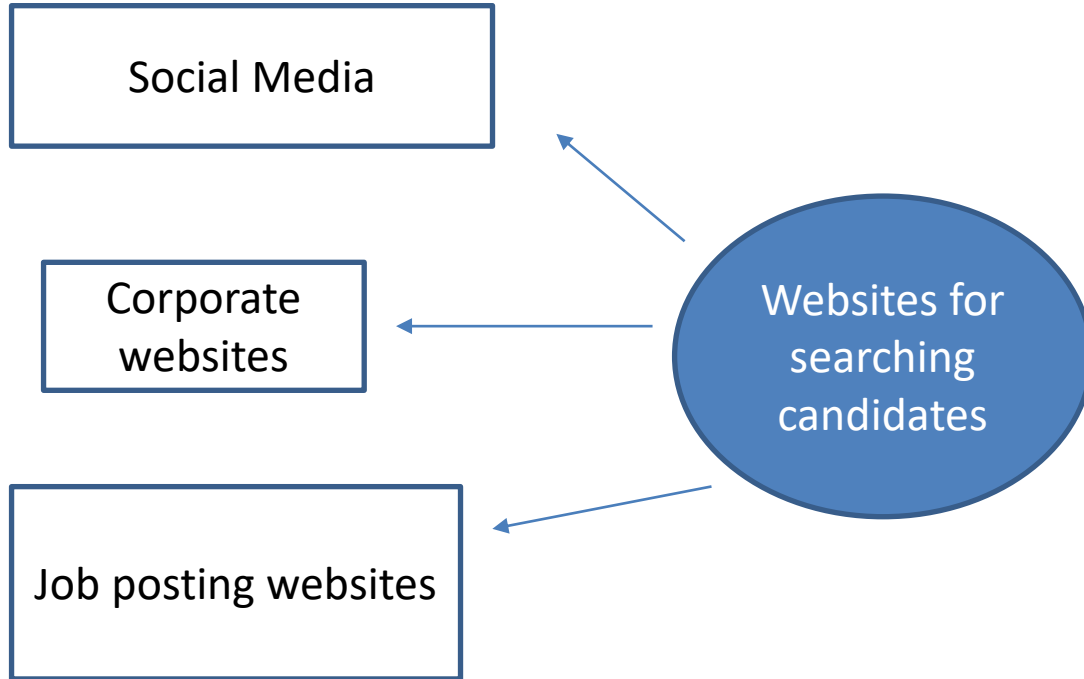


2.2. E-Recruitment (2/2)

- With the introduction and spread of ICT in business and the labor market, many of the traditional sources of job search and the candidate recruitment have lost their relevance.
- As found in a survey by the UK's Chartered Institute of Personnel and Development/CIPD, candidates consider that the most effective methods of searching work are:
 - corporate websites (74%),
 - networking websites (60%) and
 - job search websites (58%).



2.2.1. E-Recruitment Methods



HUMAN RESOURCES SELECTION



3. Human Resources Selection

The purpose of the recruitment process is to evaluate the candidate from among a set of candidates and to select the most suitable for the job position.

The modern method of selecting and evaluating employees is a complex decision-making process, in order to place the right employees in the right job positions.

Selection conditions of Human Resources:

- Job position analysis (determination of needs by managers)
- Job specification
- Job description
- Requirements for experience from managers
- Requirements for personal characteristics from managers.



3.1. Methods of Human Resources Selection (1/4)

Selection methods of human resources are include:

1. Submit printed application
2. Curriculum vitae
3. Recommendation letters
4. Selection test
5. Interview



3.1. Methods of Human Resources Selection (2/4)

Submit printed application:

It is a traditional method of selection, it is known as filtration and is used in the earliest stages of human resource selection. Candidate's information is easily compared through the uniformity of the application form and it is possible to create a file to meet future needs.

Curriculum vitae:

This method is used in the early stages for the staffing of a company and when there are many employees.



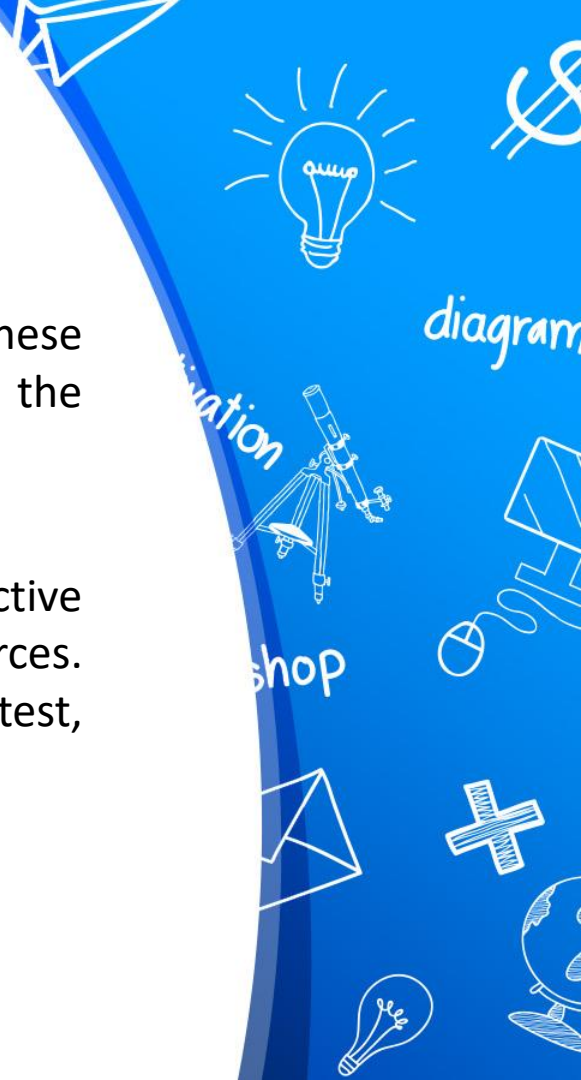
3.1. Methods of Human Resources Selection (3/4)

Recommendation letters:

Letters of recommendation are divided into two categories. These that simply verify the information of the candidate and the recommendations that the candidate has.

Selection test:

The selection and evaluation tests created to provide more objective tools of measuring the qualifications and skills of human resources. There are many types of selection tests such as tendency-ability test, intelligence test, special ability test etc.



3.1. Methods of Human Resources Selection (4/4)

Interview:

- It is the most widespread and an international process of selecting human resources.
- It can be individual or group, structured or unstructured and it is a bidirectional process in order to estimate the candidate's abilities, skills, personality and behavior.
- It is a basic tool for evaluation and used to determine if a candidate is suitable. It helps the manager to evaluate the candidate and to combine the candidate's information with the discussion. In addition, it helps the manager to get the impression that lead to the final evaluation and to the selection of the suitable candidate.



diagram



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3.2. E-Selection

- The final step in the selection process is to decide which of the candidates will eventually be hired. Experienced recruiters combine the scores that each candidate has pointed through the evaluation practices and finally decide which candidate will be recruited.
- The decision-making process can be assisted by an e-selection system through the collection of information, which are relevant to the evaluation criteria and the performance of the candidates.
- The use of an e-selection system, it helps employers to reach in valid conclusions about the suitability of candidates.



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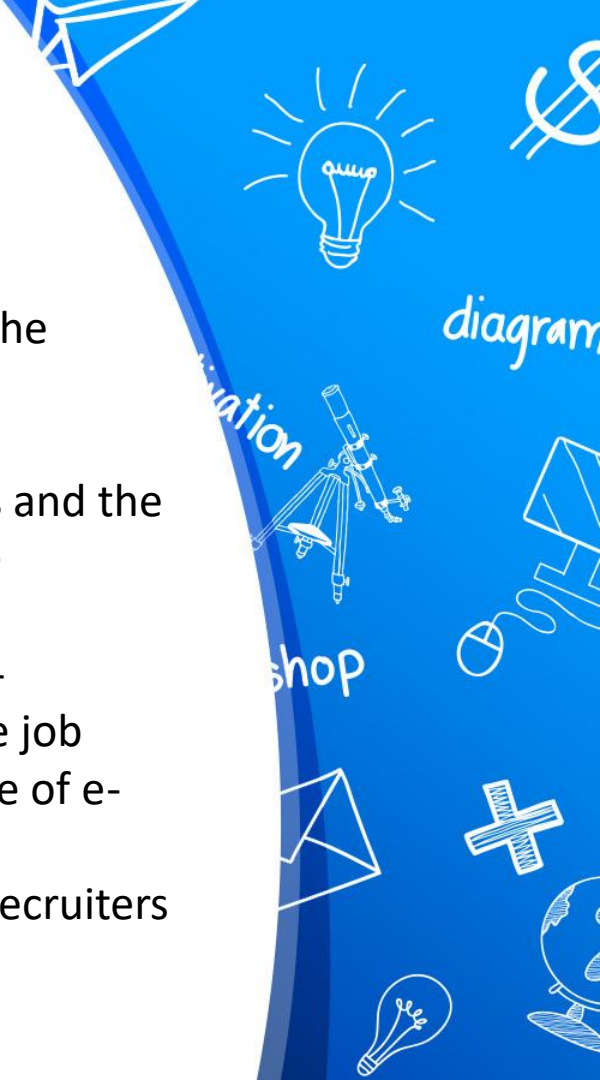
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3.2. E – Selection

E-selection process has **many advantages**:

1. It helps to automate daily works. This results in a reduction in the workload of human resource management executives and as a consequence the total cost of the recruitment process.
2. This improves the overall experience of the application process and the evaluation work, when the process is tailored and oriented to the appropriate group of candidates.
3. Provides more geographical coverage. This enables to the high-performing candidates who are far away to apply for the available job position and helps with the candidates evaluation through the use of e-recruitments tools.
4. It allows to interact and communicate the candidates and the recruiters staff, regardless the time and the location.



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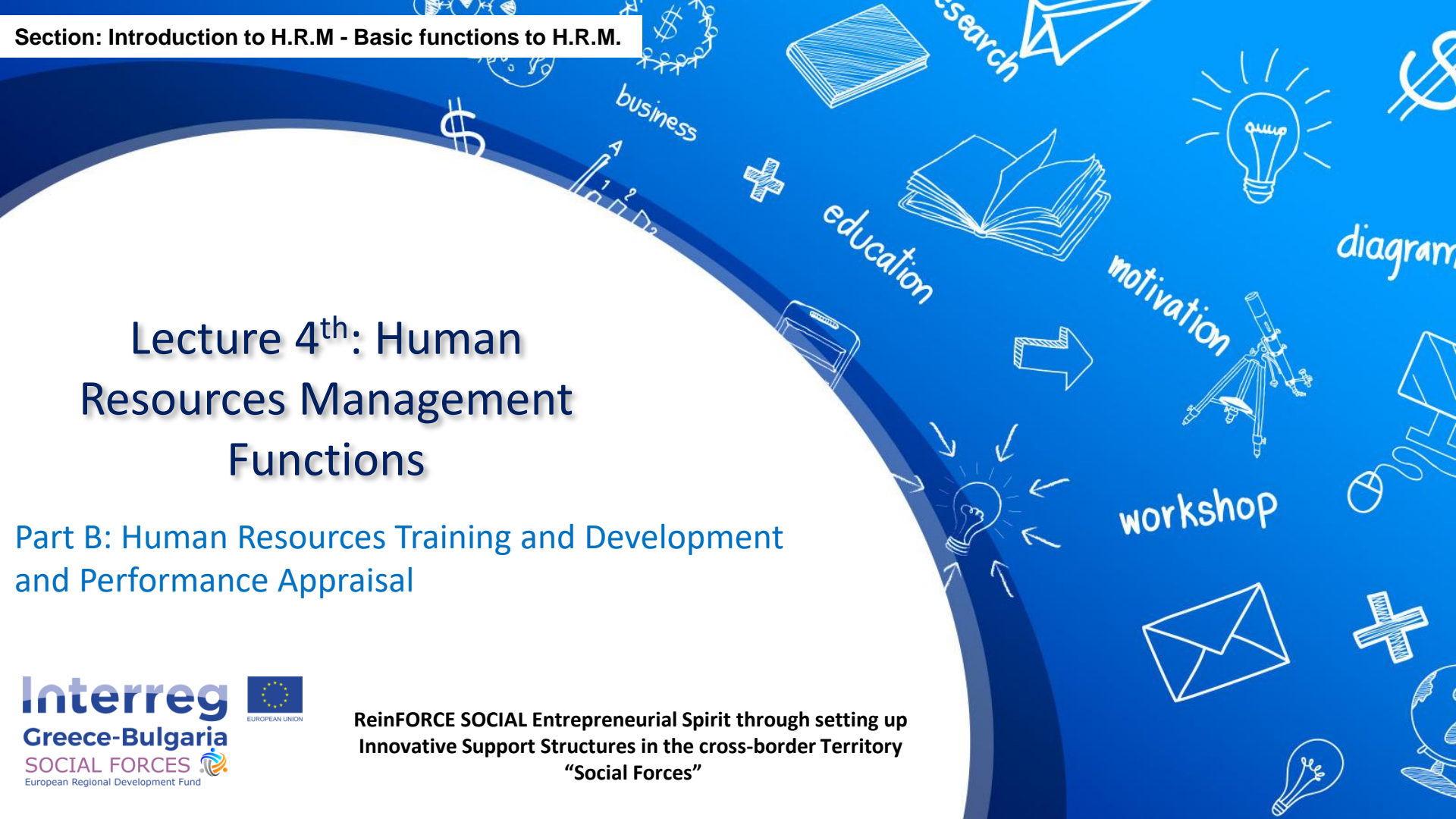


Lecture 4th: Human Resources Management Functions

Part B: Human Resources Training and Development and Performance Appraisal



ReinFORCE SOCIAL Entrepreneurial Spirit through setting up Innovative Support Structures in the cross-border Territory "Social Forces"



ΠΕΡΙΕΧΟΜΕΝΑ

1. Human Resources Development

2. Human Resources Training

2.1. The role of training in companies

2.2. Necessity of human resources training and development

2.3. Methods and procedures of Human Resources Training

2.4. Human Resources Training Forms

2.5. Positive results of Training in companies

3. Performance Appraisal

3.1. Purpose of Performance Appraisal

3.2. Objectives of Performance Appraisal

3.3. Methods of Performance Appraisal

3.4. Human Resources Assessors

References

HUMAN RESOURCES TRAINING AND DEVELOPMENT



1. Human Resources Development

Human Resources Development includes **education, career management, talent management** and the **strengthening of the creativity and innovation.**



1. Human Resources Development (1/2)

Career Management

- **Career Management** plans and shapes the progress of employees in a company, according to organizational requirements and evaluation and take into account the capabilities and the preferences of the employees.
- **Career Development** can be defined as continuous set of activities that contribute to the exploration, the establishment, the accomplishment and the fulfillment of an employee's career.
- **Career planning** can be described as a process with which people can realize their capabilities, their interests, their knowledges and motivations and they can structure their action plans in order to achieve specific goals.



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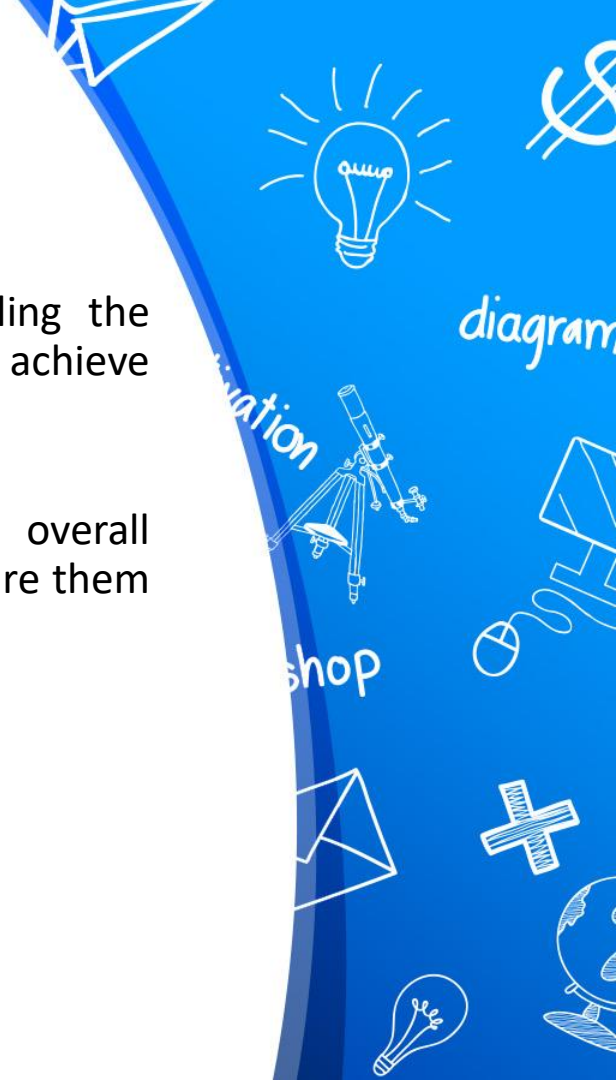
1. Human Resources Development (2/2)

Management and talent development

- Management Development is a systemic process of controlling the development of management resources of a company to achieve professional goals and strategies.
- Management Development is designed to improve the overall effectiveness of managers in their current job position and prepare them to take on more responsibilities when they promoted.

Goals:

- Positive response to change
- To make decisions more correctly
- To understand the human behavior
- To develop the creativity
- To insert innovations



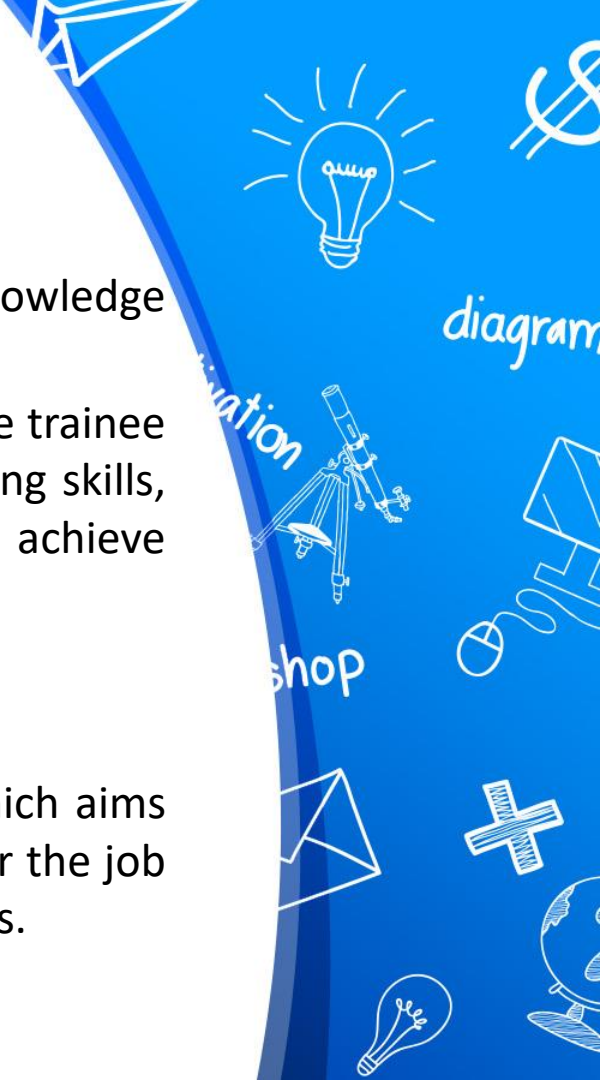
2. Human Resources Training

Training:

- ✓ Training is an organized process which help people to take knowledge and skills in a specific purpose.
- ✓ The purpose of the training is the successful modification in the trainee behavior. In business world, that mean to acquire new handling skills, technical knowledge and ability to solve problem in order to achieve the business goals.

On the Job training:

Therefore, on the job training refers to the education process which aims to receive and develop necessary knowledge, skills and abilities for the job performance, the understanding of the entity and its strategic goals.



2.1. The role of training in companies

- In business world, training is professionally oriented and has utilitarian purpose.
- Except for the training in workplace, a company or an organization should aim for in the professionally development of human resources.
- The human resources development constitutes an integral part of the organization's strategy and aims to **the improvement, the growth** and the change of attitude and behavior of an employee in the job.



2.2. Necessity of human resources training and development (1/2)

There are many reasons, which contribute to the need of training and development of employees and they include:

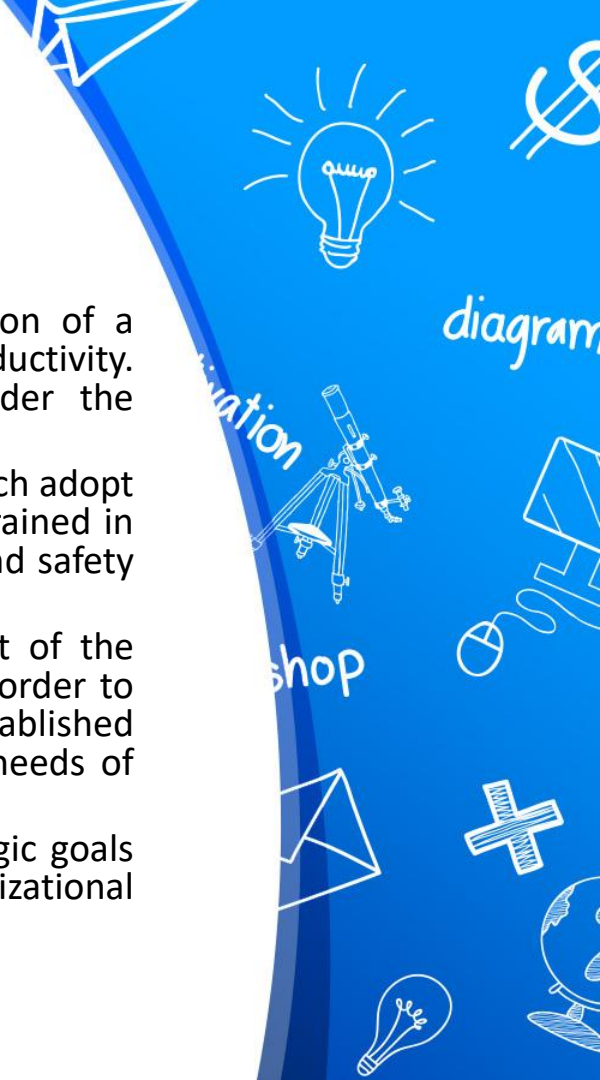
- **economic, social and the technological changes** and the developments, which contribute to disdain some old-fashioned skills.
- **Organizational changes** within the organization (use of new technology, new equipment and requirement to new skills),
- **employee efficiency problems and low productivity,**
- **institutional changes, collective and personal contracts** of employees with trade unions which foresee the employee's training by their employer.



2.2. Necessity of human resources training and development (2/2)

Human resources Training composed of four different levels of needs.

- 1. Training to increase the productivity:** In the frame of the operation of a business or an organization, the education aims to increase the productivity. This type of training used in small businesses when they consider the educations necessary (for example, the use of new equipment).
- 2. Training in order to carried out specific tasks:** the practical training which adopt by the organization concerns the selection of employee who will be trained in short-time programs outside of the workplace. (for example, health and safety issues in the job).
- 3. Performance training:** the company aware to that the improvement of the quality of employee's work require to adopt an educational policy in order to achieve predetermined goals. Though this, evaluation systems are established for the training programs and they can be used to predicts future needs of educational issues.
- 4. Training to achieve strategic goals:** The organization plans the strategic goals and the human resources training programs and has as based the organizational and individual needs of employees.



2.3. Methods and procedures of Human Resources Training (1/5)

The human resources that come from the labor market, usually don't have all the required knowledge and skills to successfully carry out their tasks. That requires the training in specific methods and procedures.

Specifically, the followed procedures are:

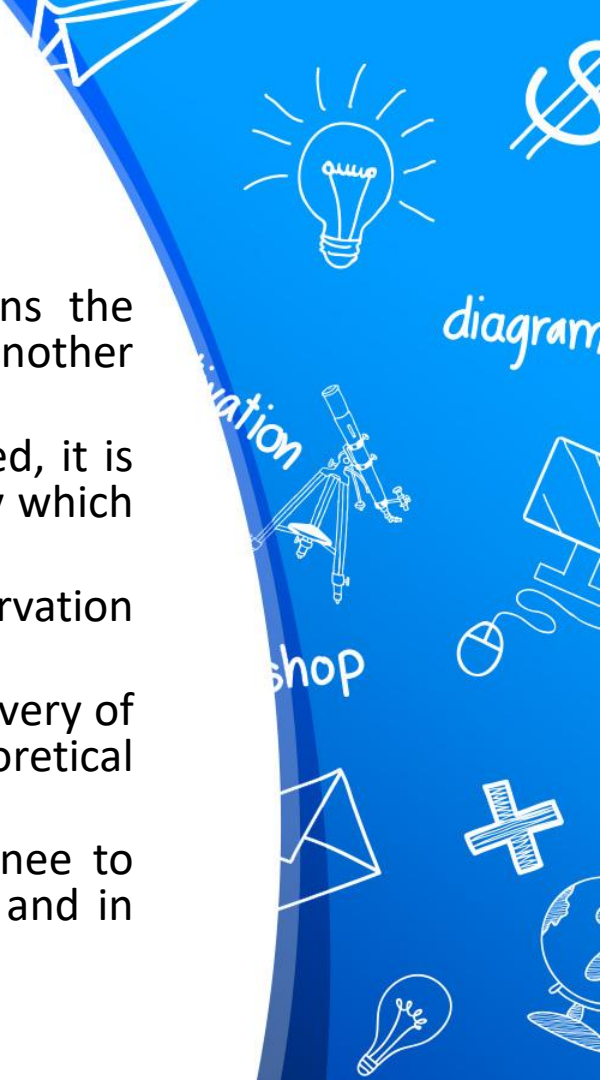
- ❖ Diagnose and estimate of educational needs in combination with the goals of the company.
- ❖ Determination of educational goals.
- ❖ Investigation and selection of modern and effective education methods.
- ❖ Selection of trainees and trainers.
- ❖ Educational planning and coordination.
- ❖ Preparation of the relevant budget.
- ❖ Evaluation of educational programs.



2.3. Methods and procedures of Human Resources training (2/5)

On the job training

- It is **the most common method** of training and it concerns the employee familiarization with his task by his employer or another experienced employee.
- According to this method, all the necessary material is gathered, it is divided up into parts for better learning, and indicated the way which the work is with real data.
- The trainee is guided on a personal level, is kept under observation and is corrected where is necessary.
- If a theoretical training is need, it is given together with the delivery of the whole educational material, in order to there is the theoretical knowledge when the training starts in practice.
- The main advantage of this method is that it allows the trainee to learn what he needs through the handling of real equipment and in real work environment.
- It is suitable to acquire knowledge and skills in short time.



2.3. Methods and procedures of Human Resources Training (3/5)

Outside the job training

- When there are difficulties in a work and that requires time, then is applied the method "outside the job training" and specifically in special rooms or educational centers in the company.
- This method is applied when it is necessary to participate in the training a large number of people, who work in similar tasks but they work in different departments and buildings of the company.
- In this way is achieved the uniformity of education, the most careful planning and the possibility of gathering data on efficiency and effectiveness.



2.3. Methods and procedures of Human Resources Training (4/5)

On the job training

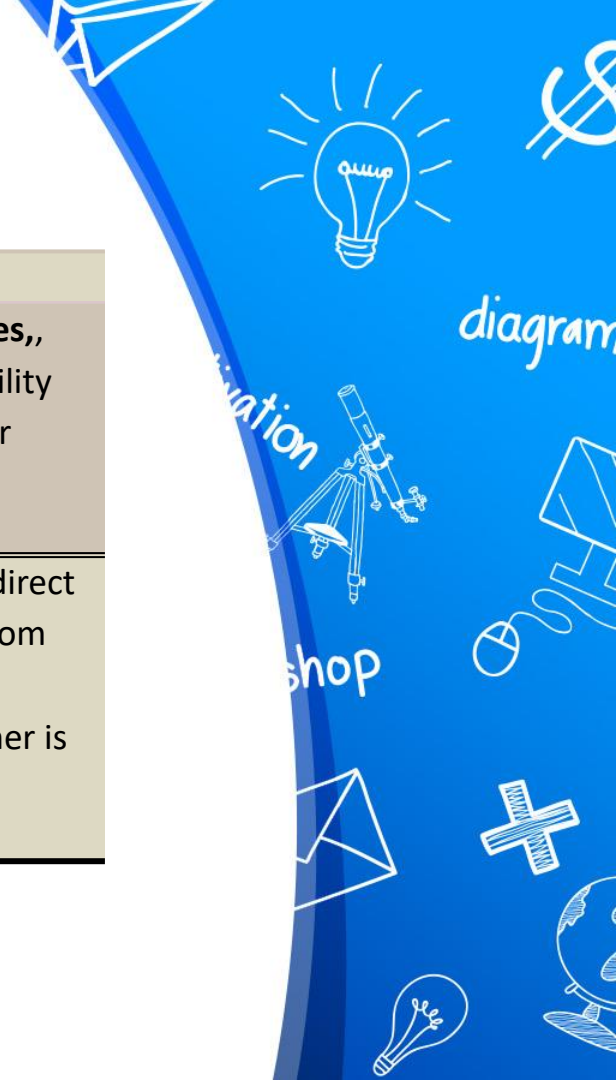
Advantages: Low cost, immediate evaluation & correction of wrongs, immediate increase in employee efficiency.

Disadvantages: Loss of trainer time (Απώλεια χρόνου του εκπαιδευτή (supervising only a small number of employees), loss employee time & transfer of duties to colleagues, losses.

Outside the job training

Advantages: A large number of trainees,, developing dynamic discussion, possibility to do it in outside working hours, fewer man-hour loss.

Disadvantages: It often doesn't have direct application, trainees have weariness from the morning work, at the end of the training, the relationship with the trainer is terminated (questions etc. e.g. class).



2.3. Methods and procedures of Human Resources Training (5/5)

Further training

- It applies when an employee begins to forget or omit things related to relevant methods of his task. Perhaps, the employee makes less effort or the management has get new equipment and tools which change the work procedure.
- Training is an ongoing administrative responsibility. It is more difficult to trainee an employee with experience because if we try to explain to an employee that he needs further (therapeutic) training, maybe it can be provoked reactions. Also, this situation may have impact to his prestige.



diagram



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2.4. Human Resources Training Forms

Based on the time and the place of the human resources training, the training is divided into:

1. **Traditional training**: it takes place in classic classroom in a school, in an organization or in a company, where the trainer and the learner are together with their natural presence the same time at he same place.
2. **E- learning**: **It is all these actions which provide the education through printed material or electronic media to people.** In the distance learning: a) there is a systematic support to the learner b) it is used new technologies and media methods, both to present the educational material, as well as for the contact between the trainee and trainer.
3. **Blended learning**: Blended learning programs are implemented with a combination of the traditional education and E-learning method. In this case, the educational material and the way of attend a course and the evaluation are suitably adopted to both learning ways (traditional education and E-learning method) and is used a special online e-learning platform.



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2.5. Positive results of training in companies

- 🎯 **Increase productivity.** The increase is not only quantitative but also qualitative.
- 🎯 **More satisfactory way of working and human resources behavior.** Acquiring new knowledge can help the Human resources to raise their morale. Knowledge can pleased basic needs such as the need for recognition, the better treatment and the acceptance by partners and colleagues.
- 🎯 **Stability and development in the business.** When a company consists of a well trained and experienced staff, then it is more easier to face its work problems and changes.
- 🎯 **Reduction of supervision.** The properly trained Human Resources don't need all the time to be supervised by their managers. This employee can supervise himself but also has the desire not to be supervised. That give him the opportunity to develop and to take initiatives in order to face the problems that may arise during his work.



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PERFORMANCE APPRAISAL

PERFORMANCE

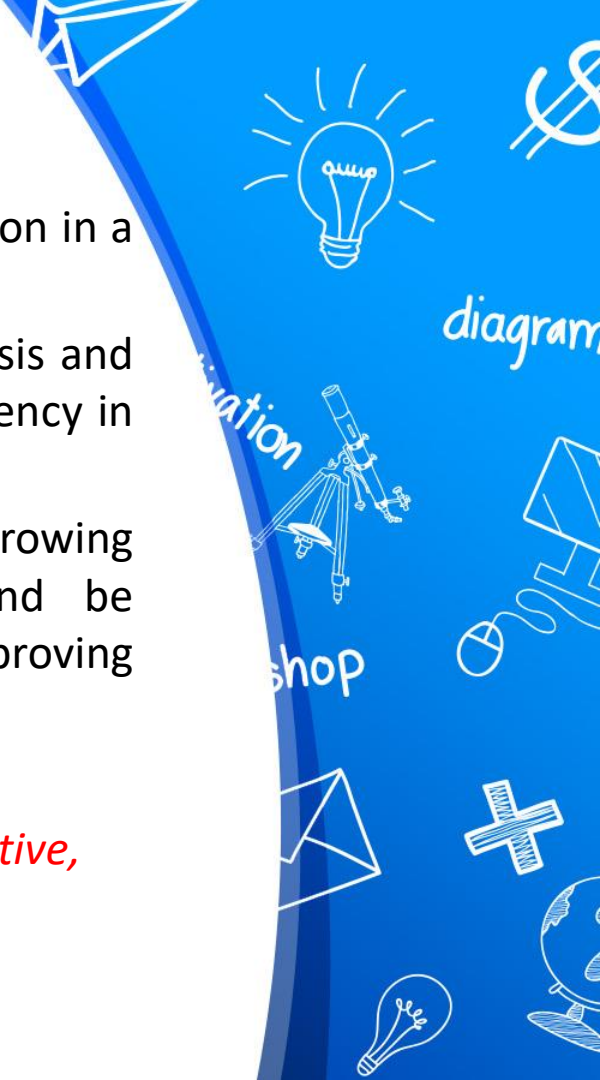


- EXCELLENT**
- GOOD**
- AVERAGE**
- POOR**

3. Performance Appraisal

- ❑ Performance appraisal is one of the main management function in a company or an organization.
- ❑ This specific function concerns the systemic collection, analysis and processing of data which are related to the employee's efficiency in their work based on specific and predefined criteria.
- ❑ Performance Appraisal is applied in accordance with the growing and changing demands of organizations to survive and be competitive, focusing on developing employee's skills and improving their efficiency.

The appraisal can be formal or informal, qualitative or quantitative, direct or indirect, preliminary, formative or cumulative and internal or external.



3.1. Purpose of Performance Appraisal

The purpose of Performance Appraisal in company or organization can be:

- ✎ **Administrative:** taking measures and administrative decisions which are related with the work and the service status of employees,
- ✎ **Declaratory:** detecting parameters that affect employee effectiveness,
- ✎ **Comparative:** comparison of efficiency with the setting objectives,
- ✎ **Consultative:** guidance the employee to improve during the execution of the project,
- ✎ **Informative:** informing the employee about his/her efficiency at work.



diagram



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3.2. Objectives of Performance appraisal

Performance Appraisal aims to:

- ✔ In measuring and improving the personal efficiency of employees
- ✔ Improving the bidirectional communication within the organization
- ✔ In the development of the personal ability for self-evaluation and invention of ways self-improvement.
- ✔ In creating an incentive framework
- ✔ In making decisions in regarding to the employee's job changes: (setting fees, promotion, work pause etc.).



3.3. Methods of Performance Appraisal (1/5)

The main methods of Performance Appraisal are:

1. Writing a report by the assessor
2. Important events in the execution of the project
3. Project efficiency scales
4. Efficiency scales based on specific events
5. Comparison project efficiency based on the efficient of all employees
6. Achieving objective - predetermined goals
7. Evaluation of 360^o



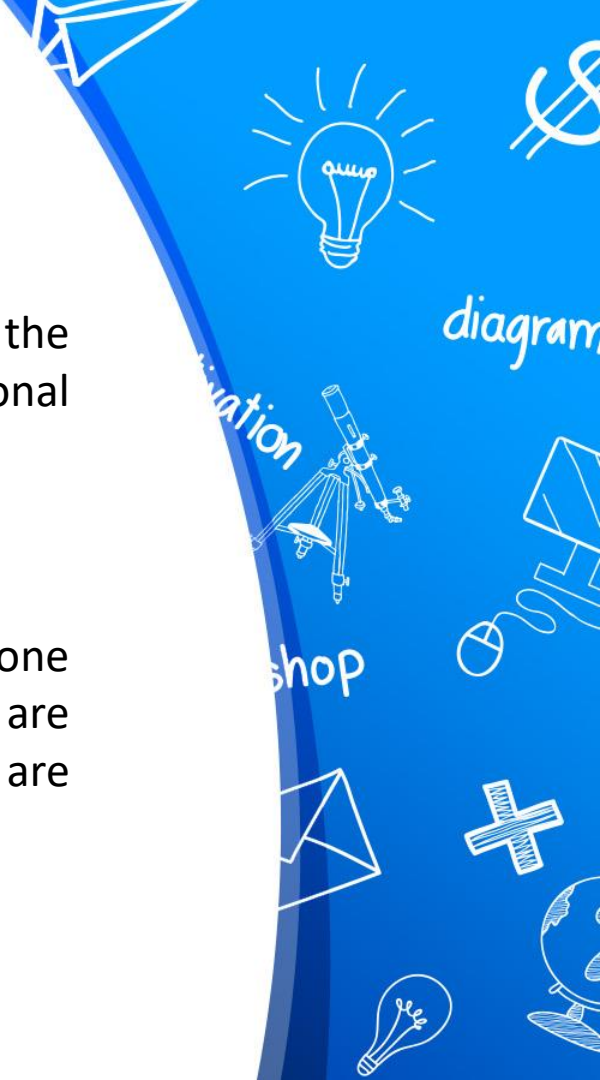
3.3. Methods of Performance Appraisal (2/5)

1. Writing a report by the assessor:

The report mentions the evaluation of the effectiveness of the project and it makes refers to the weaknesses and the personal possibilities, while giving suggestions for improvement.

2. Important events in the execution of the project:

The assessor focuses on specific facts that the employee had done effectively or not. This method is based on specific facts which are related to the effectiveness of the employee. Also, these facts are not connected with his/her personality.



3.3. Methods of Performance Appraisal (3/5)

3. Project efficiency scales:

In this method, there are the parameters of project efficiency (quantity and quality of work, collaboration, consistency, taking initiatives, etc.). The assessor scores the employee using a scale (satisfactory, very good, etc.) on every evaluated test.

4. Efficiency scales based on specific events:

This method focuses on employee performance in specific measurable tasks.



3.3. Methods of Performance Appraisal (4/5)

5. Comparison project efficiency based on the efficient of all employees:

This method is based on the comparison of project performance with employee performance. There is a classification of employees at a higher or lower level or a grouping of employees into categories (satisfactory performance, moderate performance, etc.).

6. Achieving objective - predetermined goals:

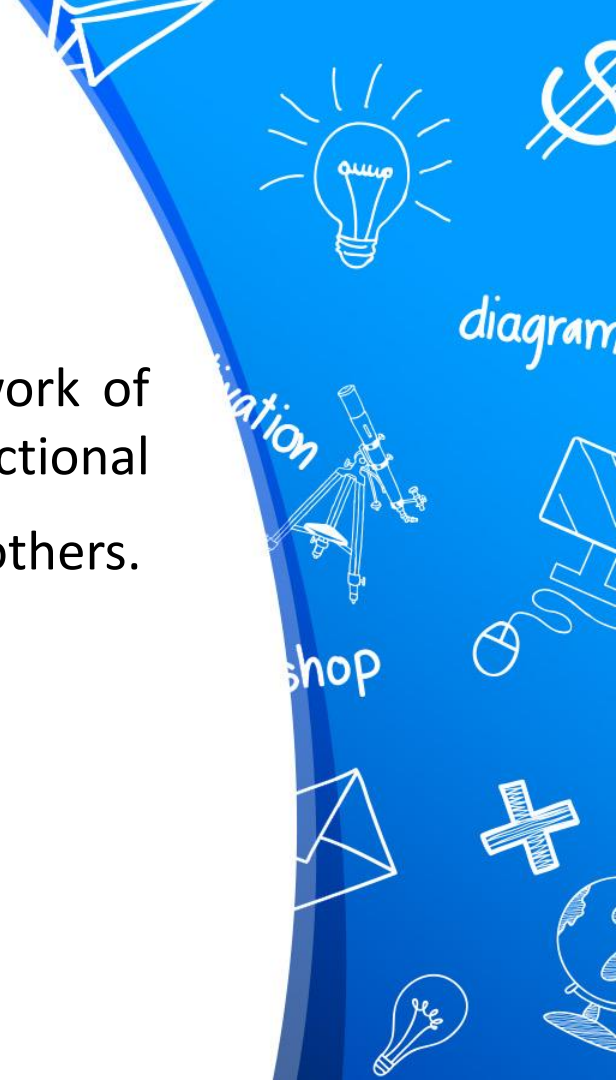
With this method, the evaluation of employees is based on the achievement of specific goals that have been predetermined and agreed by them and their managers.



3.3. Methods of Performance Appraisal (5/5)

7. Evaluation of 360o :

In this method, the higher executives evaluate the work of their subordinates concurrently with their bidirectional evaluation. Everyone evaluate and is evaluated by the others.

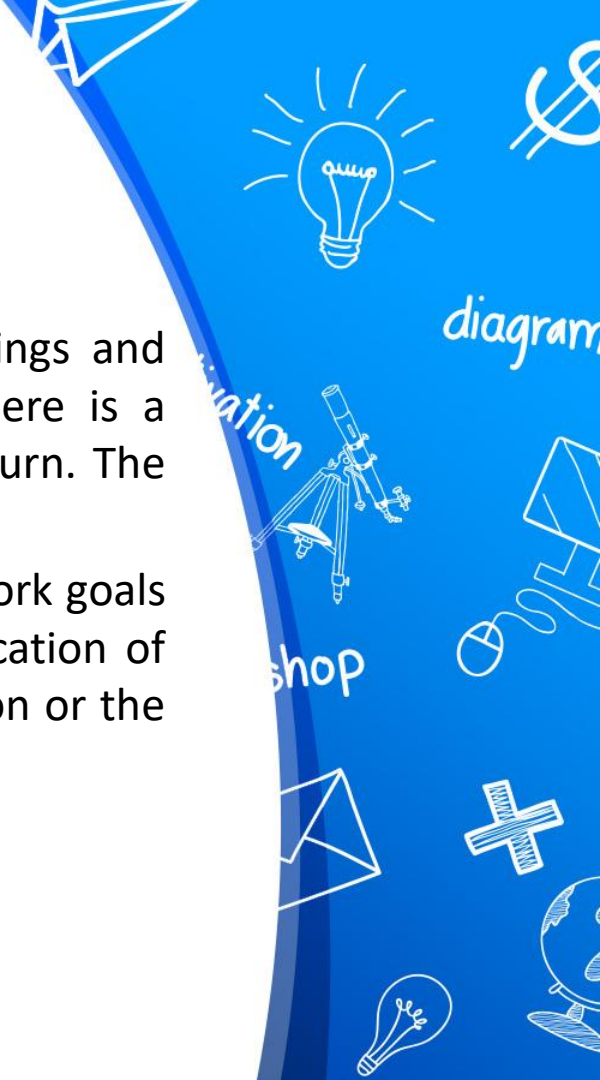


2.4. Human Resources Assessors (1/3)

Evaluation by colleagues:

It is the most effective method because colleagues notice things and behaviors that might escape from the manager. However, there is a possibility that colleagues to evaluate indulgently, expecting return. The evaluation crisis is also alleviated by friendships, dislikes, etc.

This method is appropriate in cases where there are common work goals and the purpose is the personal development and the identification of educational needs. On the other hand, when there is competition or the evaluation is related to salary, this method is inappropriate.



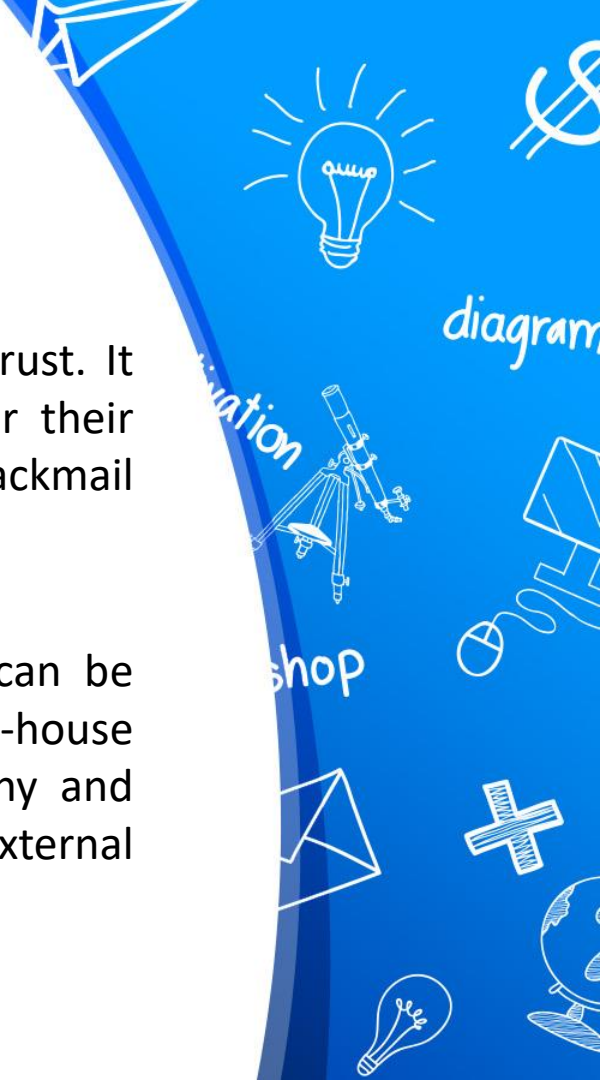
2.4. Human Resources Assessors (2/3)

Evaluation by subordinates:

This method presupposes guaranteed anonymity and mutual trust. It provides useful information because subordinates know better their manager than their own manager. This can be the subject of blackmail and for that is used ancillary.

Customer evaluation:

This method is important for the front-line staff. Customers can be divided into external and internal. For the employee, in-house customers are the ones who has to serve within the company and usually belong to other departments. Information from external customers can be gathered e.g. via phone.



2.4. Human Resources Assessors (3/3)

Self-assessment:

The employee evaluates himself. This method is used supplementally with other methods and especially when quantitative targets have been set. The self-assessment process creates a strong interest of the employee. However, the employee tends to show clemency towards himself.

Evaluation of 360°:

It is an undivided system that combines elements from all the previous methods.



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Lecture 5th: Human Resources Management Functions

Part C: Wage and Salary Administration, Industrial Relations and Employment Protection (health & safety)



ReinFORCE SOCIAL Entrepreneurial Spirit through setting up Innovative Support Structures in the cross-border Territory "Social Forces"

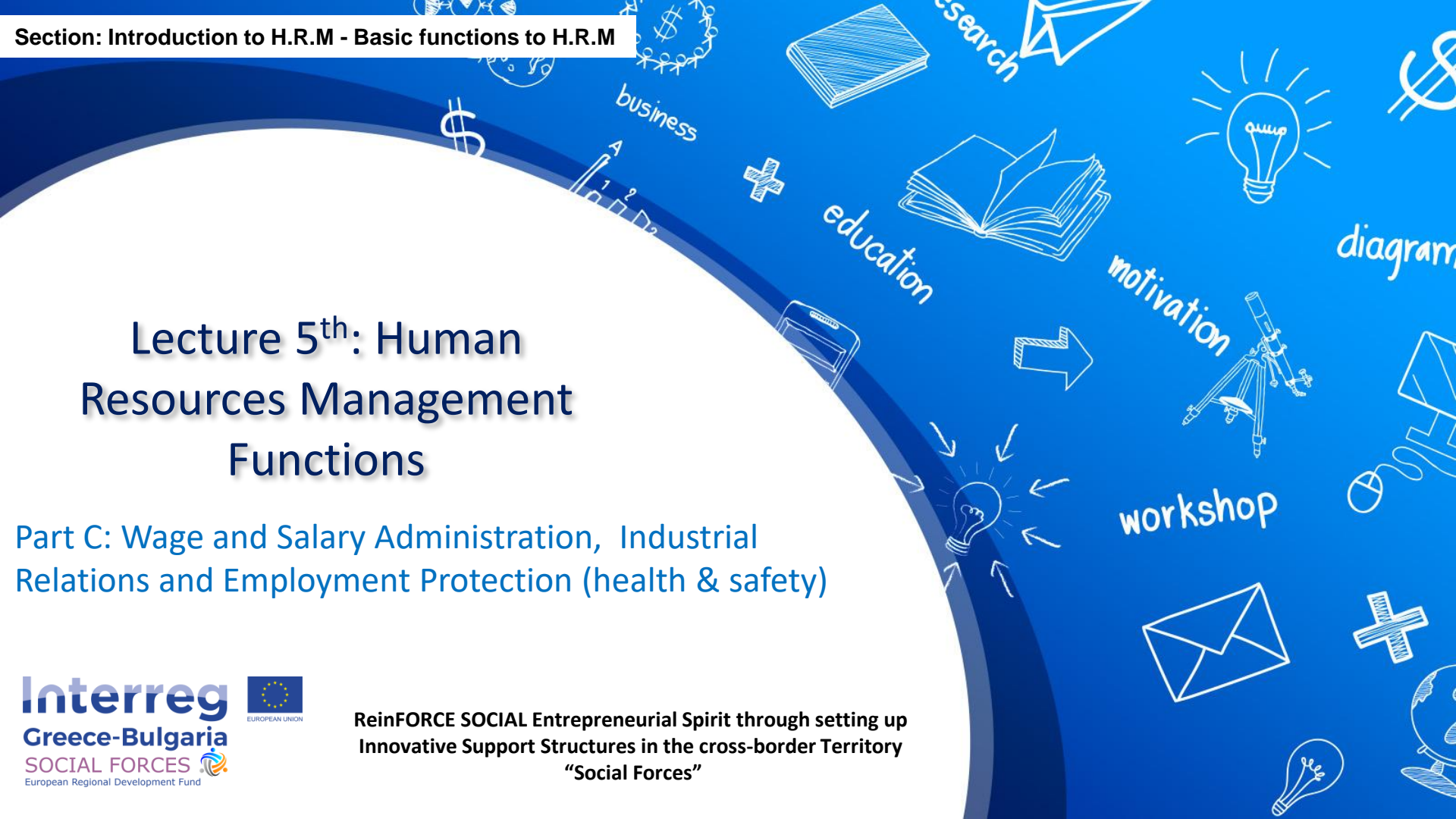


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WAGE AND SALARY ADMINISTRATION



1. Wage and Salary Administration

The remuneration policy of each company requires sensitive planning in the salaries, wages, financial incentives and all the benefits it offers to employees.

The purpose through this action is to create and implement a fair system of remuneration packages. This system of pay will motivate employees to improve their efficiency quantitatively and qualitatively.

The following procedures are:

- Coordination and guidance of the performance appraisal.
- Organizing the training process in which the executives who will take part.
- Market research for wages and salaries.
- Market research and implementation of modern pay systems.
- Employee understanding of payment methods.



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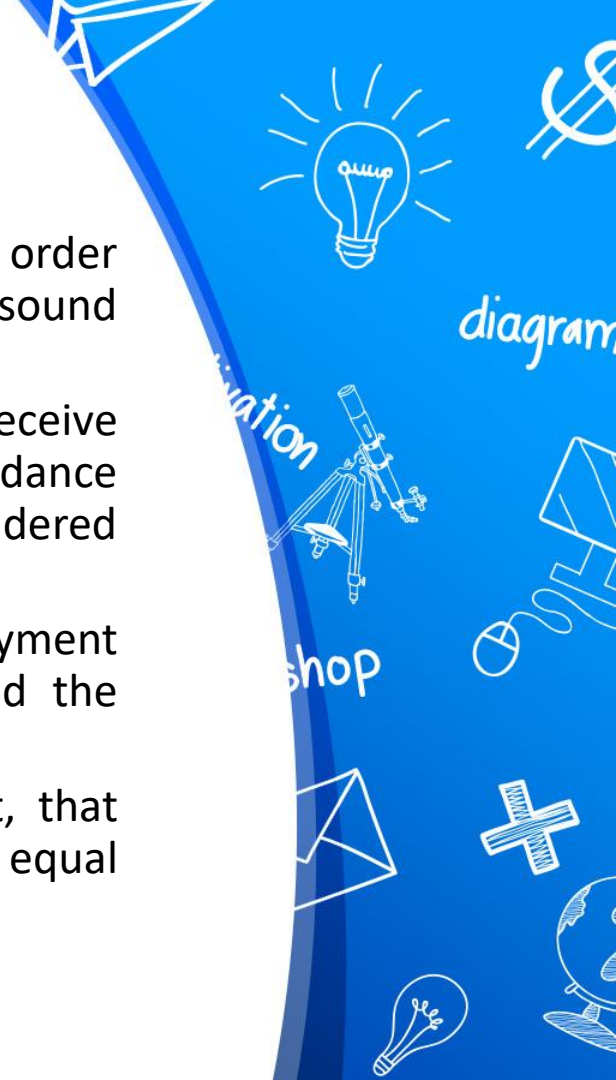
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1.1. Principles of Wage and Salary Administration

The salary is the main source of income for an employee, in order to meet his basic living needs. It should be based on sound principles, some of them are:

- 1. Objectivity Principle:** The salary that the worker will receive must be based on his total remuneration and in accordance with the general result of the organization. This is considered an equal and reasonable salary by both sides.
- 2. Periodicity Principle:** This principle requires the wages payment at regular periods and this allows to the company and the employee to regulate their financial expenses.
- 3. Invariance Principle:** This principle is based on the fact, that there are fixed pays. If there is a stable environment with equal work, then there is also an equal pay.



1.2. Factors affecting Wage and Salary Administration (1/3)

External environment

This includes the **government policy**, **trade unions** and the **labor market**.

- **Government policy** sets the wage framework and negotiates subjects such as allowances, overtime working, minimum wages, relative earnings limits- income limits etc.
- **Trade unions** apply pressure for high wages and additional benefits, when the company is financially stable and the unemployment rates are low.
- When there is a need for specific majors in the labor market, the payments are higher. Companies investigate the level of remunerations in their area and in each industry and after that they decide for the payments level.



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1.2. Factors affecting Wage and Salary Administration (2/3)

Internal environment

Internal environment includes the **organizational culture, organizational strategy and business life cycle.**

Organizational culture includes: values, expectations and the general philosophy of the management.

Management makes assessments that are attributed through its payment system such as: wage increases, bonuses for the develop, the new ideas and skills and for the excellent performance appraisal.



1.2. Factors affecting Wage and Salary Administration (3/3)

Internal environment

Organizational strategy: Achieving the goals of a company is related to managing human resources. Human resources contribute to their planning and their effective implementation depends on it.

- When a business grows, it offers additional benefits and bonuses in order to motivate its employees and the opposite can happen when it tends to decline.
- **Business life cycle**, which is similar with the life cycle of a product, differentiates the way in which wages and salaries will be determined.

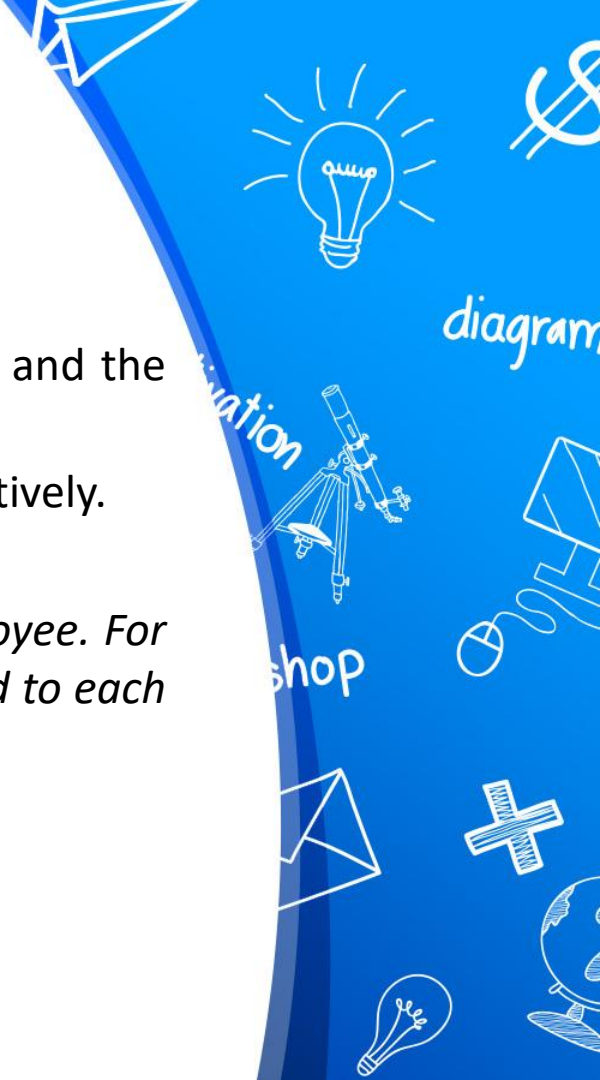


1.3. Objectives of Wage and Salary Administration (1/2)

There is **two main objectives** in an **fair wage and salary policy**:

- Wage and salary should be considered fair by the employee and the employer.
- Wage and salary should motivate the employee to work effectively.

***Motivation methods** are different for each category of employee. For this reason, payment systems should be different and adapted to each category of employee.*



1.3. Objectives of Wage and Salary Administration (2/2)

In order to achieve a fair wage and salary policy:

- ① Employees should receive payment, which is equal for their skills, knowledge and effort.
- ① Wage and salary should offer safety to the employee, which is achieved by provision additional benefits such as **health or medical insurance, pensions or participation in the company's profits.**



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INDUSTRIAL RELATIONS



2. Industrial Relations – Definition (1/2)

The term «Industrial Relation» refers to all types of relationships between all the parties in a company such as salaried, employers and working representative of the state.

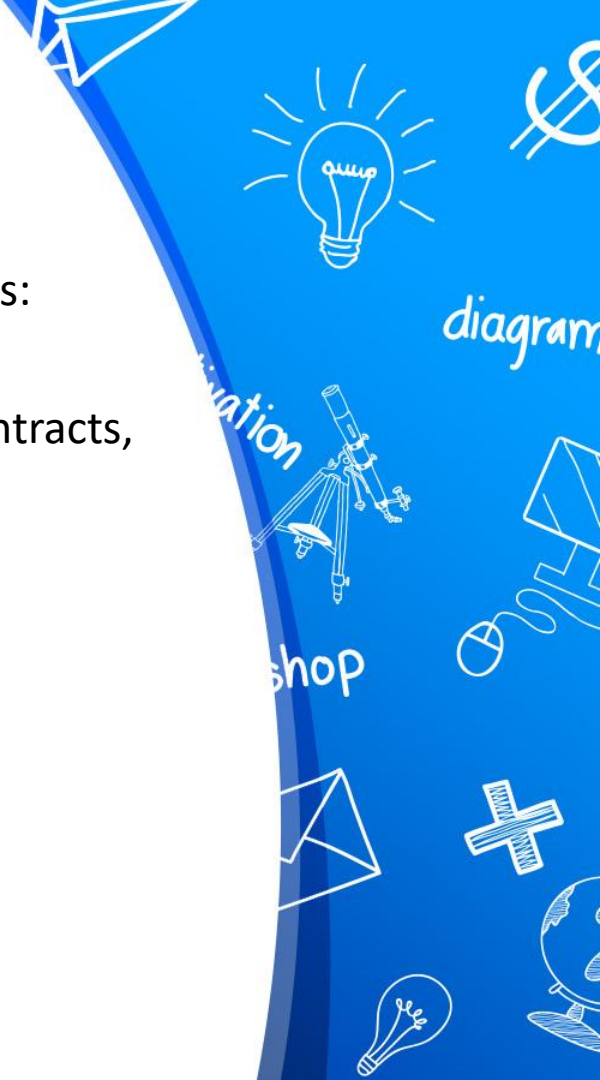
In addition, Industrial Relations could be defined as working conditions, employee's behavior in the workplace and their performance in comparison with the company's objectives.



2. Industrial Relations- Definition (2/2)

According to the legal meaning, Industrial Relations are defined as:

- Collective bargaining in labor law,
- Recruitment, promotion, sentencing guidelines, end of contracts, compensation and retirement procedures,
- Arbitration (mandatory or optional).



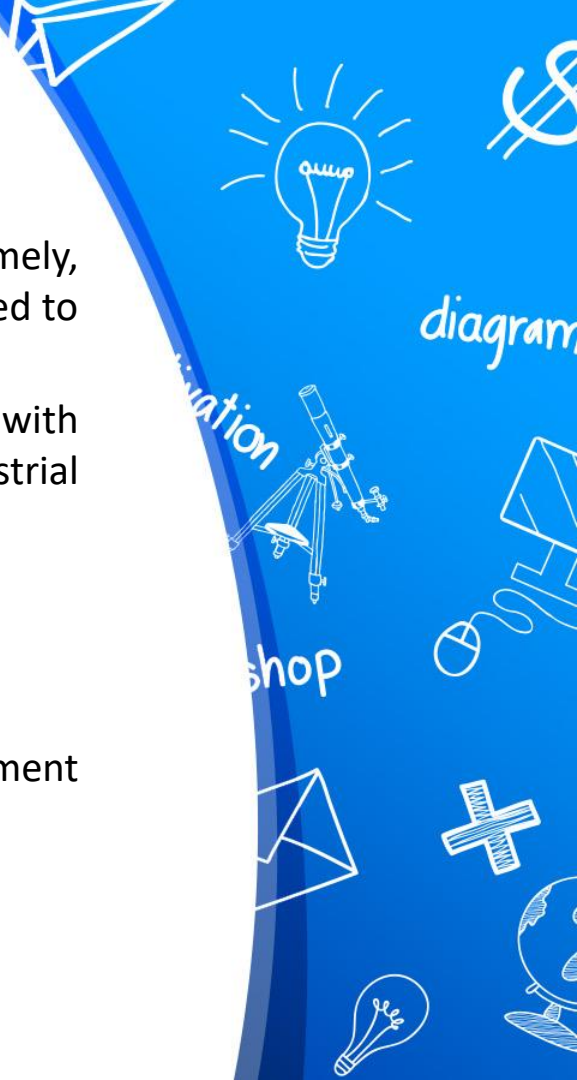
2. Industrial Relations- Features (1/2)

Employees and employers are bound by an industrial relation. Namely, employees are required to provide services/ work and employers are required to provide salaries and wages for these services.

The abidance to these terms, but also the way that both parties comply with these terms or claim the change and the improve, define the frame of industrial relations.

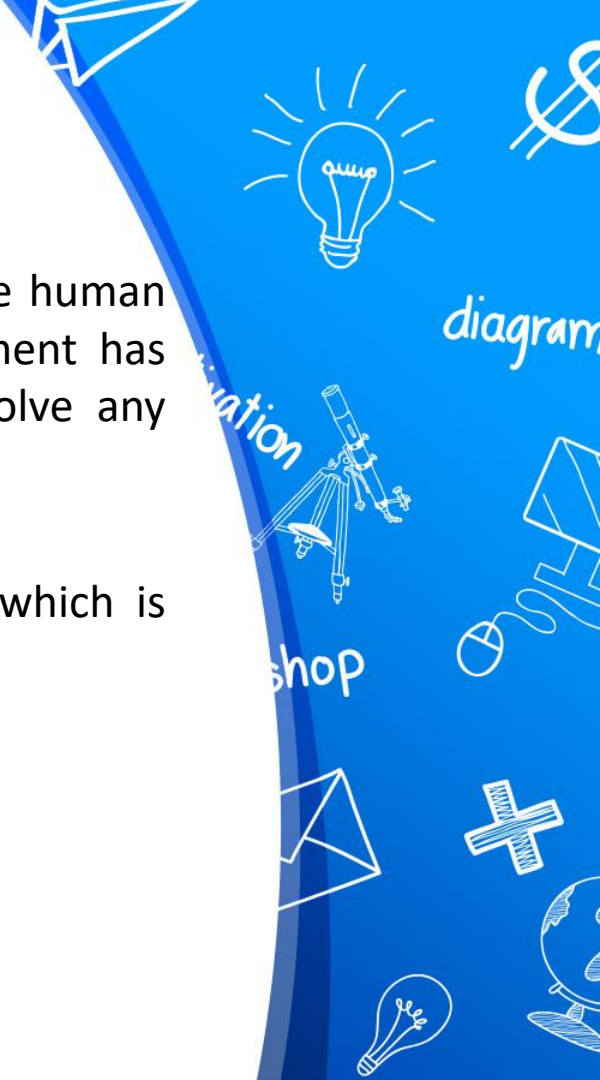
Specifically are followed these processes:

- Negotiation of collective agreements and implementation them daily.
- Sharing knowledge with line managers to face the difficult situations.
- Management of employee dissatisfaction and complaints and implement discipline.
- Management of redundancies, promotions and employees relocate.
- Communication and cooperation with trade unions.



2. Industrial Relations- Features (2/2)

- Industrial relations are related to the fair treatment of the human resources and the relationship that company's management has developed with its employees. In order to effectively solve any industrial disputes.
- They are affected by the payment and benefit system, which is applied by the company.



2.1. Industrial Relations Policy

The purpose of Industrial Relation Policy is to create an environment with trust and reciprocity. This will be done by promoting stable, productive and harmonious relationships between the company, the employees and their trade unions.

Industrial Relation Policy has as content:

- collective bargaining
- Setting wage and salary
- Recruitment and training etc.
- Working Time Regulations
- Labor rights
- Accident Prevention Program
- Insurance policy and additional benefits



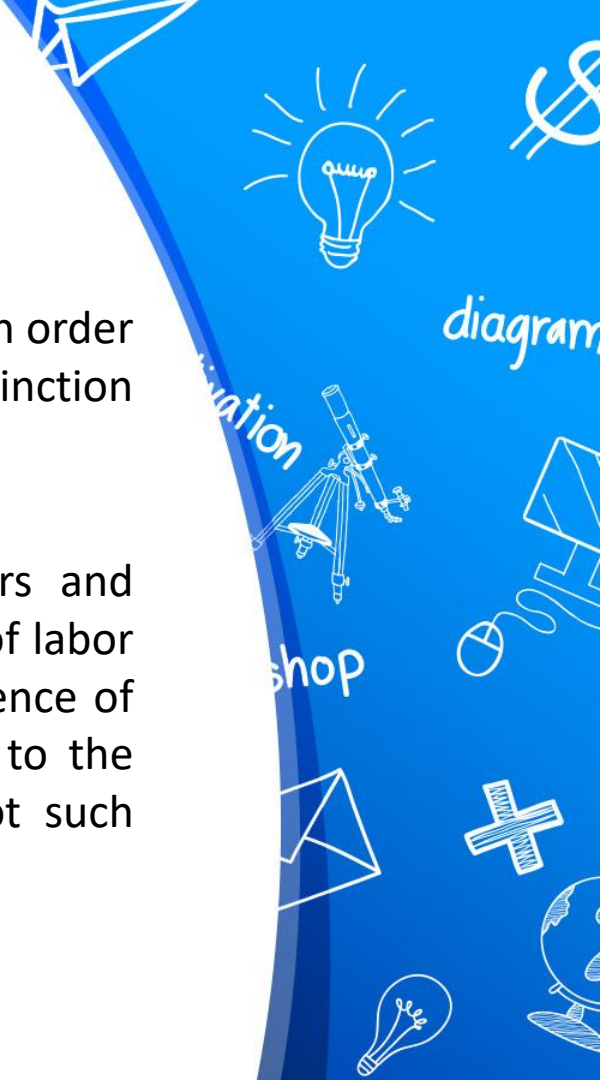
2.2. Involved members in Industrial Relations (1/2)

1. State:

The state has the ability to form the industrial relations system. In order to have better results for the state, it should be made a distinction between the political and national industrial relations system.

2. Employers Organization:

Employers' organizations represent the interests of employers and especially for financial issues, such as tax protection, reduction of labor costs, protection from government interventions, etc. The presence of labor (employer's) representatives is a common phenomenon to the services and trade sectors. Public Welfare Institutions has not such satisfactory activity.



2.2. Involved members in Industrial Relations (2/2)

3. Trade Unions:

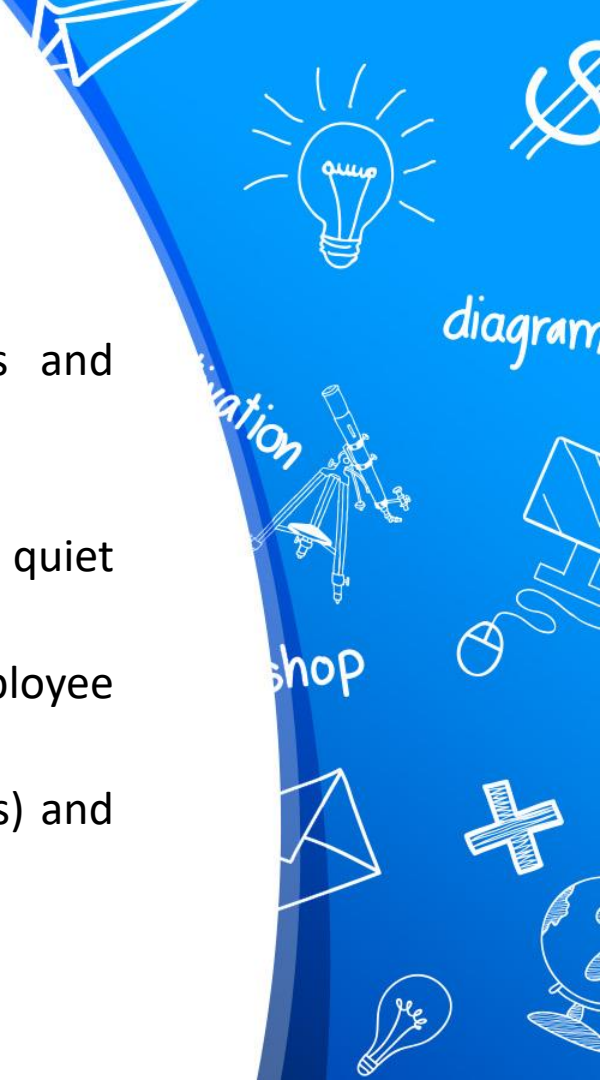
Trade unions aim to protect the interests of employees. They exist to face with problems that may arise in the workplace. For the effective operation of the trade unions, it is necessary to constitute from qualified trade union members, properly trained and capable of on-going action.



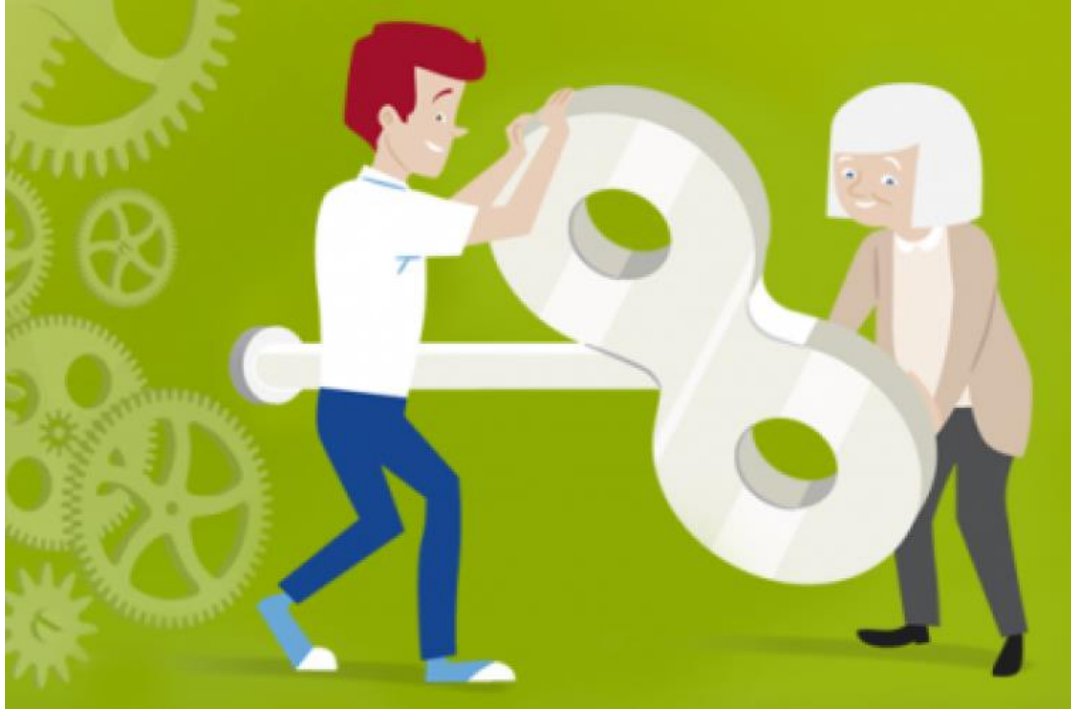
2.3. Significance of Industrial Relations

Through the industrial relations system:

- ✔ Ensure the proper operation of the company's activities and safeguard the interests of employees and employers.
- ✔ Conflict reduction, which directly affects productivity.
- ✔ Employee's morale is boosted because they work in a safe and quiet environment.
- ✔ Promoting economic growth and development based on employee performance and good leadership of employers.
- ✔ Reduction of unfair practices (both employees and employers) and work based on efficient rules and procedures.



EMPLOYMENT PROTECTION



3. Employment Protection

Employment protection concerns the safety through their information, the appropriate training and the improvement quality life program at the work place.

Specifically, these procedures are followed:

- Informing employees about potential risks.
- Organizing the training process for accident protection and prevention of occupational illnesses.
- Researching the company's needs for long-term protection programs.
- Feedback through the systematic observation of the employee's attitude.
- Suggestions for programs, which improve the quality of life in the workplace.



3.1. Occupational Health and Safety (1/2)

- Employee health and safety issues are a basic part of human resource management functions.
- Occupational health and safety conditions can affect job satisfaction, productivity and employees motivation.
- Occupational Health and Safety of workers and the improvement of working conditions is a right of workers.
- Occupational Health and Safety issues in the workplace, concern all those procedures that must be applied, in order to protect the health and the safety of human resources. This can be achieved if the necessary precautions are placed and an ideal-friendly working environment is created aiming to prevent accidents and occupational diseases.



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3.1. Occupational Health and Safety (2/2)

The issues that are directly related to Occupational Health and Safety are the following:

1. **Workplace:** building, fire protection, emergency exits, etc.
2. **Natural and artificial factors:** lighting, ventilation, temperature, etc.
3. **Equipment:** machinery, tools, etc.
4. **Required controls:** safety technician, occupational health physician, health and safety committee, etc.
5. **Ergonomics issues:** PC monitors, musculoskeletal disorders etc.
6. **Organization and structure of the workplace and the working environment:** type of administration, participation in decisions, etc.



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3.2. EU Strategic Framework on Health and Safety at Work (1/4)

- Many measures for the Occupational Health and Safety have been taken by the European Union under Article 153 of the Treaty on the Functioning of the European Union. The article states that the EU has the power to give directives on occupational safety and health issues.
- European directives must be strictly enforced and adopted into national law by the EU Members. EU Members can adopt stricter rules for the Health and Safety at Work, when they make implement to EU directives in their national law. Therefore, legislative requirements in issues of safety and health at work may differ between EU Members.



3.2. EU Strategic Framework on Health and Safety at Work (2/4)

- The Framework on Safety and Health at Work, Council Directive 89/391/EEC, adopted in 1989 and it significantly strengthens the effort to improve safety and health at work and it guarantees minimum safety and health standards throughout the Europe.
- The Framework concerns all areas of activity (public and private).



3.2. EU Strategic Framework on Health and Safety at Work (3/4)

Some layouts of the framework brought important innovations such as the following:

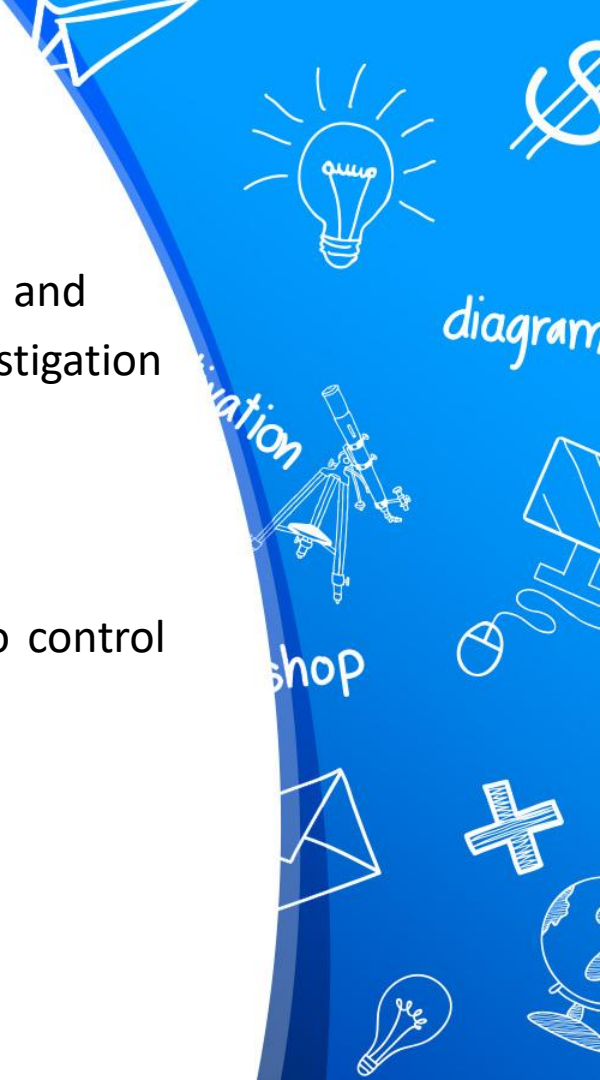
- The term «working environment» is introduced in the International Labor Organization Agreement through the convention no. 155. The International Labor Organization approaches with a modern perspective issues such as technical safety and the prevention of health problems.
- Employers are obliged to take preventive measures, in order to improve the safety and the health during the work.
- The principal of risk assessment is a basic part and through of it basic traits are defined such as risk identification, employee participation, adoption of appropriate measures that have priority, documentation and periodic reassessment of risks in the workplace.



3.2. EU Strategic Framework on Health and Safety at Work (4/4)

«Risk assessment» means the process of assessing the risks (health and Safety issues) of workers in the workplace. This is a systematic investigation of all aspects of the work:

- what could cause injuries and to whom?
- Is there a chance to eliminate the risks or not?
- what prevention and protection measures should be taken to control the risks?



3.3. Assessing the risk at work

- Occupational risk assessment is the basis for the application of prevention and protection measures. According to Directive 89/391 EEC, risk assessment is the first crucial step in the process of managing the health and the safety at work.
- A common procedure is the assessment, prioritization and classification of risks and starting with the elaboration of a study (Occupational Risk Assessment Study).
- The results of the risk assessment are taken into account in decision-making, which is related to the need to implement health and safety control measures and helps to determine the type of measures that are effective at work.



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3.4. The Role of Prevention at work

- Prevention is defined as the process that includes all the measures that must be taken or applied during the work in a company, in order to eliminate or reduce occupational risks.
- Prevention is an important part of the European approach to managing occupational health and safety issues.
- The prevention of accidents at work and occupational diseases must be the main concern of any occupational health and safety management system. In order to reduce the number of accidents and occupational diseases or to eliminate them completely.



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3.4.1. Hazard Prevention and Control in the Work Environment

The risk assessment concerning the occupational safety and health is carried out to decide if any action is required and what kind of measures should be implemented in the work environment.

The implementation of control measures must be done in a specific order:

1. **Prevention measures:** aim to reduce the chances of an accident at work or an occupational disease.
2. **Protection measures:** are the application of protection measures (collective, or individual).
3. **Mitigation measures:** are aimed to reduce the severity of company's damage, damage to workers and the public.



3.5. Employer Involvement in Safety and Health

Under the current law, employers are responsible for ensuring the health and safety in the workplace. This means that they must protect workers from any possible injury. This can be done by effectively controlling for hazards, injuries or illnesses that could occur in the workplace.

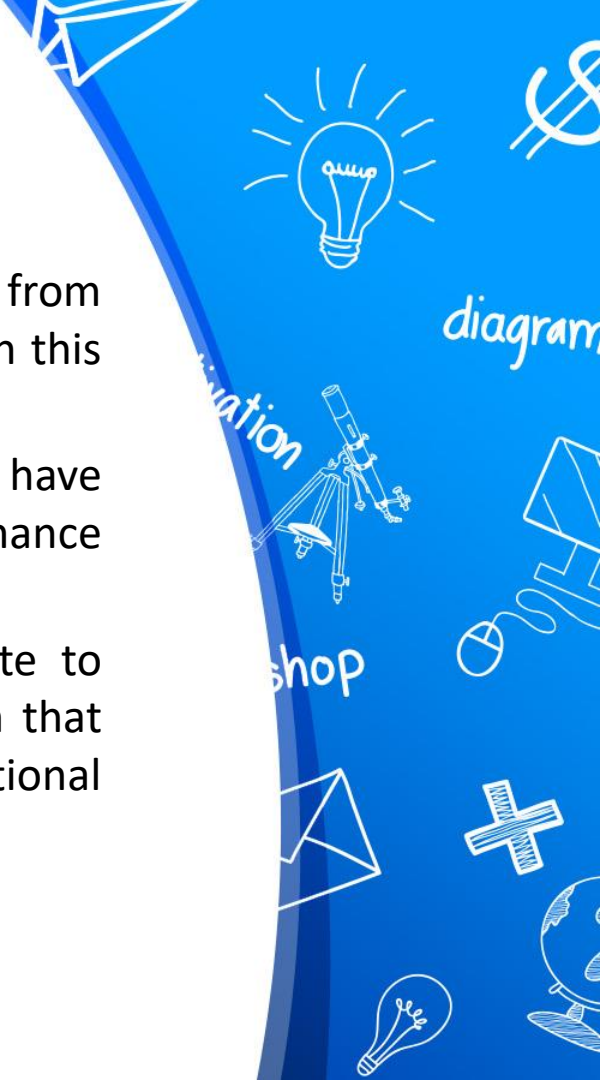
Specifically, employers must:

- 🔑 make risk assessments in the workplace,
- 🔑 inform employees about the risks in the workplace and about the protection measures that exist and give them instructions and training on how to deal with risks like these,
- 🔑 want to know the opinion of employees on occupational safety and health issues,
- 🔑 cultivate a mentality of integrating the principles of occupational safety and health into each employee individually.



3.6. Worker Involvement in Safety & Health (1/3)

- Although it is the duty of employers to protect workplaces from potential hazards, but the law requires employees to assist in this attempt.
- This happens because employees and their representatives have the experience and the knowledge of the job performance processes and know how they affect them.
- For this reason, in workplaces where employees contribute to ensuring the health and safety at work, it has been proven that they have low levels of occupational hazards and low occupational accident rates.



3.6. Worker Involvement in Safety & Health (2/3)

Employees of a company can be involved in health and safety issues. These are some ways:

- asking questions, raising issues and making suggestions during meetings, group discussions, training programs or personal discussions with the supervisor or the management,
- participation in consultations or proposal programs and security tenders,
- participation in tests, e.g. for the choice of personal protective equipment,
- voluntary participation in occupational safety and health actions, such as the operation of relevant working groups,



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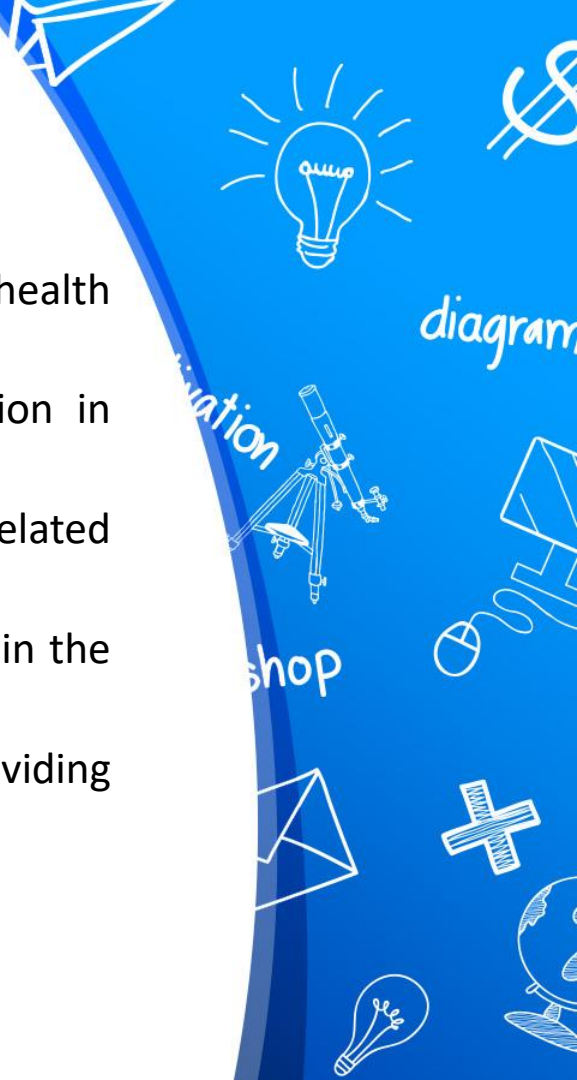


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3.6. Worker Involvement in Safety & Health (3/3)

- reporting on accidents or other potential hazards to the safety and health of workers and proposing improvements,
- discussion with the representative of employees and participation in actions (meetings, research, etc.) that are organized.
- contribution of information to the company newsletter, which are related to occupational health and safety,
- practical application of the acquired knowledge from the training in the execution of the work,
- exemplary attitude for their newly hired colleagues and providing assistance in issues that they are relating to health and safety at work.



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Lecture 6th: Strategic Human Resource Management

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STRATEGIC HRM

1. International Framework of Human Resource Management

- Modern business environment differs from the past due to «**globalization**».
- **Production unit relocations, companies' takeover, mergers, inter-company partnerships** are consequences of : companies globalization and marketplace strategies. These consequences concern markets' globalization and all stages of a product:
 - a) idea generation/research,
 - b) planning,
 - c) production,
 - d) distribution,
 - e) product consumption.



1.1. Competitive challenges of Human Resources Management

The competitive challenges of HRM are:

1. **Competition in the new economy:** E-business: customer service, company service, purchases and sales, knowledge value.
 2. **High-performance work systems:** development of e-business, customer services, company services, changes in working relationships, changes in Industrial Relations.
 3. **Satisfaction of participant needs:** Satisfaction of the need for quality, total quality management (TQM), workforce diversity.
 4. **Global Challenge:** Transfer the production process and International Human Resources Management.
- In an international labor market, it is essential for companies to apply management strategies, to aim at high business performance and to focus on developing a competitive advantage.



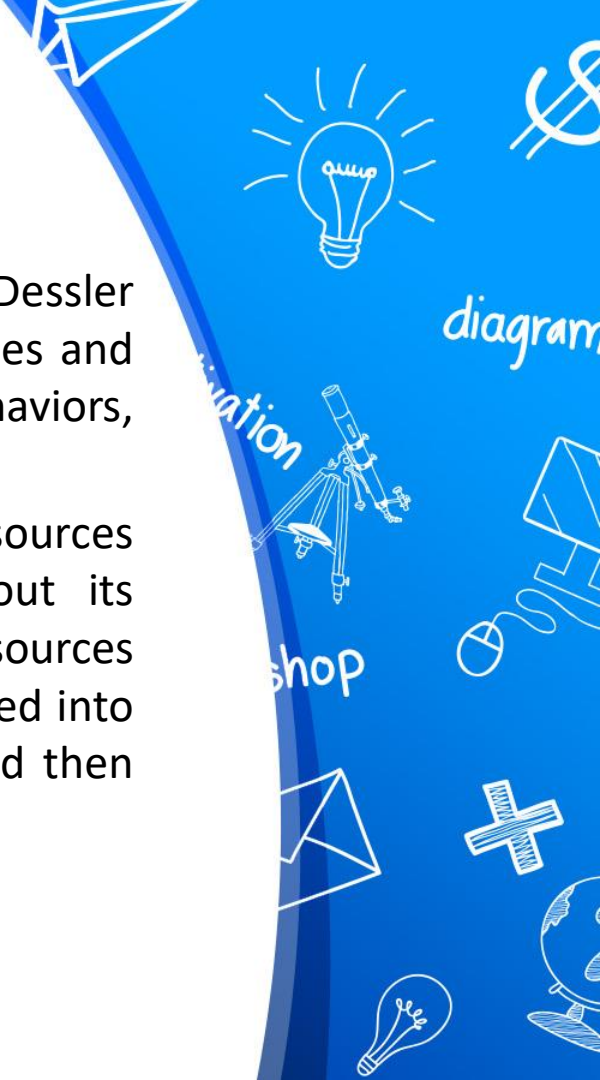
2. Definition of «Strategy»

«Strategy is an administrative development process, in order to achieve a sustainable adaptation to objectives and resources of a company and to the presented opportunities in the labor market».



3. Strategic Human Resource Management

- ❑ Strategic Human Resources Management was defined by Dessler (2012) as "formulating and executing human resource policies and practices that produce the employee competencies and behaviors, which the company need to achieve its strategic aims".
- ❑ According to Armstrong (2014), «Strategies of Human Resources Management indicates what an organization makes about its management policies and practices. Strategies of Human Resources Management indicates how these actions should be integrated into the business strategy, which are expressed as intentions and then translated into actions.



3.1. Universalist Approach

- This approach treats HRM as the "**best practice**", through which practices have the highest business performance.
- It is based on the assumption that a job management model (a model of high commitment or participation or performance) is related with **high business performance** in all conditions, regardless of the competitive strategy of the organization.
- This is an authoritarian approach. Managers apply specific practices in order to achieve the desired high business performance and employees comply with the instructions, without considering if all these are the best for them.



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3. 2. High Performance Management (1/2)

- Objectives of High Performance Management, through high performance work systems (HPWS), is to implement practices that will increase employees' productivity, facilitate commitments, work incentives and improve their skills. All of these aim to affect the organization's performance in areas such as: productivity, quality, customer service level, growth and profitability.
- This management system consists of **strict rules** in recruitment and selection process, in the training and development programs, in wage and salary and incentive systems which are related to the performance of the organization.



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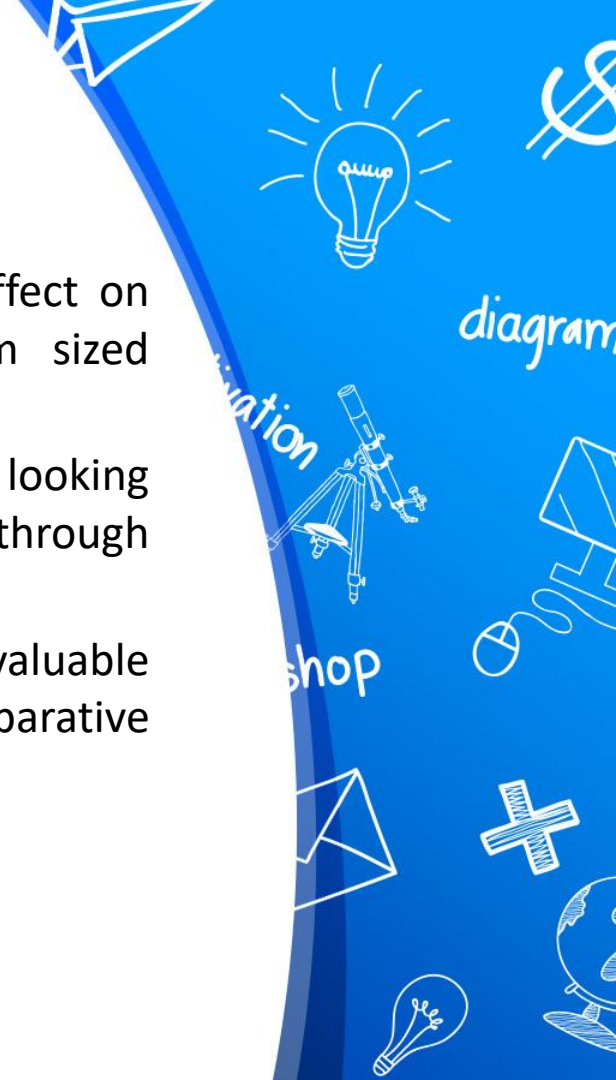


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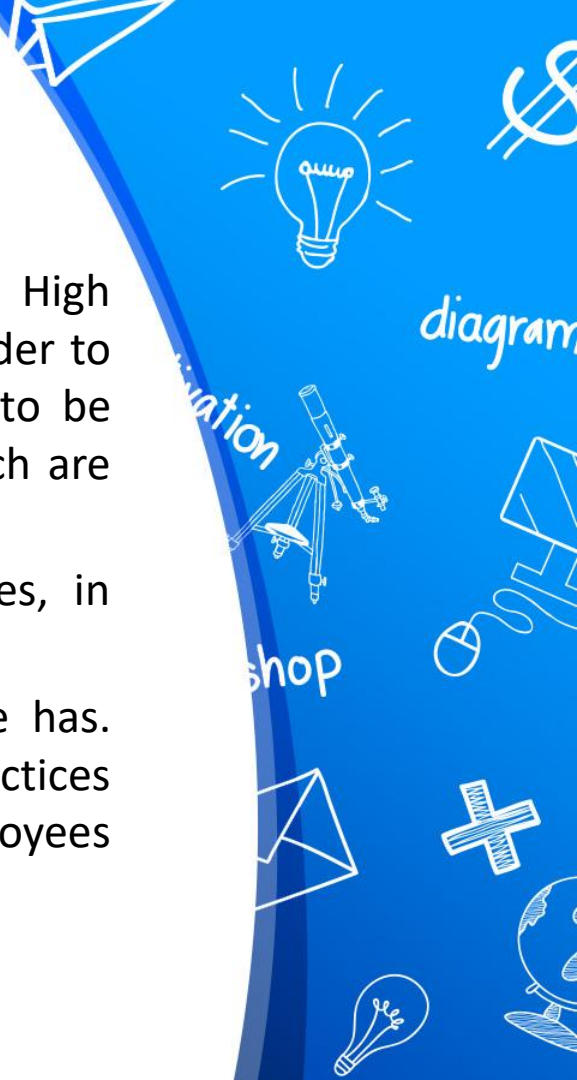
3.2. High Performance Management (2/2)

- The ability to adapt to innovative changes has positive effect on business performance, especially in the small- medium sized enterprises.
- Globalization has forced businesses, especially managers, to looking for ways to compete and import innovative technologies through new organize ways and the Human Resources Management.
- High performance work system aims to manage and utilize valuable and talented employees, in order to produce comparative advantages for the company.



3.3. High Commitment Management

- High commitment management is a management form. High commitment management aims to create commitment, in order to operate the employee with self-controlled (without having to be controlled by superiors) and to depend on relationships which are based on high trust.
- Commitment strategies give to the companies opportunities, in order to create innovative strategies.
- Recruitment is based on the knowledges that an employee has. Based on these knowledges, a company develops strategic practices (specializations and motivations), in order to be able the employees to make decisions about long-term objectives.



3.4. High Involvement Management (1/3)

- High Involvement Management is specific set of human resources practices. This set focuses on the employees' power of making-decision process, access to information, training and incentives.
- High involvement practices include:
 1. teamwork
 2. functional flexibility
 3. idea capturing
 4. intensive training
 5. information sharing
 6. appraisal



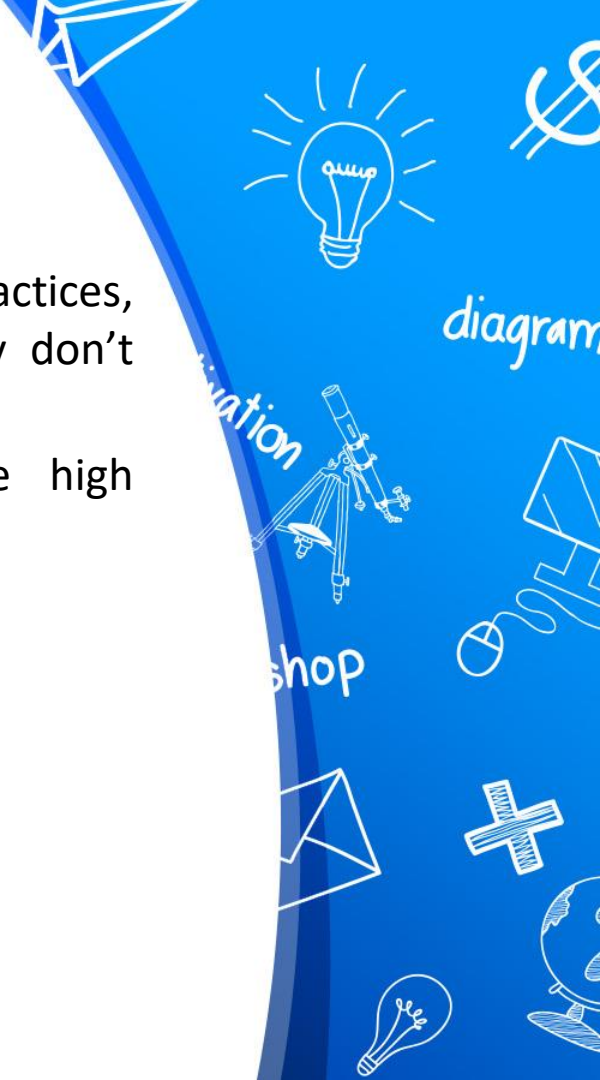
3.4. High Involvement Management (2/3)

- High involvement practices also include motivational practices, which aim to coordinate individual and organizational objectives and requirements such as:
 1. performance fee
 2. equal opportunities policies
 3. Work - life balance policies



3.4. High Involvement Management (3/3)

- People who work under high involvement management practices, they have **more well-being** and fewer accidents and they don't make many absences than other employees.
- Human resources practices, which are related to the high involvement, can increase leadership's effectiveness.



3.5. Resource Based View

- This approach treats the business based on its resources.
- This approach is based on the development of a sustainable competitive advantage. Competitive advantage will result from human capital and not through the correlation of human resources with current strategic objectives.
- Barney (1991) supports that every resource, in order to result to a sustainable advantage, it is necessary to have four criteria. In particular, human resources in an organization must be: **valuable, rare, irreplaceable/unique and not duplicated.**



4. The Role of Human Resources in Strategic Planning (1/2)

- ✓ Strategic planning is influenced by Human Resources Management.
- ✓ It is important to incorporate the human resources department with the management team, which plans the strategic planning.
- ✓ Human Resources Management provides skilled and efficient employees for the company. All these employees must be able to support the strategic planning.
- ✓ HRM's role is to concern about the work planning, the recruitment and selection process, the training, employees' performance management and the formation of employment relations, which support the strategy of the company.



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4. The Role of Human Resources in Strategic Planning (2/2)

- ✓ Depending on the strategy that a company will follow and the type of employees it is looking for, it follows a **different recruitment process**. Company's strategy is influenced by the development opportunities that it offers to its employees.
- ✓ HRM provides training to employees. This training increases the potential of the employees and they perform better in their work. As a result, the strategic planning of the business is positively affected.
- ✓ **Wage and salary systems** influence significantly the business strategy. Mainly the wage and salary systems, which related to the employees' or company's efficiency.



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5. Corporate Strategy & Human Resource Management (1/5)

1. Concentration strategies:

- Many companies prefer to continue their operating without make significant changes, in order to remain in a safe business environment. They aim to improve their results in already well-established markets. The strategies which they implement, focus on maintaining or increasing market share and reducing costs.
- Retaining employees and improving their skills are important tasks for the company.
- For this reason, wage and salary policy aims to avoid resignations and the training programs are planned and implemented, in order to improve employee productivity.



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5. Corporate Strategy & Human Resource Management (2/5)

2. Claiming strategies:

- Claiming strategy is applied when a company promotes its products in new marketplaces.
- Promotion in new marketplaces requires (internal) human resource mobility (hiring, transfers, promotions) and training, in order to be prepared to manage successfully market data. Motivations also, focuses on achieving business objectives.
- Development of innovative products requires teamwork, vocational training and communication of human resources with the managers to promote the innovative ideas of the employees.



5. Corporate Strategy & Human Resource Management (3/5)

3. External Growth Strategies

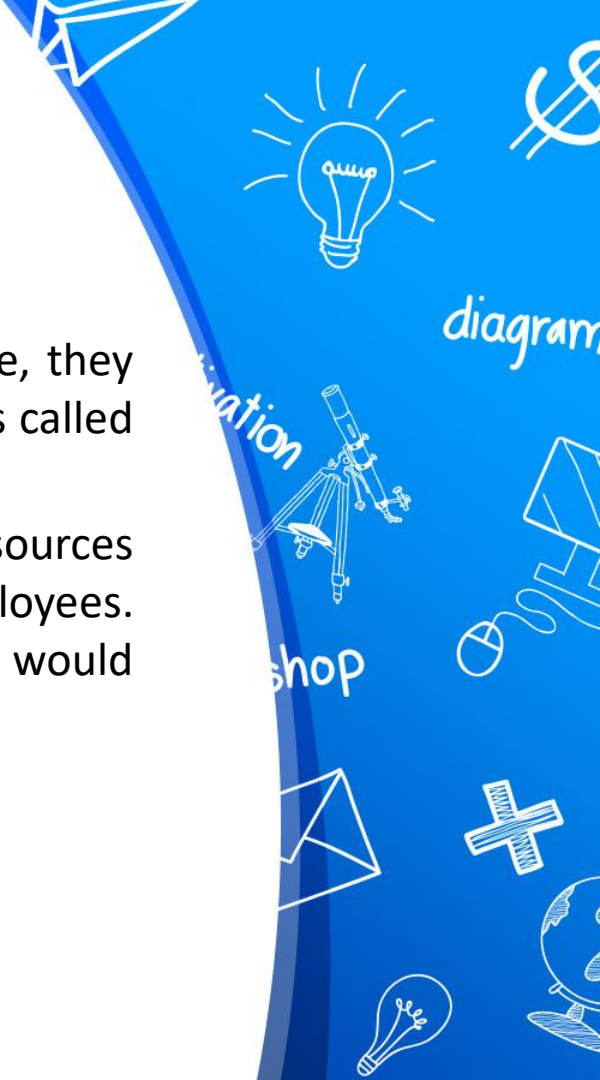
- External growth strategies are applied when a company wants to expand vertically or horizontally and it wants to absorb other companies through acquisitions or mergers.
- In these cases, HRM's role is important. Human Resources Management takes on to adapt different corporate cultures to one.



5. Corporate Strategy & Human Resource Management (4/5)

4. Downsizing strategies

- When companies face financial problems, in order to survive, they **reduce their staff**. This reduction is a business strategy and is called as «downsizing strategy».
- In massive reductions of employees, Human Resources Management will have to lay off the most inefficient employees. However, there is always the risk that the employees, who would remain in it, will leave the company.



5. Corporate Strategy & Human Resource Management (5/5)

5. Emergent strategies

- It is important for the company to follow marketplace trends. When it realizes that there are **wrong ideas**, the company should replan its strategy. This kind of strategy, which is formed **after marketplace pressures**, is called as “**emergent strategy**”.
- Labor market changes aren't easy to spot. Many companies employ **research teams**, which investigate the environment and constantly planning new and improved products. This way maximizes consumer's benefit.
- Some companies implement **continuous training programs**, in order to keep their employees constantly evolved and adapted to the new marketplace development. These training programs focus on changes, on consumer needs and to the ability to produce innovative products.



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Lecture 7th: Motivation in Organizational Behavior

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MOTIVATION



1. Motivation Meaning

- One of the most important function of the Human Resources Management Department is to motivate employees.
- The term «motivation» describes a **make-decision process through it someone can select the desirable results and adopts the suitable behavior.**
- Motivation can be described as a voluntary willingness, activity and an effort to achieve specific aims and results.
- Motivation is a complex internal process, which affects a person's behavior, activates him/her, in order to achieve specific aims and meet his/her requirements and expectations.
- Motivation helps to increase employee productivity and this has the effect of creating benefits for the company.



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2. Main features of Motivation (1/2)

1.
Direction

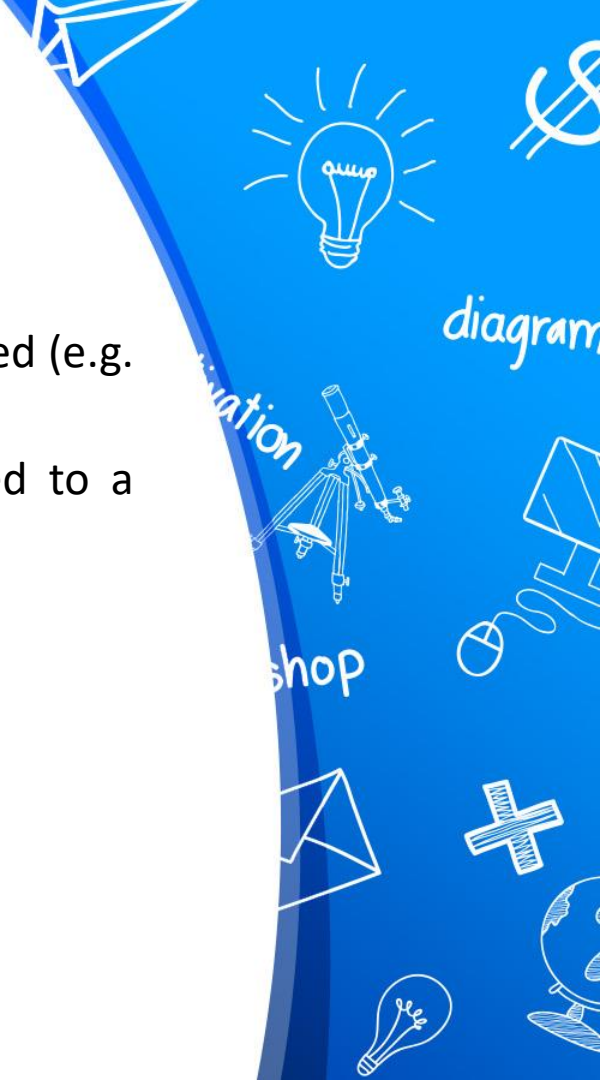
2.
Intensity

3.
Insistence



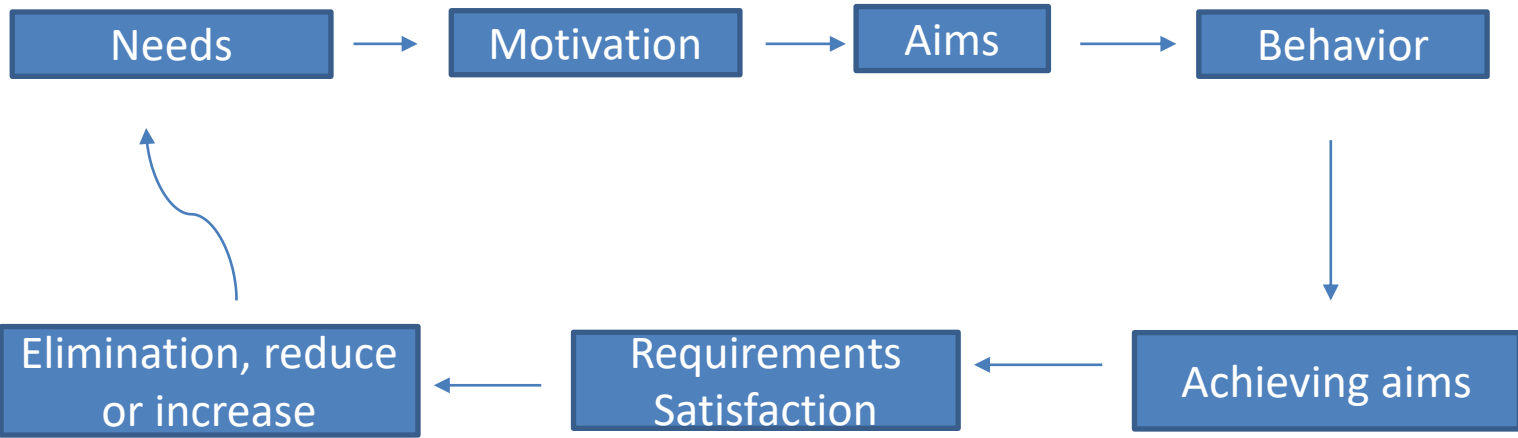
2. Main features of motivation (2/2)

- **Intensity:** It describes how hard a person tries.
- **Direction:** Indicates the direction in which this effort is directed (e.g. aims of the company)
- **Insistence:** It measures the time that people can stay fixed to a specific goal, even when they face difficulties.



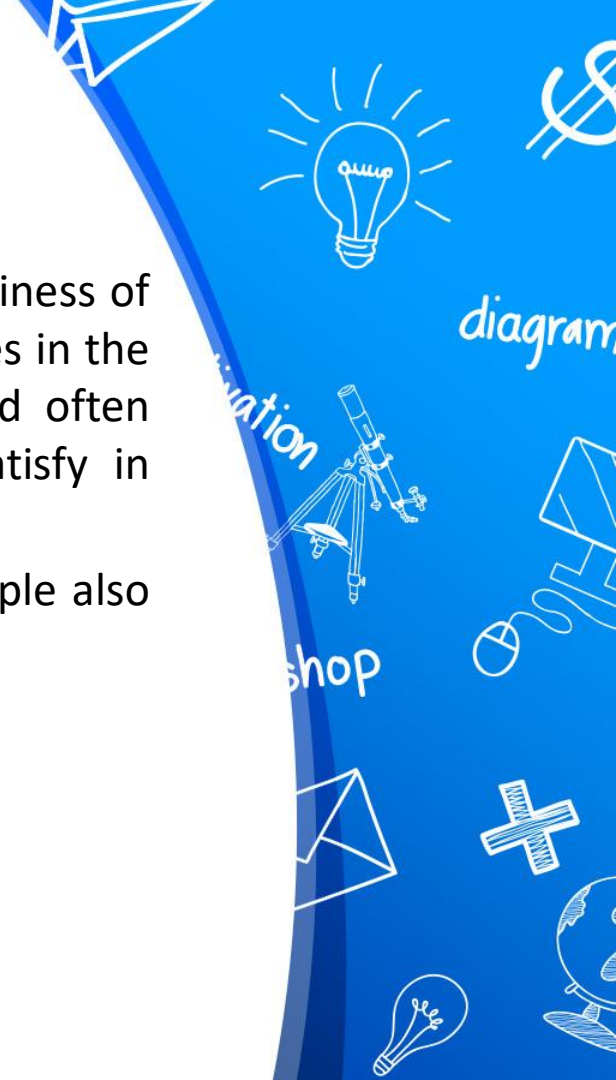
3. Motivation Process

- The motivation process is the total of interactions and interdependencies between its elements (needs, motivations and aims).



3.1 Needs

- The term «**need**» is a prerequisite for the survival and happiness of a person. In Human Resource Management, the difficulty lies in the fact that people are motivated by different, changing and often conflicting needs and expectations which they try to satisfy in different ways.
- Except for the financial needs that everyone recognize, people also have social, psychological and self-fulfillment needs.



3.2. Incentives

- The term «**motivation**» describes an internal situation that can attract, motivate and activate an individual's behavior, in order to achieve specific aims to meet his/her needs and expectations.
- *The role of management is to motivate employees to want to offer all their forces in achieving a specific aim. A company, in order to ensure the willingness of its employees to participate in achieving company's objectives, it must offer the **suitable incentives** to its employees.*
- Motivations can be **intrinsic** or **extrinsic**.
 - Intrinsic Motivations come from the inner-personal factors (e.g. inner satisfaction, interest, curiosity).
 - Extrinsic Motivations come from external factors (e.g. bonus, punishment, support, approval).



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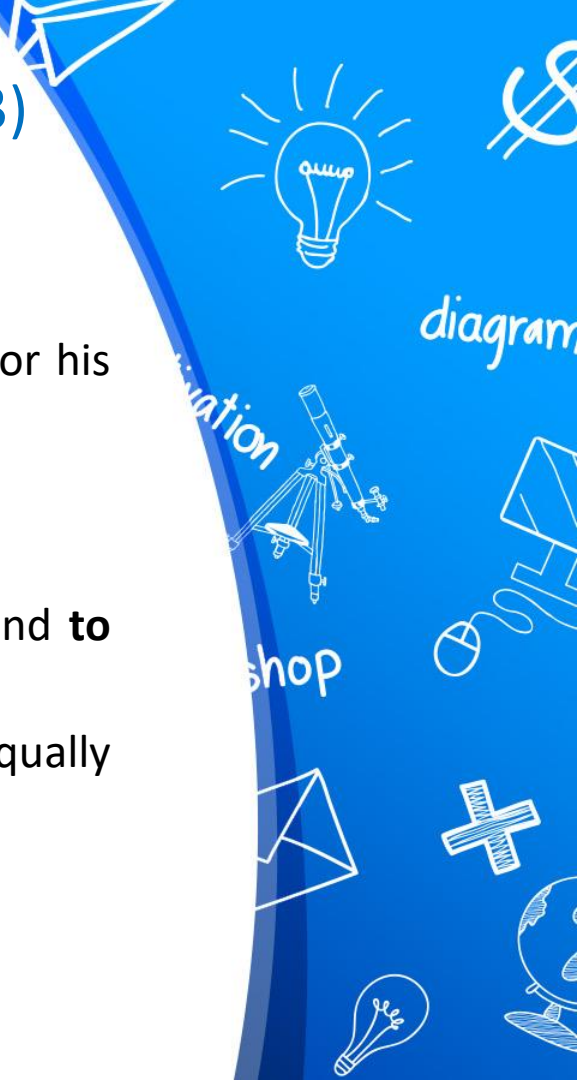
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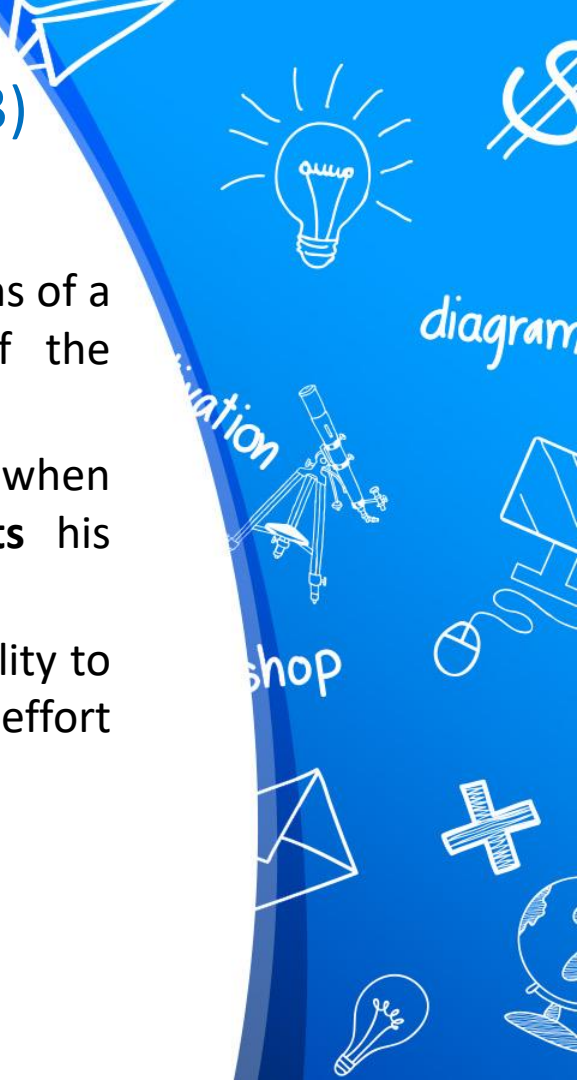
4. Incentives – Human Resource Management (1/3)

- In order to be efficient an employee, it is important:
 - to have the **necessary qualifications**, which are needed for his job.
 - to know **the content** of his work.
 - to exist the necessary motivations for work.
 - to have the **proper-good environment** in the company and **to develop methods** for his/her proper activation.
- It is not enough for the employee to do a specific job. It is equally important to want to do it.



4. Incentives – Human Resource Management (2/3)

- Modern management believes that in order to achieve the aims of a company, these aims should conform with the aims of the employees.
- **External motivation** is an **external influence**, which when internalized by a person **activates, motivates and directs** his behavior, in order to achieve the **assigned aims**.
- The intensity of the motivation depends on the manager's ability to identify the needs of its employees. But it also depends on his effort to meet specific needs.



4. Incentives – Human Resource Management (3/3)

The role of Incentives in Human Resource Management is important for the following reasons:

- Employees need to be **attracted** in order to achieve their **aims**. They should be **motivated to work** purposefully in a particular company.
- After hiring them, the company should constantly **motivate** them. They should be motivated **to strive for their job**. But at the same time, **incentives** must be given for their **development**.



5. Motivation Theories

Content-based incentive approach

This approach tries to answer the question:

What motivates people to behave as they behave?

Various motivational theories have been formulated.

Motivation theories have helped the Science of Human Resource Management to understand the factors that influence the excitement, the direction and maintenance of persons' behaviors in an environment, in which employees are motivated to work more efficiently and promote a framework which recognize the need for motivation and job satisfaction of human resources.



5.1 Maslow's Hierarchy of Needs (1/3)

Maslow's Hierarchy of needs defines five categories of human needs:

- 1. Physiological needs:** include basic needs such as food, water, air etc.
- 2. Safety needs:** include needs for security, stability, freedom from fear and threats.
- 3. Belongingness and love needs:** include needs for friendship, affection, acceptance and interaction with other people.
- 4. Esteem needs:** include the need for personal feelings for fulfillment and **self-esteem** and the need for recognition and respect from others.
- 5. Self-actualization needs:** include the need of self-actualization and implementation of the possibilities of everyone.



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5.1 Maslow's Hierarchy of Needs (2/3)

- These five categories of needs are **strictly classified** hierarchically - in the form of a pyramid - from the least important to the most important needs.
- The needs of one level (at least to some extent) must be met before we can meet the needs of the next level. Maslow support that people throughout their lives act in this way. They try to satisfy as many of their needs as possible in the most efficient and economical way.



5.1 Maslow's Hierarchy of Needs (3/3)

Maslow's Hierarchy of Needs

Self-actualization needs

Esteem needs

Belongingness and love needs

Safety needs

Physiological needs

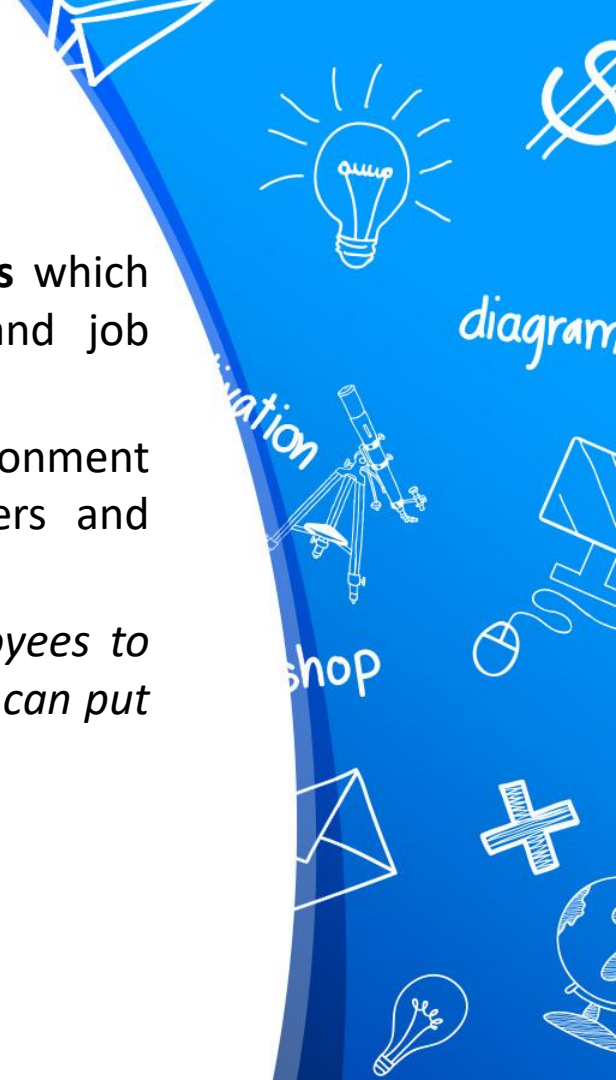


5.2 Herzberg's two-factor theory (1/2)

The main concept of this theory is that there are **two factors** which affect the human behavior and explain job satisfaction and job dissatisfaction: a) **Hygiene** factors and b) **Motivation** factors.

Hygiene factors (external): They are related to the work environment and specifically to company, relationships between managers and employees, working conditions, wage and salary, safety etc.

Herzberg supports that hygiene factors don't motivate employees to increase their productivity. However, the lack of hygiene factors can put them in difficult position in their workplace.



5.2 Herzberg's two-factor theory (2/2)

Motivation factors (internal): include **satisfaction factors** which are related with the **content of the work**, such as achievements, recognition, responsibility, promotion, personal development opportunities etc.

- These specific factors have the capability to create **satisfaction feelings**.
- Their **presence** makes employees willing to increase their **productivity as much as they can**.



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5.3 Douglas McGregor: theory X and theory Y (1/2)

- This specific theory describes **two opposing management styles** about human nature and motivation.
- The «**pessimistic assumptions**» - theory X, is based on the assumption that the most people are motivated by money, threat and punishment, they have no ambitions, they are looking for security and try to avoid responsibilities, they prefer to be guided and they dislike to work.
- **Theory Y** is almost in complete contrast to that of Theory X. Theory Y is based on **optimistic assumptions** of the worker. Employees can be self- controlled and self-guided, they can be creative, they can accept and seek responsibilities in the proper environment and they can feel that the sense of participation in success is an important reward to them.



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5.3 Douglas McGregor: theory X and theory Y (2/2)

According to the X theory, employees are motivated by the lower hierarchical needs (basic needs). But in the other hand, according to Y theory employees are motivated by the higher needs (self-actualizations needs).

- **Pessimistic assumptions** - Theory X: The typical employee dislikes work and avoids it if it is possible, he/she lacks responsibility and has little ambition.
- **Optimistic assumptions** - Theory Y: The typical employee enjoys to work, he/she seeks responsibilities, takes initiatives and has ambitions.



6. Job satisfaction and dissatisfaction

- **Job dissatisfaction** is an employee's negative feelings, experiences and attitudes about his work.
- **Job dissatisfaction** can change employee's behavior, makes him/her mental exhausted and makes frequent absences or quitting his/her job, makes him feel low commitment, isolation, alienation, frustration and psychological resignation of its work.
- Motivation of the human factor in the workplace is **directly related** to the job satisfaction.
- The term «**job satisfaction**» describes the positive attitudes, feelings and experiences which an employee has about his job.
- Job satisfaction is the systematic review that an employee makes about the work environment and other parts of his work and if all these meet his needs and expectations.



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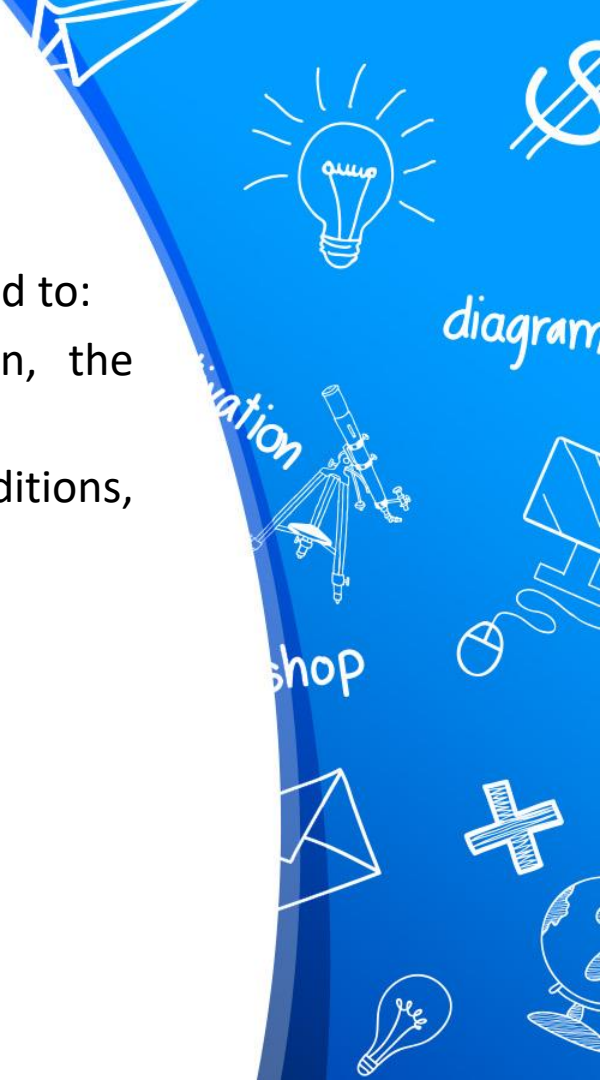
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6.1. Factors Affecting Job Satisfaction

Factors that affect the job satisfaction or dissatisfaction are related to:

- Work content **(internal factors)**: such as the supervision, the freedom of duties performance, the variety of activities etc.
- Work content **(external factors)**: such as working conditions, working hours, wage and salary etc.



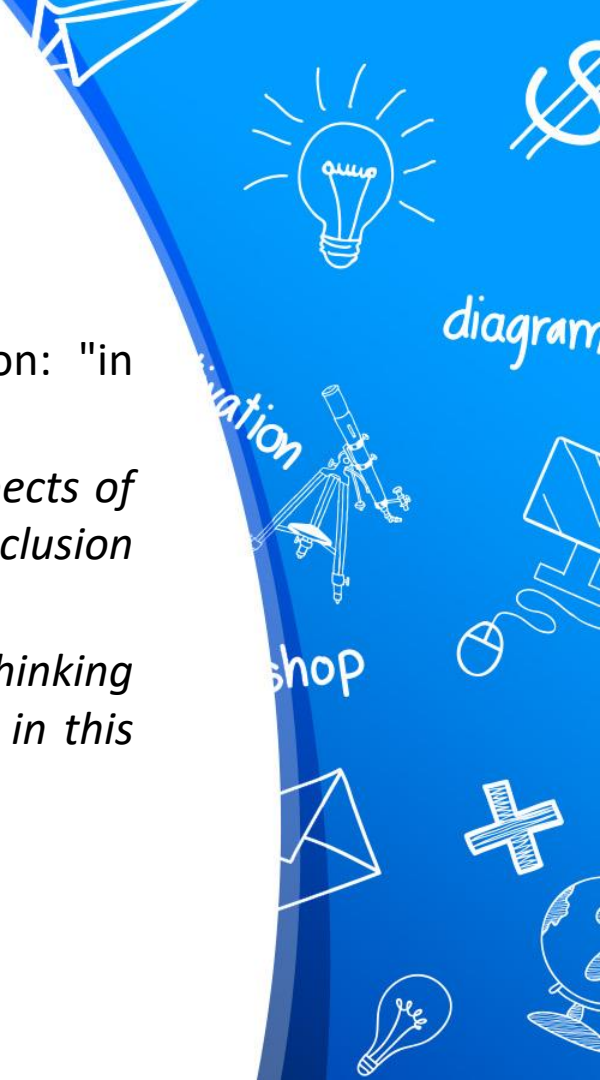
6.2. Measurement Methods of Job Satisfaction (1/2)

Measurement of "total" job satisfaction:

The total measurement can be made from just one question: "in general, how satisfied are you with your job?"

It allows the employees to think about all the relevant work aspects of their work. They can evaluate them and come to their own a conclusion and to answer if they are satisfied or not.

However, the employees don't explain or reveal their way of thinking and they don't show the information which help them to come in this conclusion.



6.2. Measurement Methods of Job Satisfaction (2/2)

Measuring job satisfaction with survey (scales).

Job satisfaction survey involve scales, which used for singly or specific areas, such as pay or satisfaction with colleagues.

This method may not mention some aspects of job satisfaction, which might be very important for a specific employee.

Some scales may include job characteristics that do not interest employees.



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Lecture 8th: Team building and its dynamic in organizational behavior

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TEAM



1. Definition of «Team»

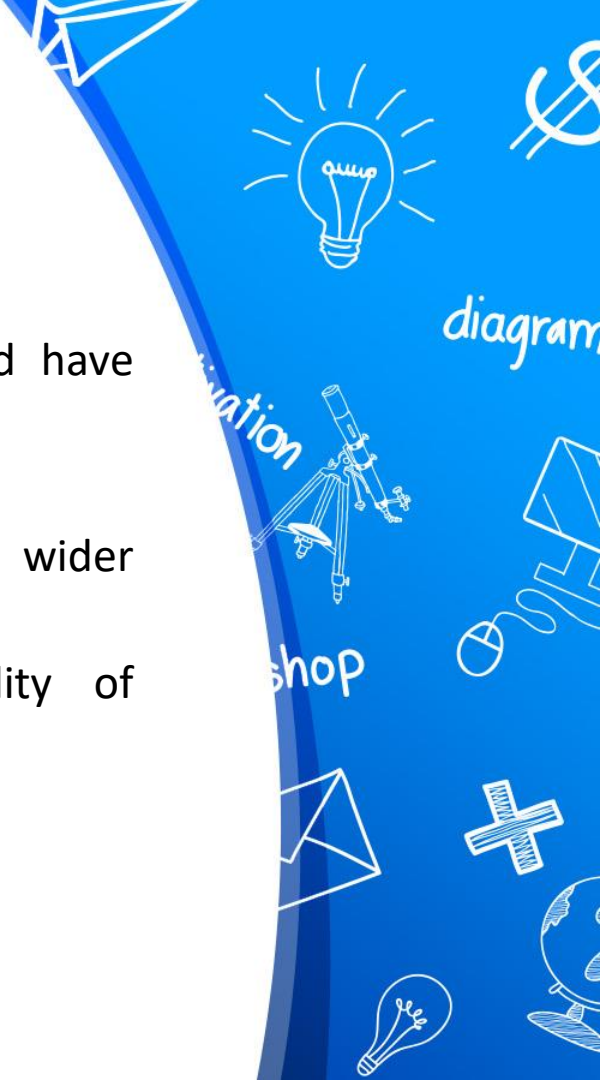
« Team is a dynamic group of people. It evolves under positive circumstances that favor the unity and within organized systems. These systems consist of interdependent roles, institutions, common objectives, values, attitudes and homogeneous behavior which meet the needs of team-member».



2. Types of teams

Formal teams:

- These teams are created to serve a specific purpose and have formal structure.
- Formal teams are divided into two subcategories:
 - α) **Functional teams or hierarchical teams** (as parts of a wider organizational structure).
 - β) **Project teams** (these teams have the responsibility of implementing a project on a specific schedule).



2. Types of teams

Informal Teams:

- The informal teams are made because of the degree of satisfaction that their team-members receive through socializing with people who have similar interests.
- **Interest groups** and **friendship groups** fall into this category and each of them satisfy specific needs of members.



2.1. Types of work teams(1/6)

According to Mankin, Cohen and Bikson (1996), there are five kinds of team within companies:

1. **work teams** – self-directed or self-managed teams,
2. **project and development teams,**
3. **parallel** or taskforce/cross-functional teams,
4. **management teams** and
5. **ad hoc** networks.



2.2. Types of work teams (2/6)

1. Work Teams:

- This kind of team are permanent. They have fixed team members with specific responsibilities, who work full time. They have team-leader and the making-decision process is made by him due to their permanent structure. This type of team is meet commonly in the production of products and services process.



2.1. Types of work teams (3/6)

1. Work Teams:

The evolution of work teams are the **self-directed/** self-managed/ empowered teams. These teams have high autonomy and they can: set objectives, define problems and deal with them, making-decisions etc. They have increased duties and clearly more responsibilities for the results. For this reason, the continuing training is necessary and the Human Resources Department is the responder for the training programs.

- *Self-directed teams are used in many areas such as product design, assembly, sales, service, support of administrative functions etc.*
- *Many companies (eg. General Motors, Procter & Gamble, Texas Instruments etc.) have developed such teams in their structure.*



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2.1. Types of work teams (4/6)

2. Project and Development Teams:

- This team is used only for a defined period and for a separate, concretely definable purpose. For example, different departments of the company usually collaborate together to design a new product in a specific period of time.
- When the project is completed, these teams are disbanded and their team-members return to their position.
- Companies use project and development teams, in order to gather the knowledge, skills and experiences which are necessary to specific projects without removing their operational structure.



2.1. Types of work teams (5/6)

3. Parallel Teams:

- The team members are from different departments and operate in parallel with the rest of the business with an object that isn't covered by its structure.
- Their projects are less complex than the work of the "project and department team" and they haven't to create new products and they usually get involved in problem solving process.
- Members have limited power.

4. Management Teams :

- Management teams are consisted of executives (managers, supervisors, etc.) and the purpose of their creation is to coordinate the operation of company's sub-departments and the appropriate allocation of resources.



2.1. Types of work teams (6/6)

5. Ad hoc Networks:

- They haven't the classic form of team, due to their loose structure.
- The team members have common origin associated and they connect with common interests and purposes.
- Their contact is usually unplanned, due to the onset of need and this contact is boosted by technological media.
- A special feature of ad hoc networks is the origin of their team members. They come from a wide environment which can include the company, customers, suppliers, external partners and other companies of the industry.



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3. Reasons for team building (1/4)

- According to the **social learning theory** (Bandura, 1973), human has the need to be member of a team. He/she is born into a social group (the family) and within it, he/she learns to depends on other people. Consequently, we seek to be part of a team which can help us, give us the knowledges and information and cover us emotionally.
- According to Tajfel & Turner (1979) and the **social identity theory**, we create a common social reality as parts of a team. We compare ourselves with others in issues such as views, values, preferences, and general our attitudes. Also, we learn to distinguish the right from wrong and survive by adopting commonly accepted social conventions.



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3. Reasons for team building (2/4)

- According to the **social exchange theory**, (Ekeh, 1974), people which participate in teams, they are in constant exchange. A team doesn't offer only material goods but also psychological benefits such as prestige, identity and acceptance that causes pleasure. The person stays in the team as long as he/she receive benefits.



3. Reasons for team building (3/4)

According to Mitchell & Larson (1987), the reasons why people join groups are:

- The need to create social relationships.
- From the teams, people get information about themselves and the environment.
- Teams offer material things and emotional materials to the participants.
- Teams support the achievements and help the participants to achieve their objectives, which the individuals would not be able to manage alone.



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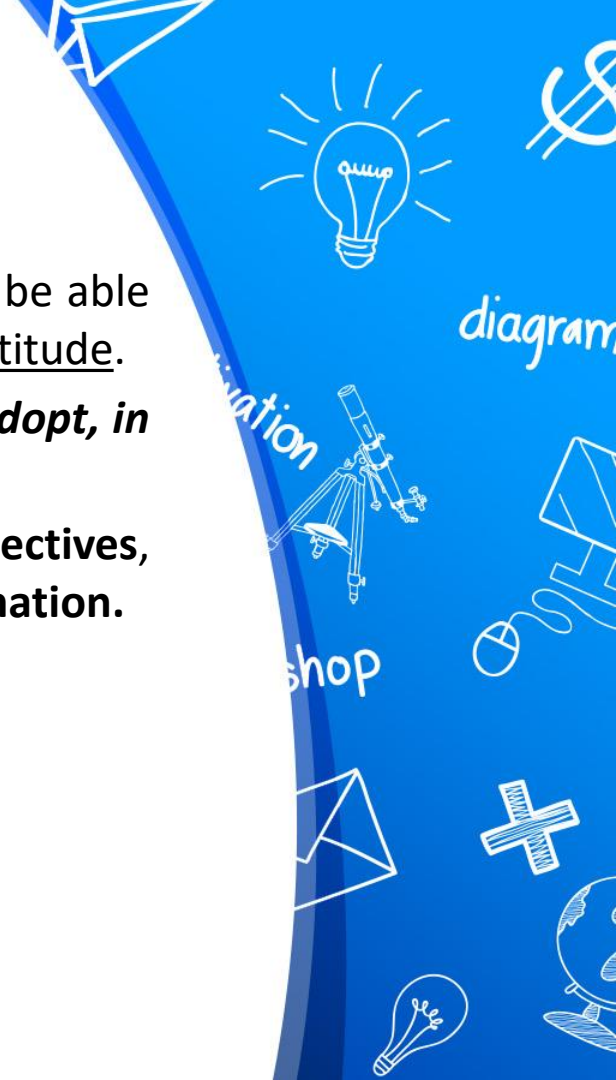


3. Reasons for team building (4/4)

People make teams to achieve something that they are not be able to achieve on their own. Thus, they develop a cooperative attitude.

Cooperative attitude is the behavior that team-members adopt, in order to gain feedback from it.

This behavior and feedback might be: **achieving objectives, developing relations, emotional coverage and social confirmation.**



4. Stages of team building

1. **Forming Stage:** orientation and familiarity with the team members.
2. **Storming Stage:** There are conflicts. The team members know well enough each other and start working as a team through disagreements.
3. **Norming Stage:** In this stage is included the sympathy, cohesion and the sense of common identity.
4. **Performing Stage:** The team operate as a unit. It has common methods, objectives, high morale and team atmosphere.
5. **Adjourning Stage:** The team is disbanded, because it has achieved its objectives or because its members have lost their interest and their motivation.



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5. Characteristics of a team

The **main characteristics** of a team are:

- ✓ Formal social structure
- ✓ Interpersonal interaction
- ✓ Existence of at least three people
- ✓ Common objectives
- ✓ Interdependence
- ✓ Self- appointed as team member
- ✓ Recognition by others

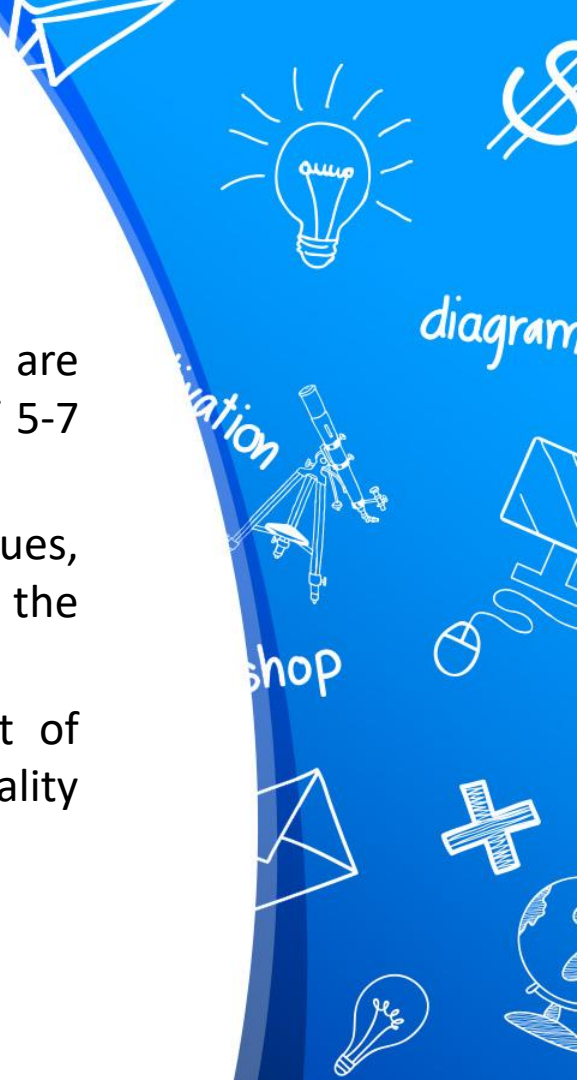


6. Team composition (1/2)

Characteristics that affect team composition are:

Team size: there is no ideal team size. In large groups, there are phenomena of lack of coordination and social laziness. Teams of 5-7 people are usually considered effective.

- **Skills of team members** (problem solving techniques, interpersonal skills, etc.). The nature of the project and the leadership affect the ratio of the team's member abilities.
- **Team members personality:** Effective teams usually consist of members who have high level of diligence, extraversion, geniality and lack of neuroticism.



6. Team composition (2/2)

Characteristics that affect team composition are:

- **Defining roles:** Roles within the team are really important and must be clear and acceptable to all. Some roles are: facilitator, coordinator, moderator, organizer, resource researcher, auditor, etc.



7. Problematic industrial conditions (1/2)

- The most common problems within a team are related to the (existing) **structure** and the **hierarchy** of the company.
- The stable form of job position, their responsibilities, the strict job description, the grading of employees to hierarchical levels, based on criteria which aren't related to performance and productivity. They are in contrast to the flexibility, the structure leveling and the increasing obligations and the rights of the teams.
- Maintaining the **old forms of management systems** (such as appraisal system and wage and salary system) is a negative factor, when the teams are created. This minimizes members' motivation and gives the impression that teams are not important to the company.



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7. Problematic industrial conditions (2/2)

- One more problem is the indifference and the lack of support for the teams' work by the managers.
- The lack of training is one of the most common reasons for the teams' failure.
- The skills and abilities that are required, in order to exist harmonious and effective cooperation in the team' members. It can be happen through the continuing training and practice.
- Lack of special training also creates a number of problems, which are related to the wrong organization and the lack of planning of team activities such as lack of clear objectives, rules, ineffective meetings and responsibilities distribution according to the position in the hierarchy etc.



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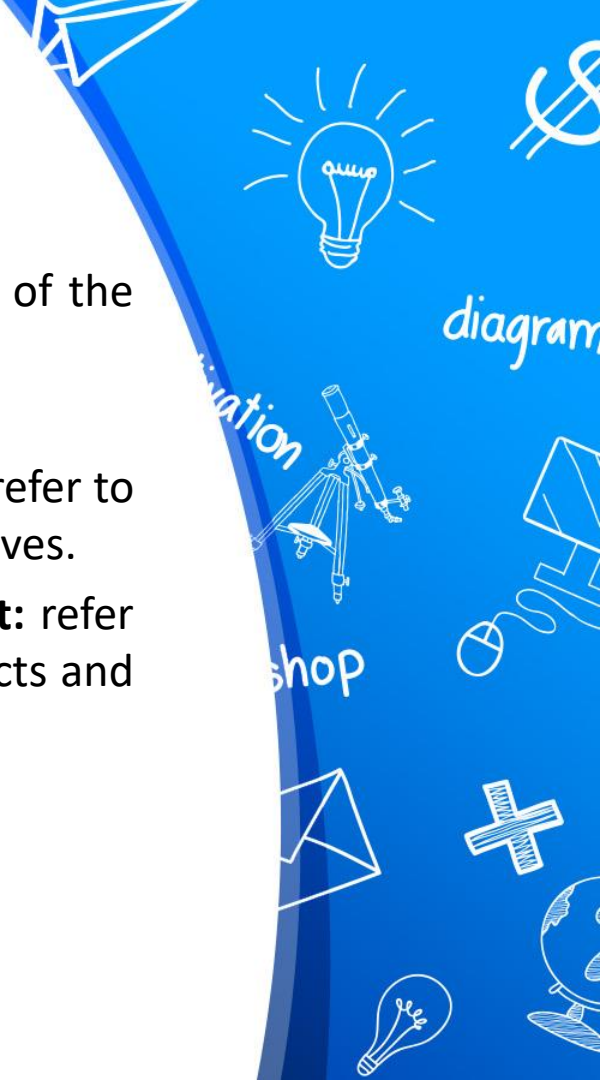


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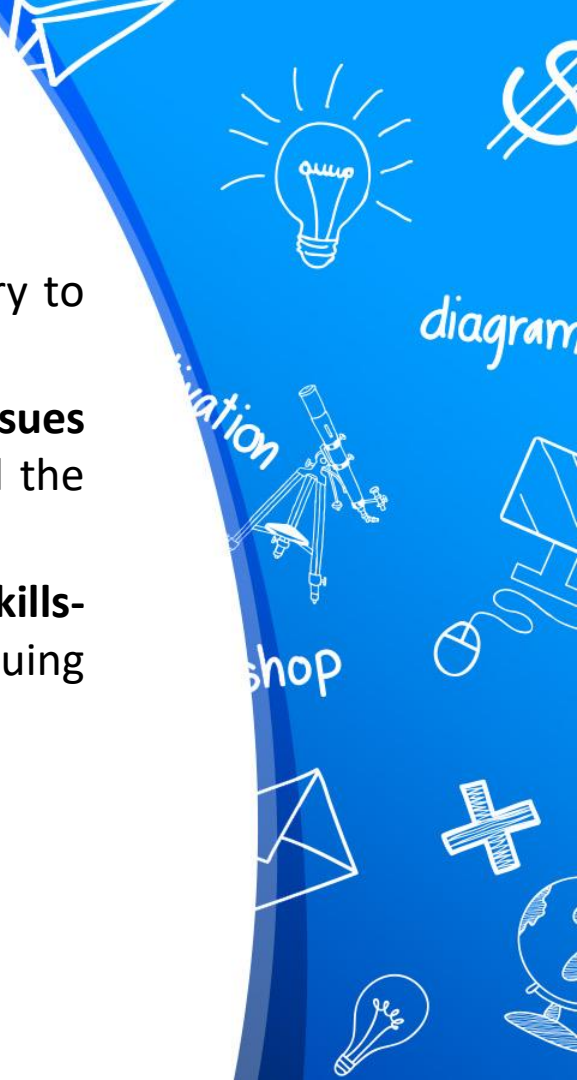
7.1. Conflicts within teams

- Even if the work environment is favorable for the operation of the team, many problems can be raised.
- There are **two types of conflicts**:
 - α) **cognitive conflict, task-focused conflict and task conflict**: refer to members' disagreements which are focus on common objectives.
 - β) **affect conflict, relationship conflict, interpersonal conflict**: refer to members' disagreements which arise from personal conflicts and emotional interactions (often perceived as personal attacks).



7.2. Team conflict management

- In order to deal with the **internal team conflicts**, it is necessary to exist **prevention** and **training**.
- Disagreements in **regulations, organization and operation issues** can be avoided or resolved immediately within the **timely** and the **proper preparation** and **information of members**.
- To resolve any conflict, it is necessary to exist **interpersonal skills-skills** that can taught, develop and improve, through the continuing training and the team work.



8. Advantages of teamwork in the workplace

- ✔ Increasing productivity
- ✔ Improving communication and collaboration while removing barriers
- ✔ Increase speed
- ✔ Improving creativity and innovation
- ✔ Increase employee loyalty and satisfaction
- ✔ Increasing customer- focused culture
- ✔ Increase organizational adaptability and flexibility
- ✔ Improvements in quality issues
- ✔ Sharing responsibilities and creating more flexible hierarchical structures



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Lecture 9th: Leadership and Human Resources Management



ReinFORCE SOCIAL Entrepreneurial Spirit through setting up Innovative Support Structures in the cross-border Territory "Social Forces"



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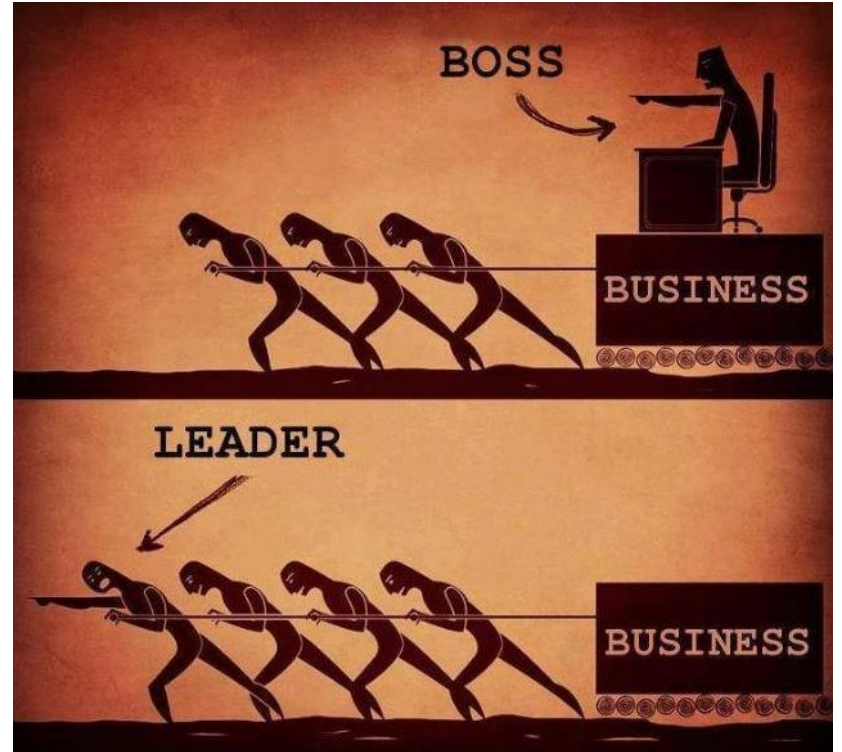
1. Leadership
 2. Leadership and Management
 - 2.1. Difference Between Leader and Manager
 3. Areas influenced by leaders
 4. Theories of leadership
 5. Leadership's styles
 6. Factors affecting leader's effectiveness
 7. Leadership in the workplace
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1. Leadership

*Leadership is defined as an **influence**, an **art**, or a **process** that motivates behavior and actions. Leadership activates and guides a formal or informal organization – a small or a big group, with the result that they voluntarily and willingly want to effectively achieve specific objectives.*



*Leadership or
Management?*



2. Leadership and Management

- Although many believe that the terms «leadership» and «management» have the same meaning, there are **fundamental differences** between them.
- **«Management»** is the creation of bases and the execution of the necessary functions, which are important for the implementation of actions and the objectives of the company.

≠
- **«Leadership»** is the ability of a leader to collaborate, to inspire, to show new ways, to communicate, to manage emotions, to share the same vision with the other people and to increase team ambitions.



2.1. Difference Between Leader and Manager (1/2)

Traits of a manager:

- He/ She is appointed
- He/ She uses legal force
- He/ She gives orders, rewards-bonus, punishments
- He/ She controls
- He/ She pays attention to processes, systems and logic
- He/ She follows predetermined standard
- He/ She is interested in “how”
- He/ She accepts and manages the ruling class and prefers stability
- He/ She accepts the reality
- He/ She focuses on the present (short-term perspective)



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2.1. Difference Between Leader and Manager (2/2)

Traits of a leader:

- He/ She uses his/her self- power
- He/ She spreads his/her vision, inspires, persuades and motivates
- He/ She gains trust and increases it
- He/ She focuses on people and in their emotions
- He/ She expands work frameworks
- He/ She is interested in 'why'
- He/ She challenges the ruling class, makes changes and innovations
- He/ She investigates the reality
- He/ She focuses on the future (long-term perspective)



3. Areas influenced by leaders

A leader has influence in:

- the way that team members interpret external facts.
- the choices and strategies which are followed.
- the members' motivations in order to achieve their objectives.
- the mutual trust and collaboration of members.
- organization and coordination of activities.
- the allocation of resources to activities and objectives.
- the development of team skills.
- the learning and spreading new knowledge in the team.
- the support and collaboration from external's business factors.
- planning the formal structure of the organization's programs and systems.
- the common convictions and values of the team.



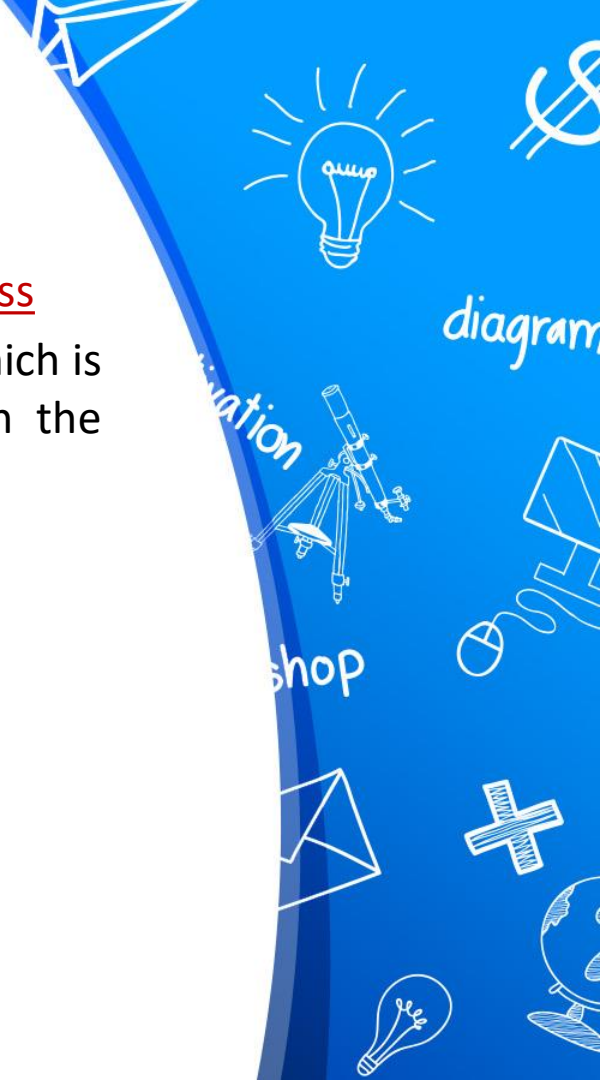
4. Theories of leadership (1/5)

1. Fred Fiedler theory (1967): A theory of leadership effectiveness

According to this theory, there isn't a single way of leadership which is effective. Leadership depends and formed in accordance with the work environment and its needs.

Fiedler separated the leadership project into three parameters:

- 1) leaders' relationships with the other team members,
- 2) the organization,
- 3) the allocation the authority that anyone



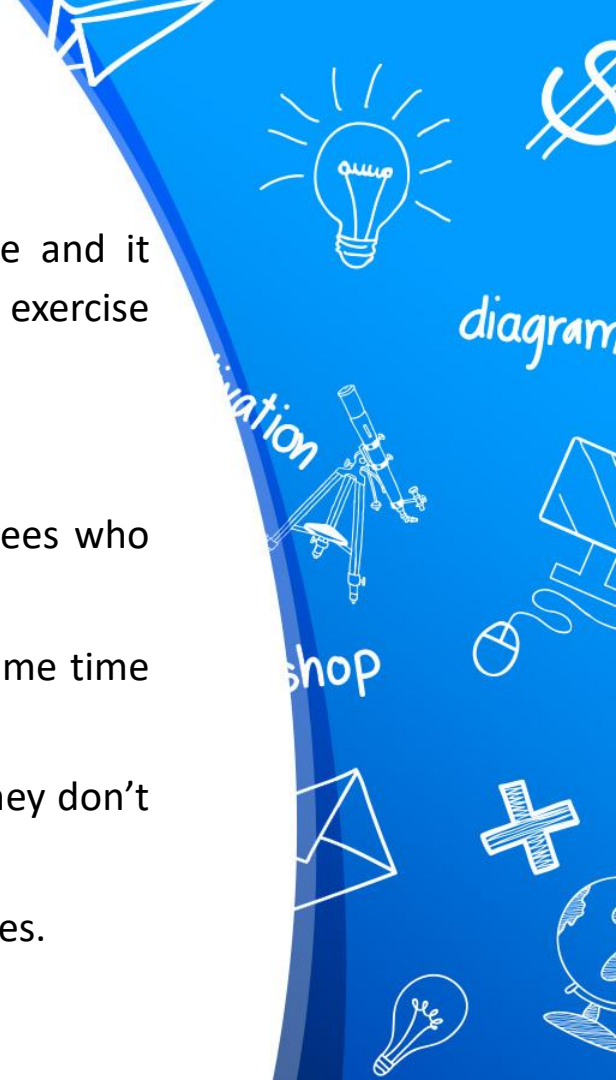
4. Theories of leadership (2/5)

2. Situational leadership:

Situation leadership is applied when the situations are not the same and it considers that different ways, approaches and skills are needed to exercise leadership.

Leaders' behaviors in this theory are:

1. **Directing:** leader should give directions and instructions in employees who need it.
2. **Coaching:** leader has the control and makes decisions but at the same time he/she has to support the communication between the two sides.
3. **Supporting:** employees take part in the decision process because they don't need guidance.
4. **Delegating:** leader is surrounded by skillful and responsible employees.



4. Theories of leadership (3/5)

3. Servant Leadership:

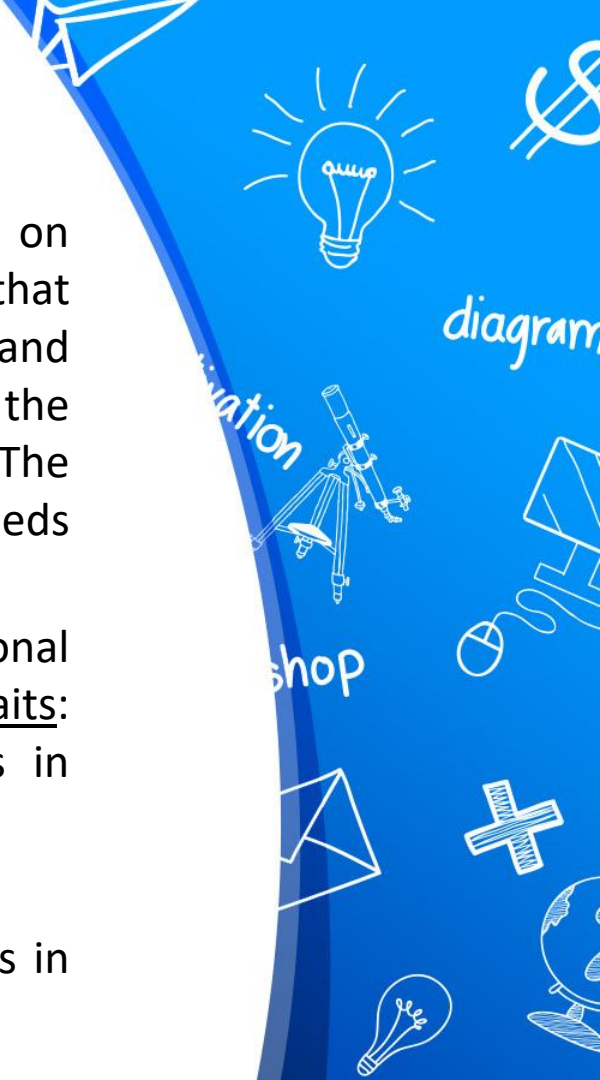
- According to Robert Greenleaf and based on the servant leadership. A Leader considers that it is very important to exist close relationship and two-way communication with the employees, in order to encourage, listen and support them and to show them trust.
- The leader supports that his/her position is to «serve» his staff and to lead through this process.



4. Theories of leadership (4/5)

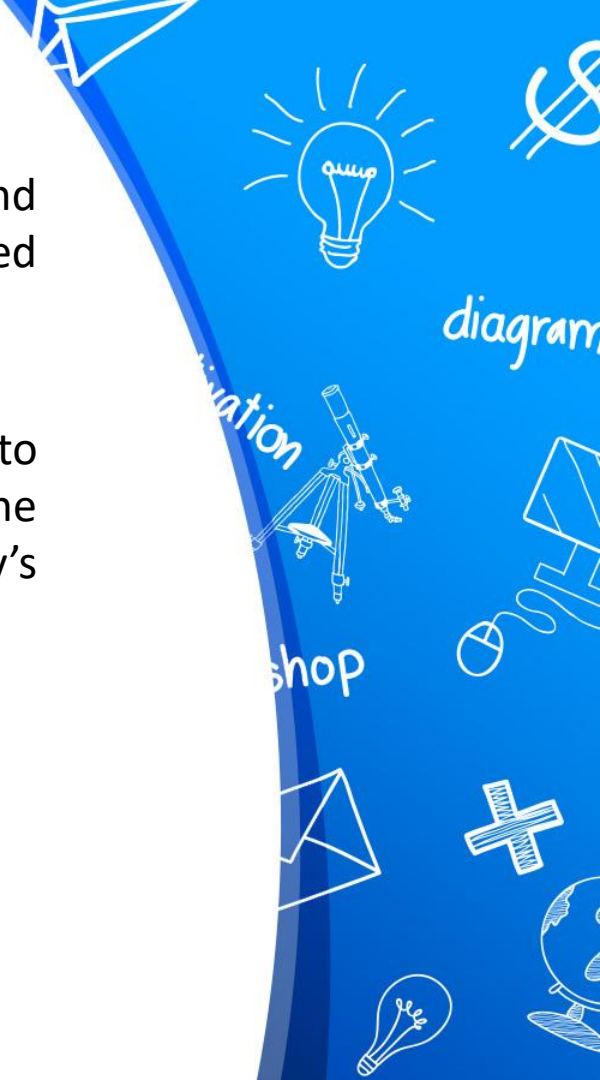
4. Transactional and transformational leadership:

- According to Burns (1978), transactional leadership is based on the principle of human relationships and the interaction that exist between the leader, employees and the benefits (wage and salary, recognition etc.) that they will receive by fulfilling the objectives and the requirements of their duties. The transactional leader takes care to satisfy the immediate needs of human resources.
- Transformational leadership is an extension of transactional leadership. This leadership method consists of three main traits:
 - a) the natural aptitude with which the leader cultivates in employees inspiration and faith,
 - b) the care that each employee receives individually and
 - c) the mental stimuli that the leader gives to the employees in order to make the right decisions.



4. Theories of leadership (5/5)

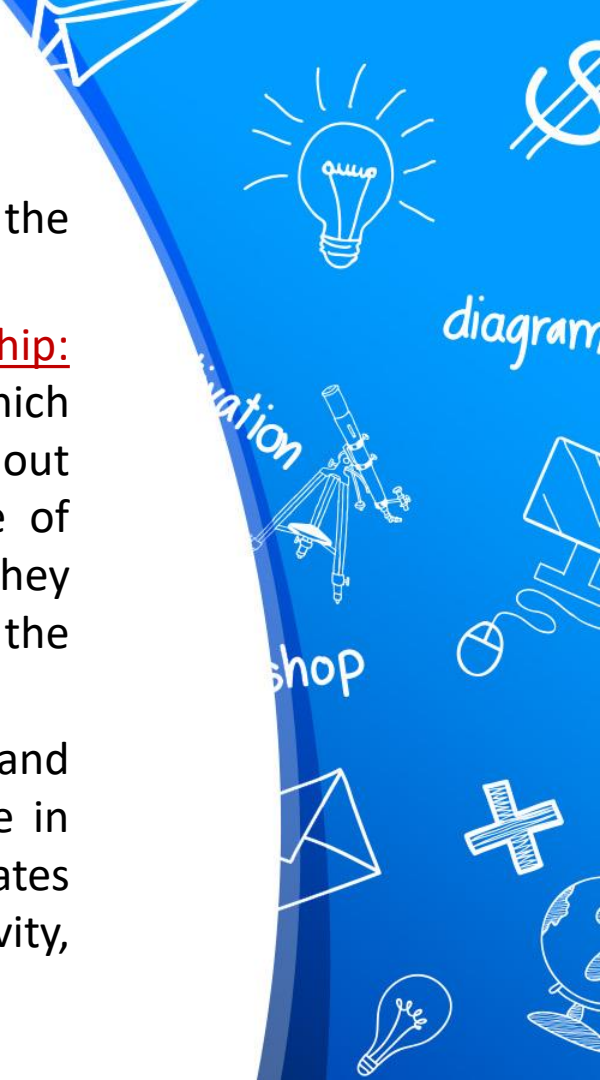
- As we can see from the above review, it is easy to understand that there isn't just one specific theory that can be followed and lead to the most effective form of leadership exercise.
- This means that the leader must be **insightful**, **flexible** and to **adapt** in the circumstances of the organization, the team, the environment, the habits, the value system and the society's expectations in which the company operates.



5. Leadership's styles (1/2)

There are three basic leadership styles, which are based on the criterion of decision-making and are the following:

1. Authoritarian leadership, also known as autocratic leadership:
The Manager / leader makes his/her own decisions, which he/she transmits and imposes them on employees without further explanation. The leader behaves this way because of his/her position. Team members don't take responsibilities, they only perform orders and the production increases only when the leader is in the company.
2. Democratic Leadership style: Leader cares about the needs and opinions of team members, encourages them to participate in decision-making process. At the same time, the leader cultivates the necessary conditions which aim to increase staff creativity, productivity and boost their morale.



5. Leadership's styles (2/2)

3. Laissez-faire leadership style:

In this type of leadership, the leader has a limited role:

- 1) He/she does not take on many responsibilities by adhering to the policy of non-interference,
 - 2) He/she does not set goals for the team, being an ineffective factor for the productivity and progress of the team.
- ➔ As a result, the team members show less interest in the work, while the team morale and feeling are loose.



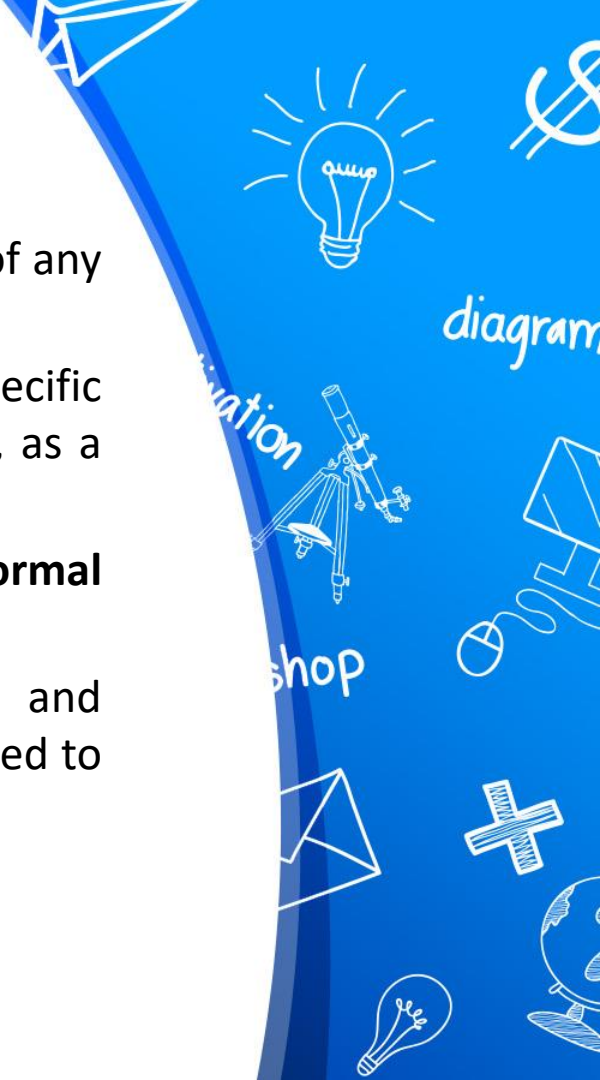
6. Factors affecting leader's effectiveness

- Personality, experiences and leader's value system
- Traits and project requirements
- Expectations and behavior of the manager
- Expectations and behavior of colleagues
- Structure and procedures of making-decision process
- Business type and development stage
- Traits, needs, expectations, maturity and behavior of employees
- Typical position in the management pyramid and leader's power
- Culture/values and company's policy.



7. Leadership in the workplace

- Leadership is important in **motivating** the human resources of any organization.
- When people work together, in order to achieve specific objectives of the organization, they form groups-teams and, as a result, their activities interact.
- Leadership is developed within the team in **formal** or **informal** ways.
- Within the formal groups, there is structured interaction and coordination. The leader has an important role, which is related to organizing, motivating the team and assigning tasks.



8. Leader and principles of management (1/3)

The leader should take into account ten principles of management (*Urwick's ten principles of management*), in order to have a more efficient division of labor, control and relations between the hierarchical groups.

- **The principle of the objective:** Every organization and every department must have a purpose of operation, otherwise its existence is useless.
- **The principle of specialization:** The activities of each organized group must be defined in order to perform specific tasks.
- **The principle of coordination:** The purpose of the organization is to promote its purpose through continuous effort.



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8. Leader and principles of management (2/3)

- **The principle of authority:** in every organized group, it must exist supreme authority and there should be a clear line of authority to every member of the group.
- **The principle of responsibility:** a superior may be held accountable for the actions of subordinates.
- **The principle of definition:** jobs, duties, authority, responsibility and relationships should be clearly defined.
- **The principle of correspondence:** in every position, responsibility and authority should correspond with each another.



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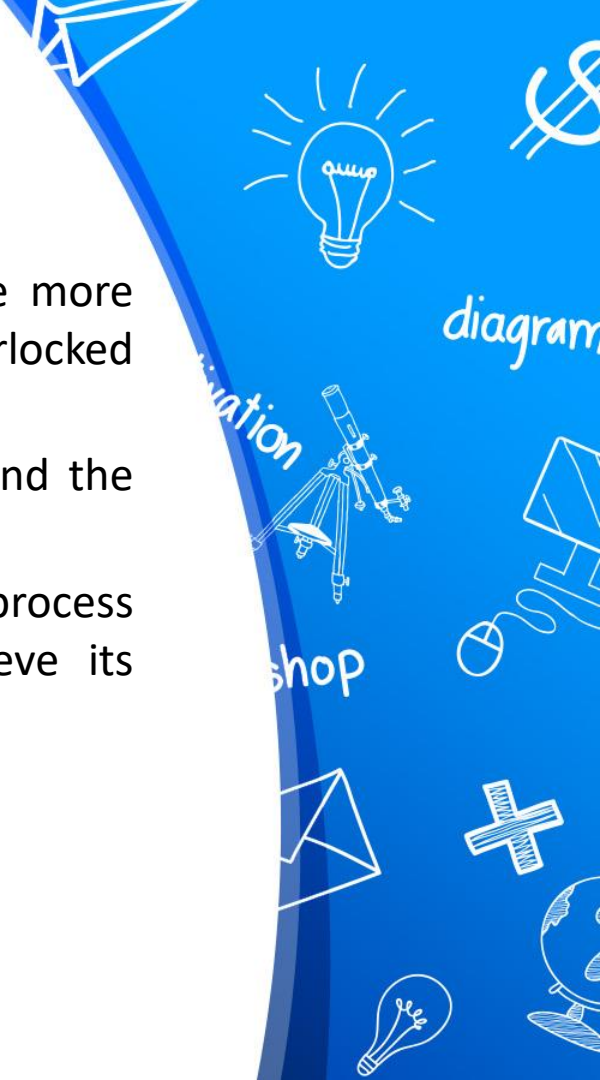


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8. Leader and principles of management (3/3)

- **The principle of span of control:** no one should supervise more than 5-6 persons, directly subordinates, whose work is interlocked and should be checked.
- **The principle of balance:** leader must keep the flexibility and the balance of the various parts of the business.
- **The principle of continuity:** reorganization is a continuous process and provision should be made for it, in order to achieve its improvement.



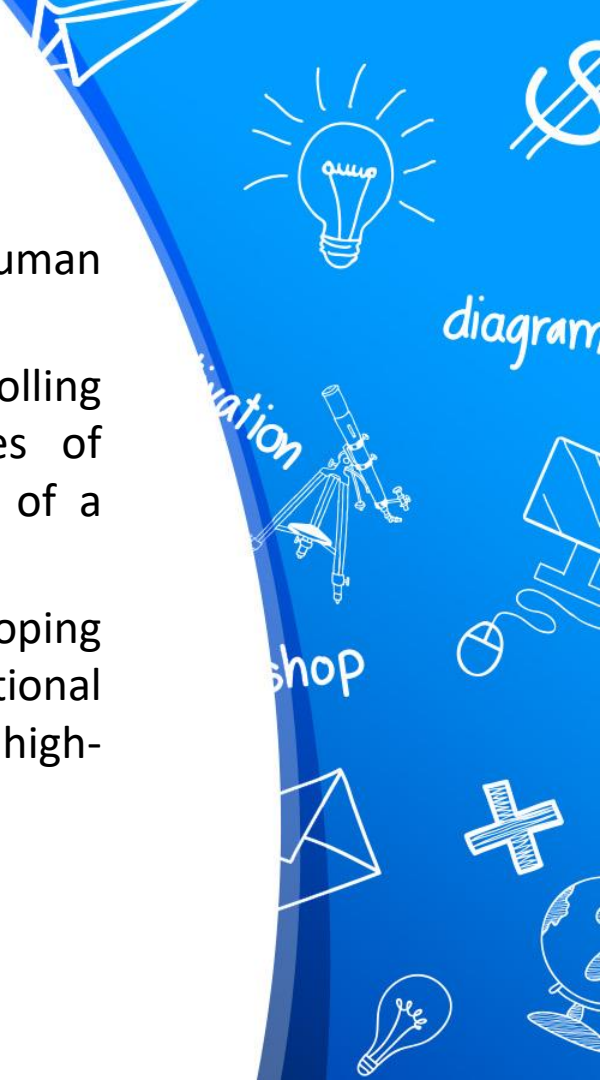
9. Traits and essential skills of leaders in the workplace

- ✔ Intelligence
- ✔ Emotional Intelligence
- ✔ Knowledge / learning
- ✔ Self-knowledge / self-confidence
- ✔ Systematic thinking
- ✔ Integrity
- ✔ Faith in values
- ✔ Humility
- ✔ Prestige and social responsibility
- ✔ Justice
- ✔ Courage
- ✔ Resilience



10. Relationship between leadership style and human resource management practices

- Different leadership styles are related with different human resource management tasks.
- For example, transactional leadership is about controlling performance and potential rewards. The relevant duties of managers (evaluation, controlling and rewarding) are part of a transactional leadership style.
- In addition, transformational leadership focuses on developing loyal employees through the personalized care. Transformational leadership is related to the participatory practices of high-engagement or high-participation systems.



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Lecture 10th : The impact of New Technologies on Human Resources Management

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 2. HR Technology Trends (HR Tech)
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***NEW
TECHNOLOGIES IN
HUMAN RESOURCES
MANAGEMENT***



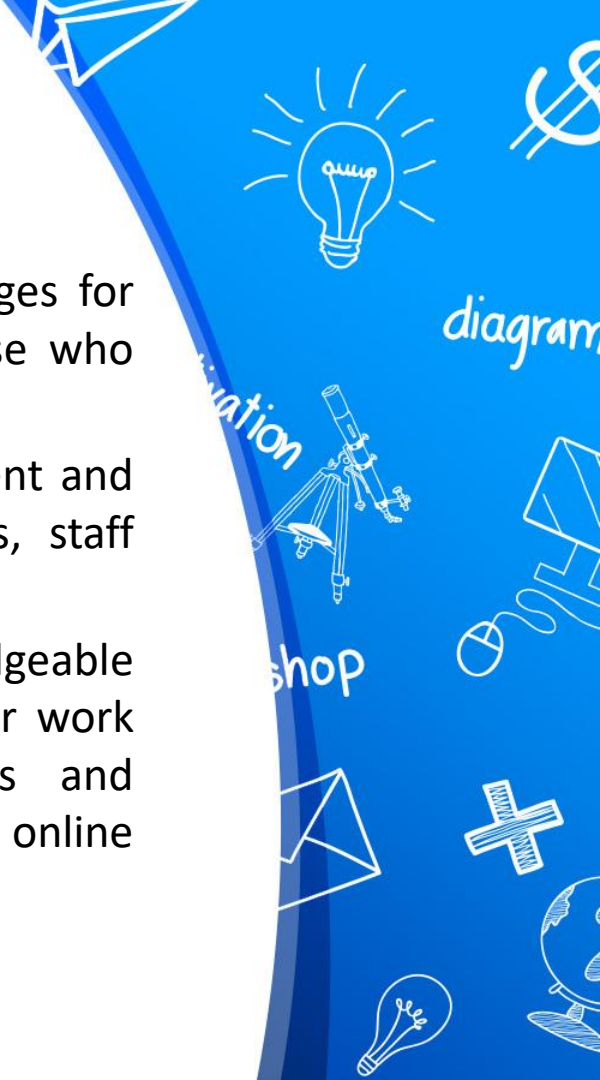
1. Human Resource Management in the Digital Era (1/4)

- The environment is constantly changing and is affected by technological and scientific developments. So, companies have to be adapted to the new data.
- The field of business administration shows constantly progress and follows the changes that take place in **labor market, technology, production conditions** and **consumer behavior**.
- In a global competitive labor market, customers have **demands** and want to receive **quality, flexibility/adaptability** and **speed** and all these requirements constantly keep growing.
- At the same time, the field of **HRM** keeps **growing rapidly**, in parallel **with technological changes**.



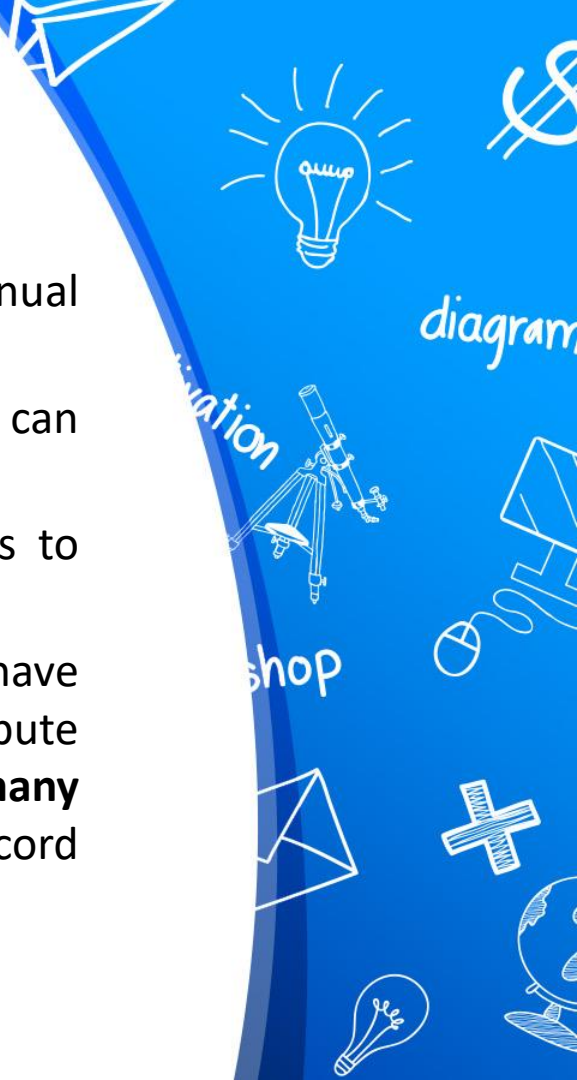
1. Human Resource Management in the Digital Era (2/4)

- New technologies have created new demands and challenges for the management of a company and its staff, and for those who formulate the policies.
- Digitization has affected very much the business environment and the Human Resources Management functions (employees, staff management and work).
- **Millennials or digital employees** are completely knowledgeable about technology, because they use it every day in their work (social networking, fast learning of new technologies and technological processes, fast learning and processing of online information etc.).



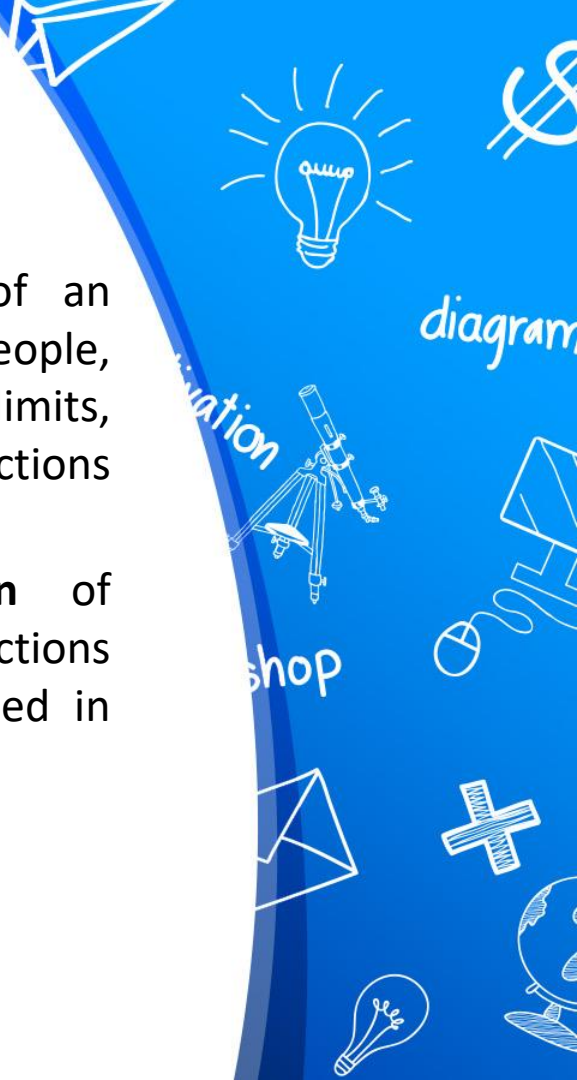
1. Human Resource Management in the Digital Era (3/4)

- Business process automation has replaced many forms of manual labor.
- Many information are digital or have become digital or we can convert them into digital format.
- Employees use digital tools and special information systems to handle these information.
- **Information Systems (IS)** are organizational systems and have been designed to collect, process, store, and distribute information and data of HRM. These systems **provide many information and not only the traditional functions** (staff record retention, payroll, employee absences etc.).



1. Human Resource Management in the Digital Era (4/4)

- Digital world has also brought changes in the work of an organization. The digital workplace can include one or more people, who can work individually or in groups. Thus, there are no limits, either geographically or temporally or numerically. All connections and communications are digital.
- Now, the **planning**, **implementation**, and **application** of technologies concern the HRM. For example, many HRM- Functions (such as payroll and employee absences etc.) are performed in digital way.



2. HR Technology Trends (1/8)

- E-HRM is the integration that includes all activities and content mechanisms, which exist between HRM and IT, and all these aim to create value in the company and between the organization, employees and management.
- The main purpose is the upgrade and the planned change in the business area. Nowadays, there is a systemic use of many innovative technologies such as **augmented reality**, **cloud technologies**, **big data**, **artificial intelligence** and **candidate selection algorithms**.



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2. HR Technology Trends (2/8)

Artificial Intelligence

- Artificial intelligence (AI) is a field, which combines computer science and is occupied with the design/planning and implementation of programs that are capable of imitating human abilities. Artificial intelligence has traits that exist in human behavior, such as problem solving, visual perception, learning, natural-language understanding and drawing conclusions etc.
- Internationally, there is a tendency to apply Artificial Intelligence in the Private Sector.
- In particular, it seems that by year 2020, there are mainly qualitative and empirical reports on the use of artificial intelligence, which make predictions in individual behavior.
- HRM uses Artificial Intelligence, mainly in tasks such as **training, selection, recruitment and team management.**



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2. HR Technology Trends (3/8)

Augmented Reality:

Augmented reality is a technology that introduces objects that reside in the real world to the digital world and they are enhanced by computer-generated perceptual information. This is a kind of interactive environment that is based on real world and uses tools such as screen, sound, text, effects, which produced by computers and improve the user's experience.

Augmented Reality uses technologies to help customers in the business world.



2. HR Technology Trends (4/8)

Augmented Reality:

- By using advanced technology, such as augmented reality, small and medium-sized businesses can develop better engagements with their customers. Augmented reality can be used effectively by creating sales and marketing areas, which can help customers to shop.

For example, Augmented Reality can help customers to see the product in which they are interested in, before buying it. This method can help customers to make the right purchase decision.



2. HR Technology Trends (5/8)

Big Data:

- “Big data is data sets that are too large and exceeds the capacity of standard database software tools to capture, store, manage and analyze”.
- Big data is a field that has to deal with the management of big data sets and it may include: business data, balance sheets, reports, messages and data that are related to the company’s operations.
- More and more companies implement systems that use big data in their daily operations and processes, such as **recruitments** and **internal or external appraisal process**.
- Also, big data systems help to increase the efficiency of **customer service**.



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2. HR Technology Trends (6/8)

Cloud Computing:

Cloud computing systems apply cloud technology. They make massive storages of information in the cloud, in order to have easy access at any time, all these who work in the company.

Through cloud system, information can be separated in categories and at the same time, they can make the objectives achievable. This can be done by reducing the amount of data volume, which stored and sorted with conventional methods.



2. HR Technology Trends (7/8)

Cloud Computing:

- Cloud technologies can positively help HRM in many different ways. Staff work is facilitated by Cloud technologies. Also, cloud computing reduce information management costs with many ways and some of them are: money cost, labor costs, delay costs, information process and emergencies situations.
- Cloud systems help to improve the educational process, training, and the HRM Motivation Systems in an organization.



2. HR Technology Trends (8/8)

Cloud Computing:

Cloud computing can help:

- To improve data analysis in HRM departments,
- To plan of resources, systems, etc. with the most efficient way,
- To plan wage and salary systems, payment systems and bonus,
- To control job positions,
- To increase efficiency,
- To improve evaluation systems.



3. Digitized Functions of HRM (1/14)

A) Human Resource Planning

With Information Systems , human resources planning is more easily feasible. If the data of an organization is stored in digital form of information system (HRM System), then this system can **export information (simple or combined information)**, which is related to staff changes such as recruitments, resignations /dismissals, characteristics analysis such as gender, age, estimation of employment cost and estimation of needs.

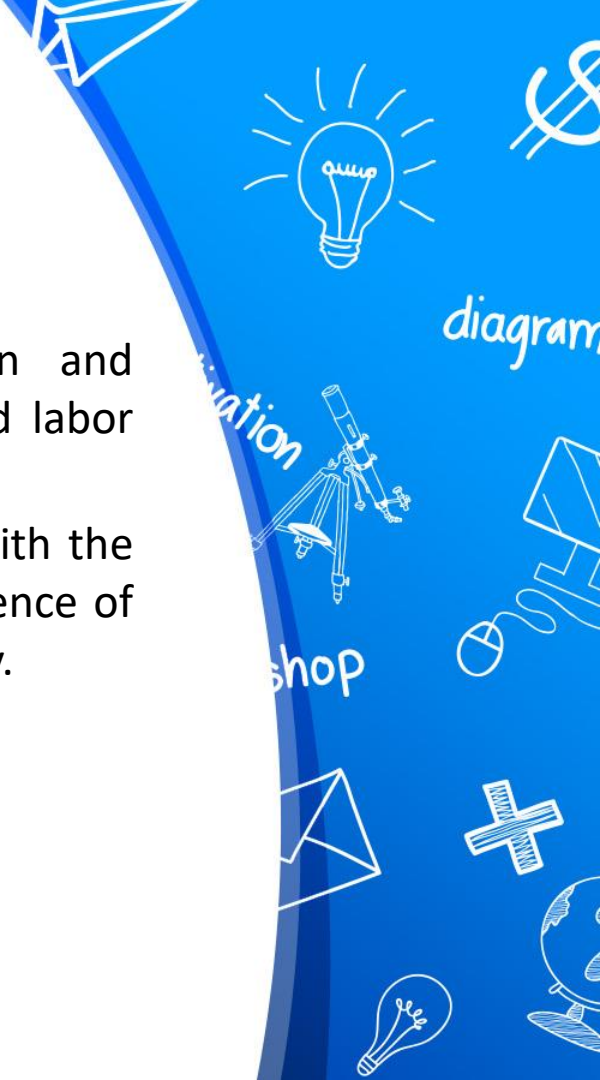


3. Digitized Functions of HRM (2/14)

B) Human Resources Recruitment and Selection

E-recruitment is a staffing process that uses Information and Communication Technologies (especially, where companies and labor markets have easy access to the Internet).

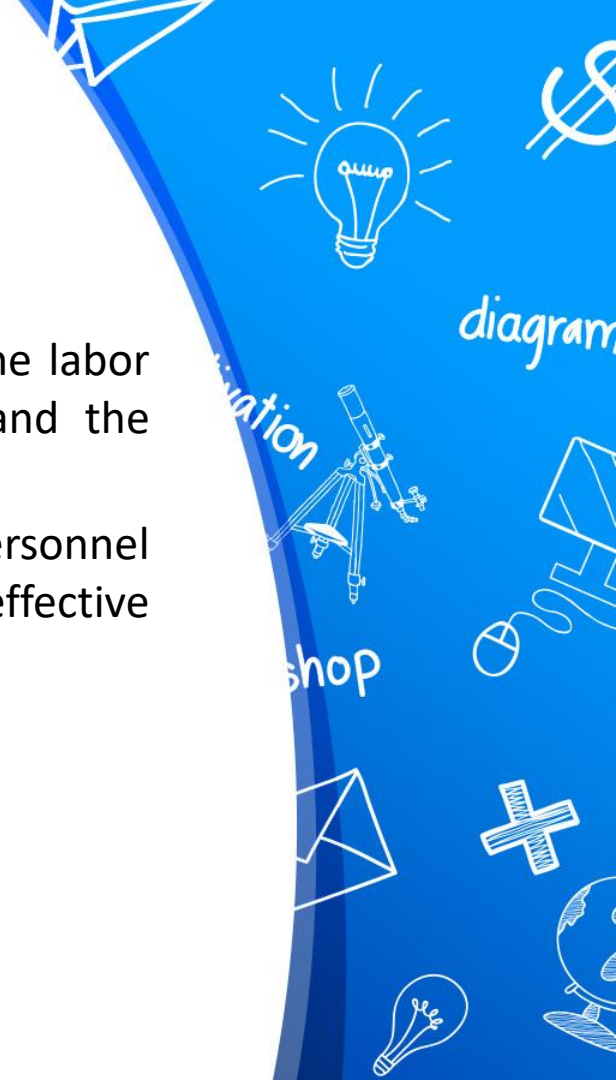
E-recruitment process has similar functions and subfunctions with the traditional process. E-recruitment process can change the sequence of some functions and it is possible to perform them simultaneously.



3. Digitized Functions of HRM (3/14)

B) Human Resources Recruitment and Selection

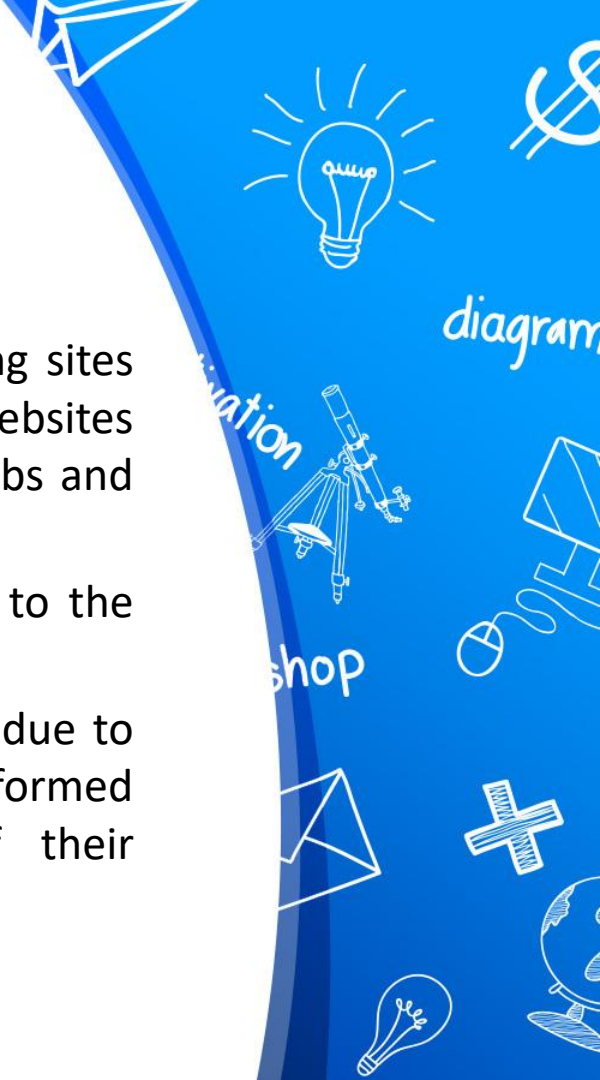
- With the introduction and spread of ICT in business and the labor market, many of the traditional sources of job search and the candidate recruitment have lost their relevance.
- As found in a survey by the UK's Chartered Institute of Personnel and Development/CIPD, candidates consider that the most effective methods of searching work are:
 - corporate websites (74%),
 - networking websites (60%) and
 - job search websites (58%).



3. Digitized Functions of HRM (4/14)

B) Human Resources Recruitment and Selection

- ❑ Digital sources of candidate search are the Social networking sites such as LinkedIn, Facebook, Instagram etc., the corporate websites and the job search websites, in which companies posting jobs and searching for candidates.
- ❑ Applications are collected and classified automatically, due to the digitization.
- ❑ Nowadays, the communication with the candidates is easy, due to the automated tasks of e-recruitment and candidates are informed immediately about the process and the outcome of their application.



3. Digitized Functions of HRM (5/14)

C) e-Performance Management System (e-PMS)

E-performance management systems have the ability to provide employee monitoring. This can be done by maintaining information of:

- ◆ The time, which they spent on certain tasks,
- ◆ The number of completed subtasks,
- ◆ The number of mistakes that have been done,
- ◆ The inactivity interval time.

By using these systems, employee performance can be closely monitored. Thus, companies can do more longer supervisory audits and reduce the time that managers would spent to observe the behavior and performance on certain employees.



3. Digitized Functions of HRM (6/14)

C) e-Performance Management System (e-PMS)

- E-Performance Internal Management System can be used to collect information with effective way from multiple evaluators.
- E-Performance Management System can observe and compare with details performance data (at team and individual level). These performance data are based on criteria such as delays, monitoring, complaints, satisfaction and turnover.



3. Digitized Functions of HRM (7/14)

D) e-Payment System

Businesses use technology to make easier the reward process with three main ways:

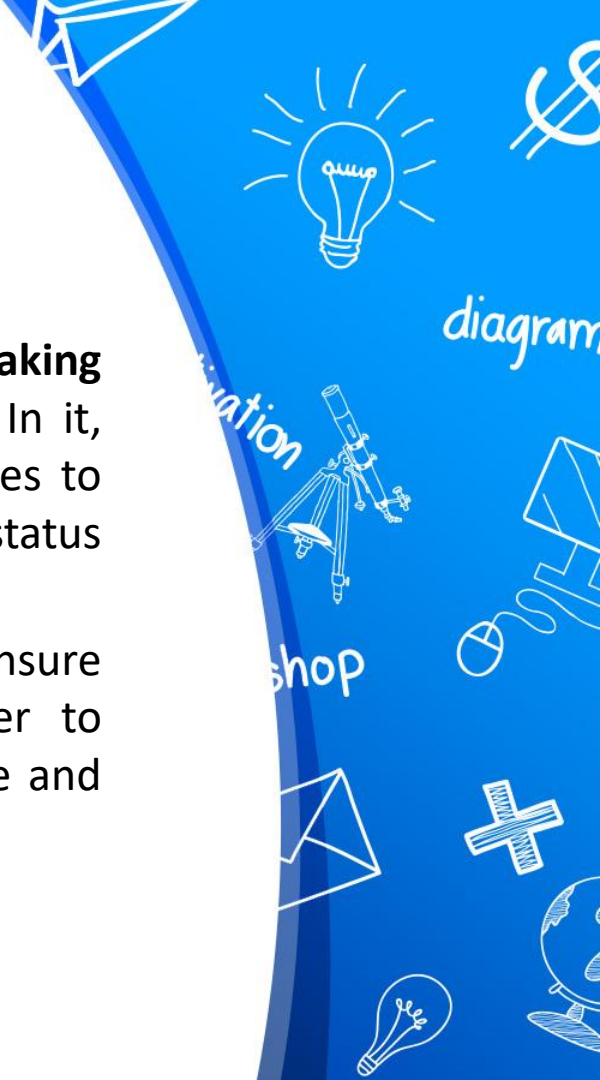
1. payroll system automation
2. design a reward system and correlation with employee performance appraisal.
3. communication, rewards and benefits management, through a self-service system.



3. Digitized Functions of HRM (8/14)

D) e-Payment System

- When the above systems are combined with a **decision-making software**, then employees can use the e-payment system. In it, they can ask hypothetical questions about proposed changes to their wage and salary or real changes in their employment status (entitled, responsibilities etc.).
- This system allows managers to develop budgets and to ensure the positive impact of decision-making systems, in order to consider the distribution of wage and salary as appropriate and fair.



3. Digitized Functions of HRM (9/14)

E) Human Resources Training

Technology has also affected the field of Human Resources Training.

- Companies try to use technologies as much as possible in Human Resources Training, aiming at the efficiency of training process and financial efficiency.



3. Digitized Functions of HRM (10/14)

Based on the time and the place of the human resources training, the training is divided into:

1. **Traditional training:** it takes place in classic classroom in a school, in an organization or in a company, where the trainer and the learner are together with their natural presence the same time at the same place.
2. **E-learning:** It is all these actions which provide the education through printed material or electronic media to people. In the distance learning: a) there is a systematic support to the learner b) it is used new technologies and media methods, both to present the educational material, as well as for the contact between the trainee and trainer.
3. **Blended learning:** Blended learning programs are implemented with a combination of the traditional education and E-learning method. In this case, the educational material and the way of attending a course and the evaluation are suitably adopted to both learning ways (traditional education and E-learning method) and is used a special online e-learning platform.



3. Digitized Functions of HRM (11/14)

E) Human Resources Training (new forms)

- 1. Computer Based Learning:** They are educational applications and training programs usually include audio-visual material, questionnaires and activities.
- 2. Web – Based Learning:** Educational material is delivered through web browsers.
- 3. E – learning:** This learning method can be separated into online and offline learning. In online learning (e-learning), the educational material is presented via the Internet (from a website). In offline learning, the educational material is stored on computers, CD ROMs, etc.
- 4. Distance Learning:** The learning process is achieved without the physical presence of the trainer and the trainees at the training areas.



3. Digitized Functions of HRM (12/14)

E) Human Resources Training (new forms)

5. Gamification: This method refers to use tools and techniques from electronic games, in order to improve the learning experience, to increase the degree of participation in the learning process, to strengthen the objectives and to make the various processes more familiar. For example, in this method is used role-playing games, which allow learners to understand the world via visual contact. There is also, an online social game, which present the real world problems. Lastly, online social games enhance the awareness of users and provide to them a safe environment, in which they can make introspection of their actions and their mistakes.



3. Digitized Functions of HRM (13/14)

E) Human Resources Training (new forms)

6. Cloud e - learning: *Cloud Computing* is a new *computation paradigm*. According to this, resources and information systems are offered as a service and are available to users via the Internet. This is characterized on-demand self-service, broad network access, resource pooling, rapid elasticity and the possibility of measured service.



3. Digitized Functions of HRM (14/14)

E) Human Resources Training (new forms)

7. Simulations and Virtual Reality – VR: Simulations are "mimed" situations of the real work environment. The most complex and advanced simulations are known as virtual reality. Virtual reality training often requires the use of special equipment, in order to be able the learners to interact with the virtual world. This virtual world is similar to the real-world and simulates real job situations.

8. Webinar: Webinars are a rising trend in human resources training. It is a form for online meetings, which takes place through presentations, notes and videos. The main disadvantage of this method is that there isn't bidirectional communication between the trainer and trainees.



4. Digital transformation of HR

Benefits of HRM's digital transformations:

- ✔ Improving productivity and efficiency.
- ✔ Improvement of the offered product.
- ✔ Adaptability and autonomy of HR.
- ✔ Collaboration between the departments of the company.
- ✔ Working time reduction.
- ✔ Auto-collection and classification of information and documents.
- ✔ Reducing production costs.
- ✔ Reducing organizational costs.
- ✔ Improving the quality and speed of making- decision process.



5. Human Resources and Digital Transformation Challenges

Digital transformation challenges for HRM are:

- ✦ Technological unemployment(loss of jobs) caused by technological changes (automation).
- ✦ Lack of impetus and vision of the leadership' part.
- ✦ Risk to protect and secure personal data.
- ✦ Raised investment costs for acquisition of Digital Equipment.
- ✦ Demand for IT skills.
- ✦ Changing company's culture.



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Lecture 12th: Human Resources Role In Crisis Management



ReinFORCE SOCIAL Entrepreneurial Spirit through setting up Innovative Support Structures in the cross-border Territory "Social Forces"

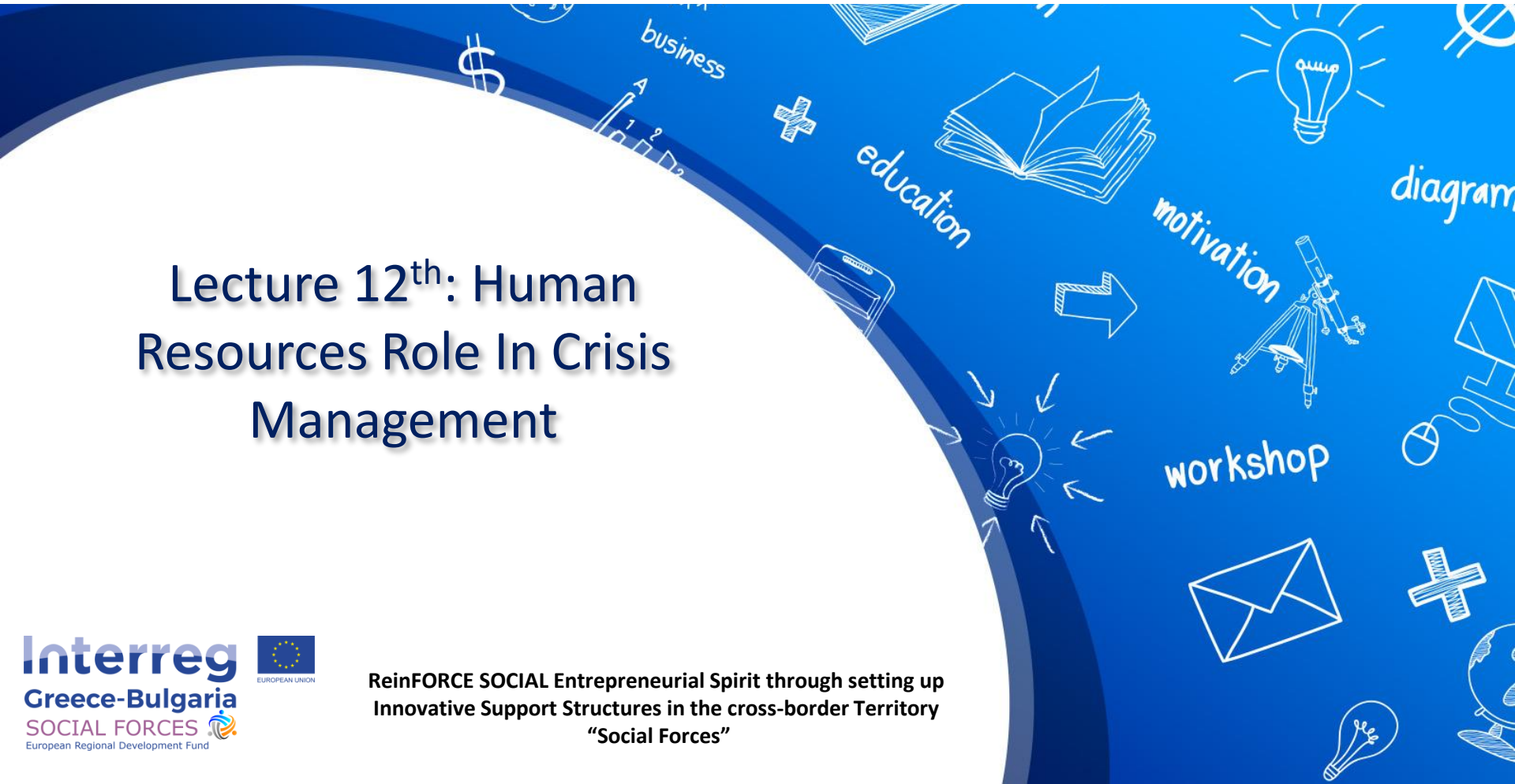


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CRISIS MANAGEMENT



1. Crisis Definition

- The term “crisis” means an unpredictable situation, which can cause instability and affect businesses, the economy, the individual and micro-macro environment.
- MacNeil and Topping (2007) defined a crisis as an event that “causes severe emotional and social distress, which may occur at any time and without warning”.
- In work environment, a crisis is an **extraordinary fact** and it can **affect negative** the reliability of a product, the prestige or the financial stability of a company, the employee health and generally, it can cause negative attention from the media or other operational groups.



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1.1. Types of Crisis (1/2)

1. Natural crises: natural disasters (tornadoes, earthquakes etc.), accidents, technical failures, pandemics - health crisis etc.
2. Sudden crises: They appear sudden and there aren't any time for research, preparation or planning. An organization hasn't responsibility for them, because it can not control them (e.g. technological problems, terrorist attacks, sabotage etc).
3. Smoldering crises: They start as small internal problems and then they develop into huge and public events- crisis (e.g. scandals, rumors, sexual harassment, occupational safety etc.).
4. Long-term crises: Most of the time, this type of crises is expected and the company has time to prepare and make plans, but the crisis has long duration.



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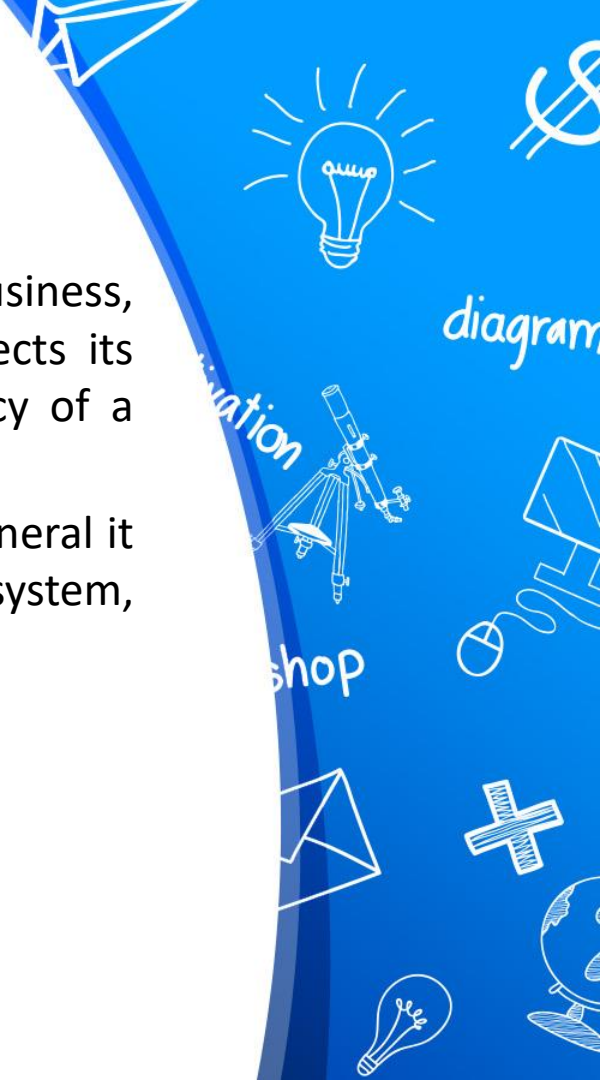
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1.1. Types of Crisis (2/2)

5. Organizational Crises: is a situation that can occur in any business, regardless of its size or industry in which it belongs, and affects its reputation and its smoothly internal operation (e.g. bankruptcy of a loyal supplier etc.).

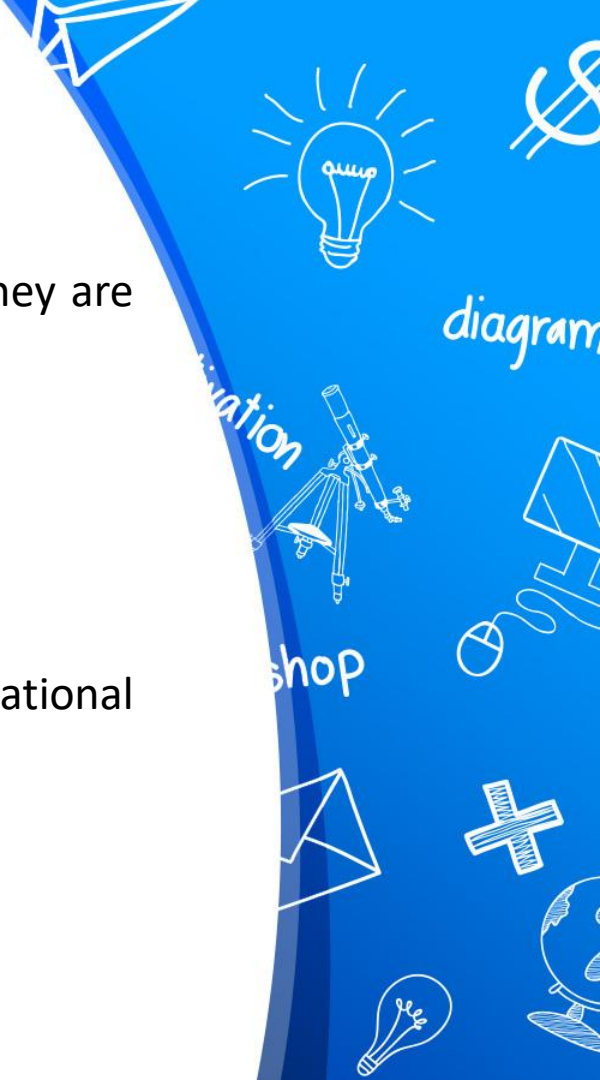
6. Public crises: includes economic and political crises, and in general it includes facts which cause instability in the political system, organizational crisis and crises involving in public functions.



1.2. Characteristics of a crisis

Crises, regardless of their form and the organization in which they are created, **they are characterized by the following:**

1. Escalation.
2. Insecurity and fear.
3. Affect on the normal operation and work rhythm.
4. The public/ international image of the country is endangered.
5. Requires company's control by the competent state-transnational bodies and by the media.
6. Causes damages and property damages.



1.3. Stages of Crisis Development (1/2)

A crisis is defined by four main and related stages: 1) **prodromal**, 2) **acute**, 3) **chronic** and 4) **crisis resolution**.

1) Prodromal crisis stage: At this stage, there are the first warning signs of a crisis and the first perceptions are formed, about if the involved members will take action or not, against the threat. There is anxiety and confusion among to involved members.

2) Acute crisis stage: At this stage, there are all the facts which are related to the crisis. At the same time, there is increase in uncertainty, anxiety and fear of the involved members who must take immediate decisions, in order to control the crisis.



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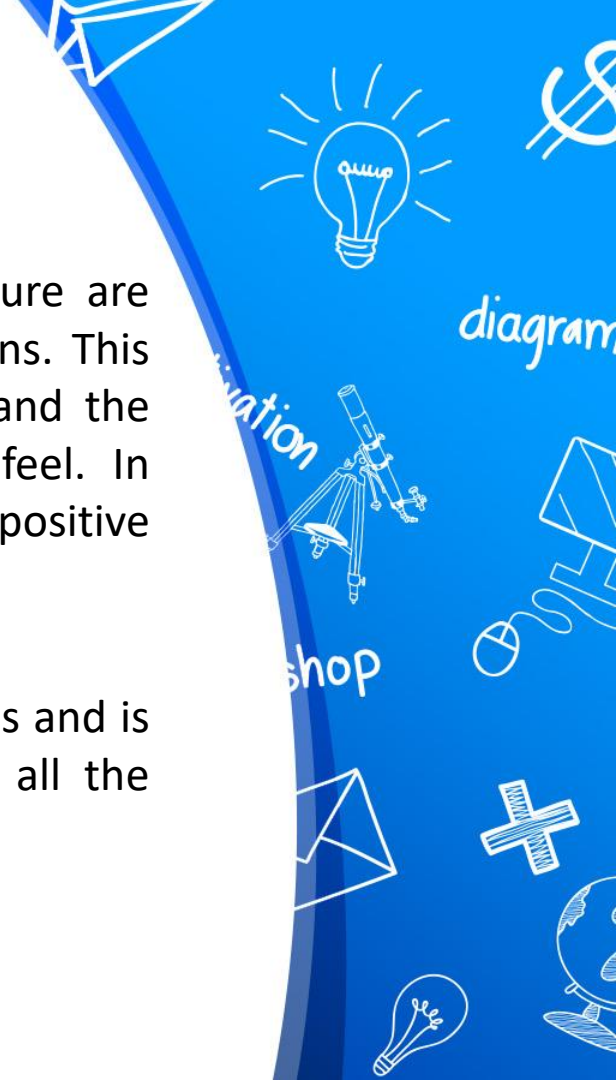
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1.3. Stages of Crisis Development (2/2)

3) Chronic crisis stage: At this stage, the fear and the pressure are decreased and the situation are directed to pre- crisis functions. This stage happens at the same time with the end of the crisis and the psychological decompression, which the involved members feel. In addition, it starts the appraisal process to estimate the effects (positive or negative) of the crisis.

4) Crisis resolution stage: This stage follows the end of the crisis and is related with the stocktaking, recording and the appraisal of all the effects that a crisis has created in an organization or a country.

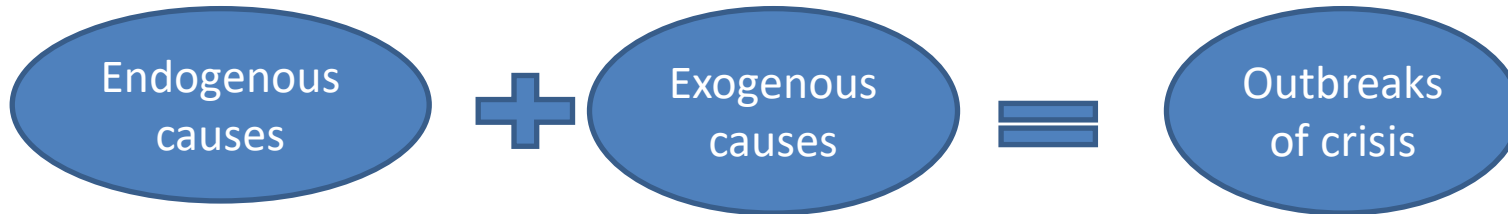


2. Causes of Organizational Crisis (1/2)

There are three parameters to the crisis typology within an organization:

1. Source of outbreak
2. Type of crisis
3. Stage of crisis

Regarding the source of the problem, a crisis can be created by endogenous or exogenous causes.



2. Causes of Organizational Crisis (2/2)

Internal crises: They arise from the intra-environment of a company.

- miscalculated cost,
- lack of quality,
- inefficient financial planning,
- outdated sales techniques etc.

External crises: They arise from the external environment of a company.

- high interest rates,
- lack of specialization
- insufficient supply of raw material,
- strikes,
- inflation,
- recession ,
- pandemics, etc.



3. Types of Organizational Crisis (1/2)

Liquidity Crisis:

This type of crisis leads to an immediate inability to pay. When interest, wages and salaries etc. must be paid, there isn't enough cash in the banking institutions or other creditors. This can create a tendency to increase borrowing.

Crisis of profitability:

This crisis is created when a company has losses, which lead to "consumption" of its equity and as a result, the company has prospects of overindebtedness. Losses can come from declining sales, rising cost or failing prices of the products.



3. Types of Organizational Crisis (2/2)

Strategy Crisis:

This type of crisis is caused, when in longer term a company's capabilities and profitability are destroyed. These can be happened in these cases:

- ① irrational choice of location,
- ① Lack of innovative goods,
- ① lack of new investments,
- ① lack of skilled workforce,
- ① lack of innovative orientation,
- ① turn to outsourcing business operations.



4. Signs of a Organizational Crisis (1/5)

Signs of an organizational crisis come up, both to the internal and external environment of a company and in its relations with the special teams, with which it trades.

At Organization and Administration level:

- Administration's authority is called into question.
- Administration shows timidity
- frequency of conflicts and meetings are increasing.
- Some departments try to lead.
- There ceases to be a united alignment in company's objectives..
- Making clear decisions process is postponed.
- There are inefficient communications and lack of valid and timely information.



4. Signs of a Organizational Crisis (2/5)

At HR level:

- Executives with specialization and high self- confidence resign.
- The searching/ selecting and staffing specialized human resources are much more difficult.
- Absenteeism and illnesses of staff are increasing.
- There is an increase in aggression and hostility among to industrial relations.
- There is an increase in job insecurity and measures (such as shift work, reduced working hours, etc.) are applied.



4. Signs of a Organizational Crisis (3/5)

At Production level:

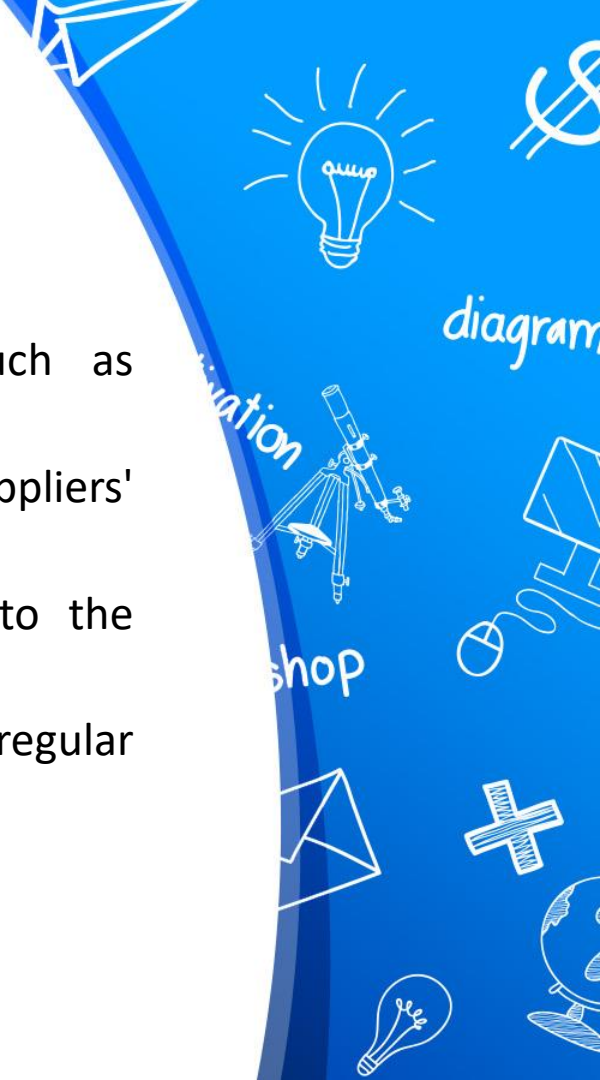
- Insufficient utilization of production facilities.
- Degradation of mechanical and technological equipment.
- Shortage and poor stock quality.
- Supply chain challenges (problems in customer service), which are related to delivery time and the products' quantity and quality.
- Conversion of production from high quality to low quality (cheap, standardized goods or services, etc.).



4. Signs of a Organizational Crisis (4/5)

At market and customers level:

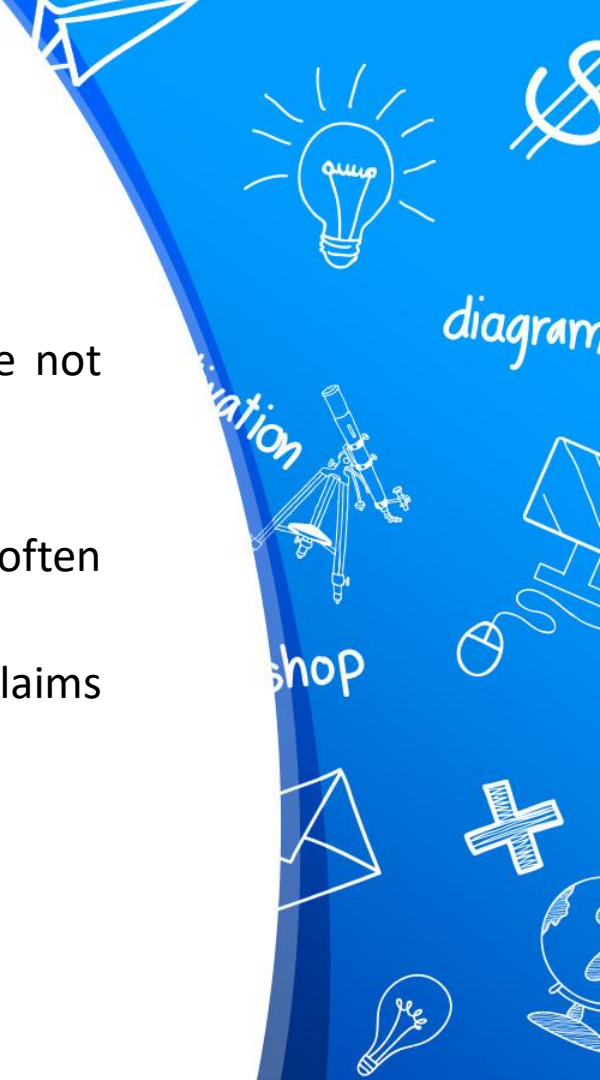
- Market reaction (accounting statements react last) such as reduction of product orders and shrinking market share.
- Customers demand price reductions, because they see suppliers' weakness. Negotiations on product prices are on the rise.
- In timely payments, the company makes better prices to the customers.
- Discounts become much more frequent and outside of the regular discount period.
- Customers' complaints are on the rise..



4. Signs of a Organizational Crisis (5/5)

At supplier:

- Payments' deadlines of company's liabilities to suppliers are not met.
- Payment method of liabilities changes frequently.
- Suppliers become more cautious and delay orders and often unreasonably.
- Suppliers increase warnings about the recovery of their claims (e.g. repayment in instalments).
- Frequent changes of suppliers.



5. Crisis Management

- ✔ Crisis management is a tool of modern administration and public work and has as main object to analyze and manage the risks which companies have to deal with.
- ✔ “Crisis management” is the process which includes **specialized planning, organization, control** and **guidance** (before, during and after a natural, political, individual or corporate “disaster”) and aims to have as few losses as possible.
- ✔ Crisis management is a set of measures, which aim to **minimize the negative effects**.
- ✔ Crisis management consists of many **actions and procedures**, which aim for **identifying, researching, dealing** with the crisis and **predicting** crisis situations.



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5.1. Crisis Management Strategies in Business (1/4)

- A company, in order to deal with effectively with a crisis, it is necessary to adopt a strategy. This strategy aims to reduce potential problems and crises.
- This strategy should be directly related to the detailed examination of the environment, the planning of unpredictable situations, the accurate and reliable calculation of the risk, the allocation of resources, which help to deal with the problem and the utilization of the most proper human resources.
- Coombs (2007) supports an approach in which crisis management includes **three phases: pre-crisis** (prevention and preparation/planning), **crisis** (response) and **post crisis phase** (review impacts).



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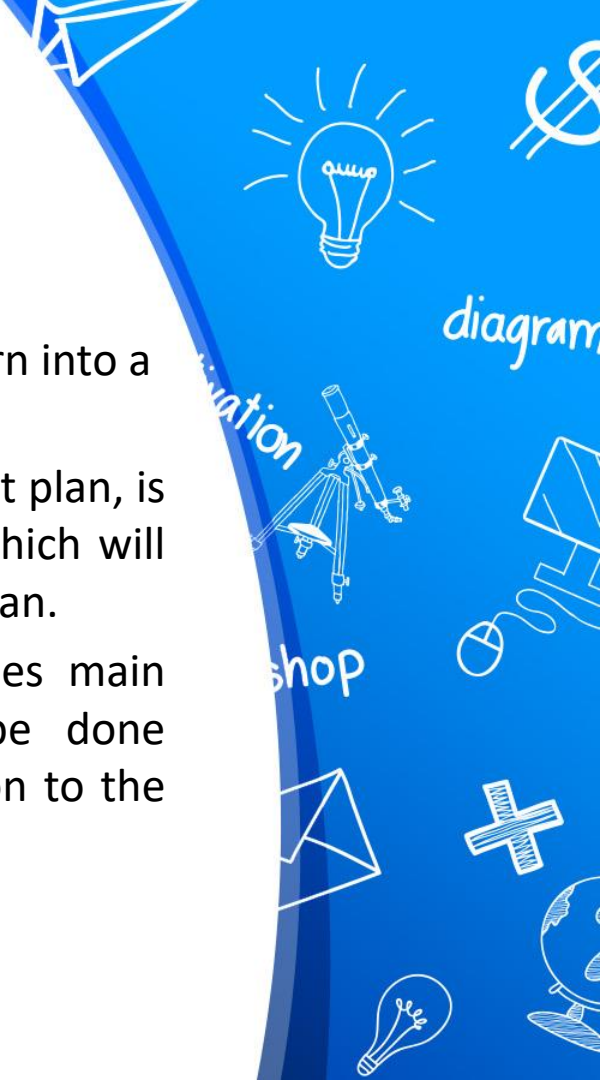


5.1. Crisis Management Strategies in Business

(2/4)

Crisis Planning and Prevention

- The first phase helps to reduce the known risks, which can turn into a crisis.
- During the planning: is designed a possible crisis management plan, is made the selection and the training of human resources, which will be the crisis management team, and is tested the designed plan.
- Crisis management plan (CMP) is a basic tool and includes main communication elements, which remind what should be done formally in a crisis and they use forms to record the reaction to the crisis.



5.1. Crisis Management Strategies in Business (3/4)

Response:

Management responses to the crisis with its undertakes' actions and statements.

- The response to a crisis includes two phases: 1) initial reaction and 2) restoration of reputation and initial behavior.
 - ✓ During the initial response, there are intense pressures to the crisis managers, in order to prepare immediate messages and because they must response quickly in the crisis. It is necessary to exist accuracy of information, which are related to the crisis.
 - ✓ To restore reputation, there are various strategies which used by crisis managers. All these strategies aim at minimizing or eradication the negative impacts of the crisis (e.g. attack on the accuser, denial, compensation, apology etc.).



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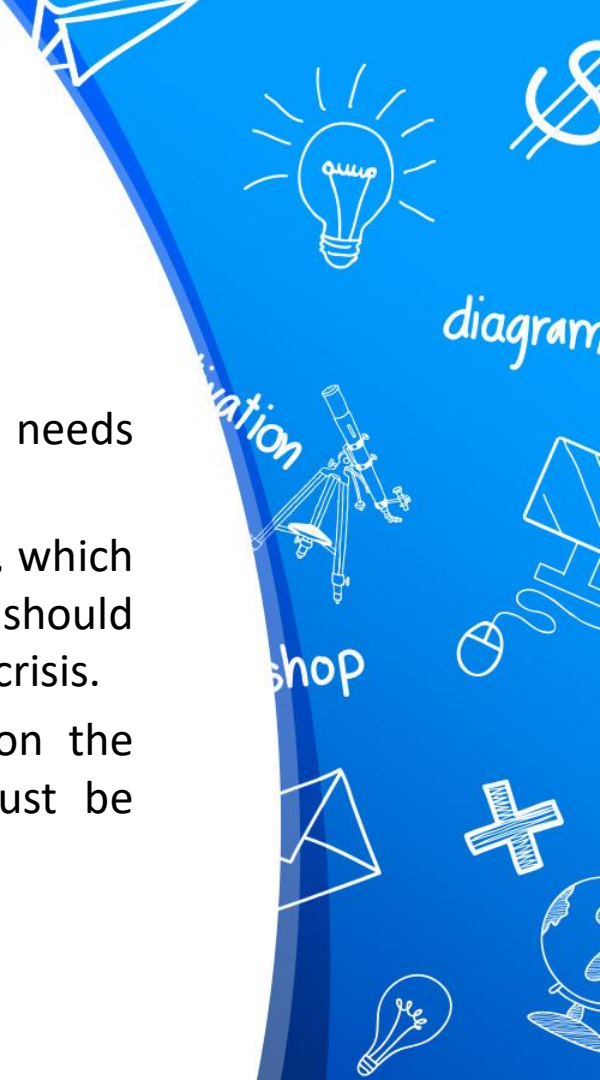


5.1. Crisis Management Strategies in Business (4/4)

Learning or reviewing:

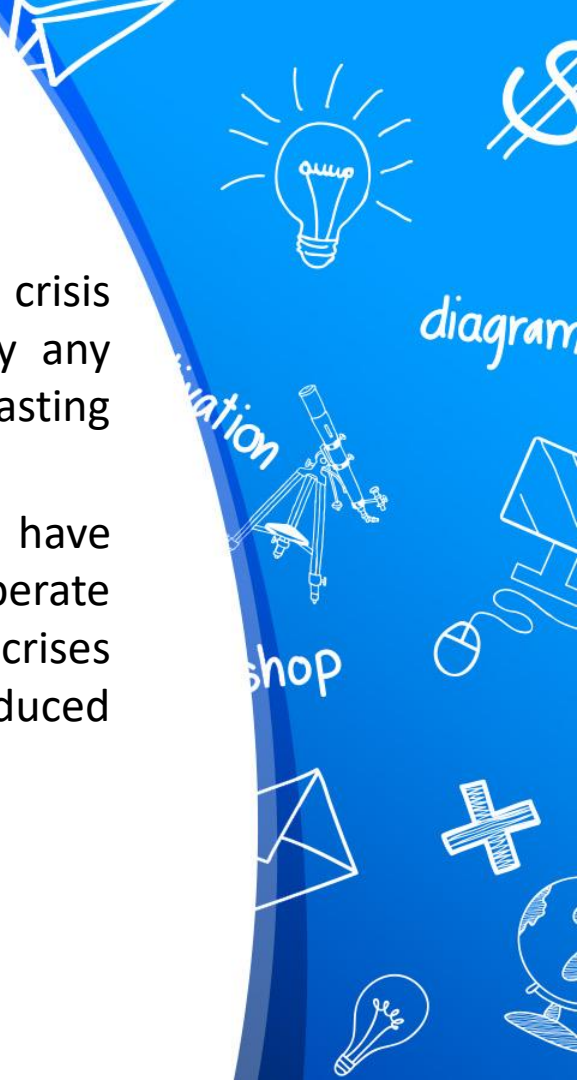
It is the last phase of a crisis.

- The crisis is no longer the focus of attention, but it still needs attention.
- The company has the obligation to publish data and updates, which are related to the crisis and its recovery process. It should recommend possible corrective actions or researches for the crisis.
- The required communication with stakeholders depends on the recovery time and the volume of information, which must be provided.



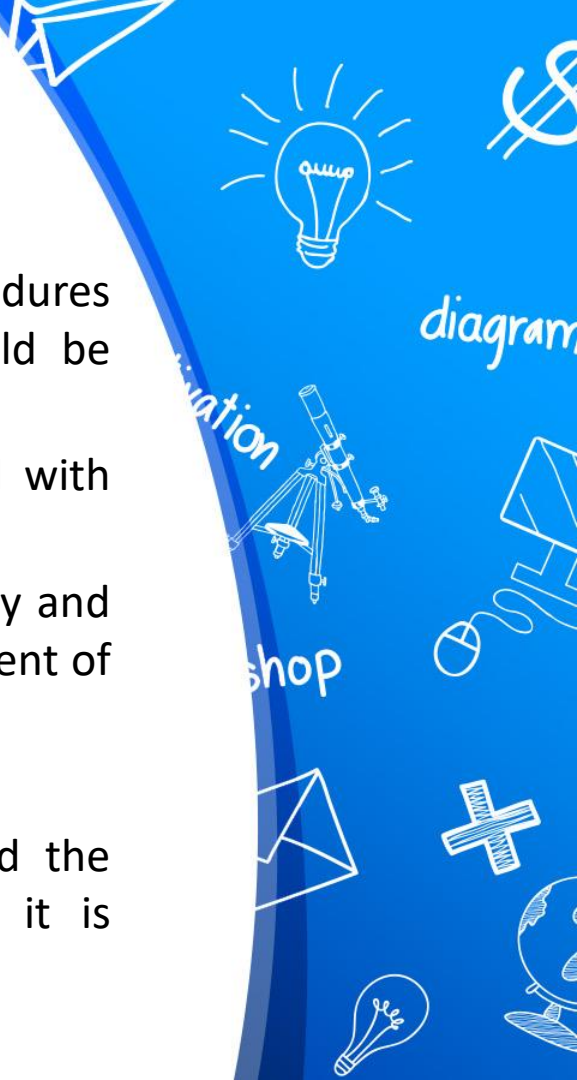
5.2. Global risks management and crisis (1/3)

- ❖ Global crises have unpredictable profile, such as the financial crisis (2008) and the Covid-19 pandemic. So, it isn't possible by any organization to predict something like that, in its risk forecasting and identifying process.
- ❖ Depending on the risk management that companies have developed, there is a possibility that they will be able to operate under such conditions. The dimensions and impacts of such crises stop to be part only in the company's small- scale and are reduced to a national-international level.



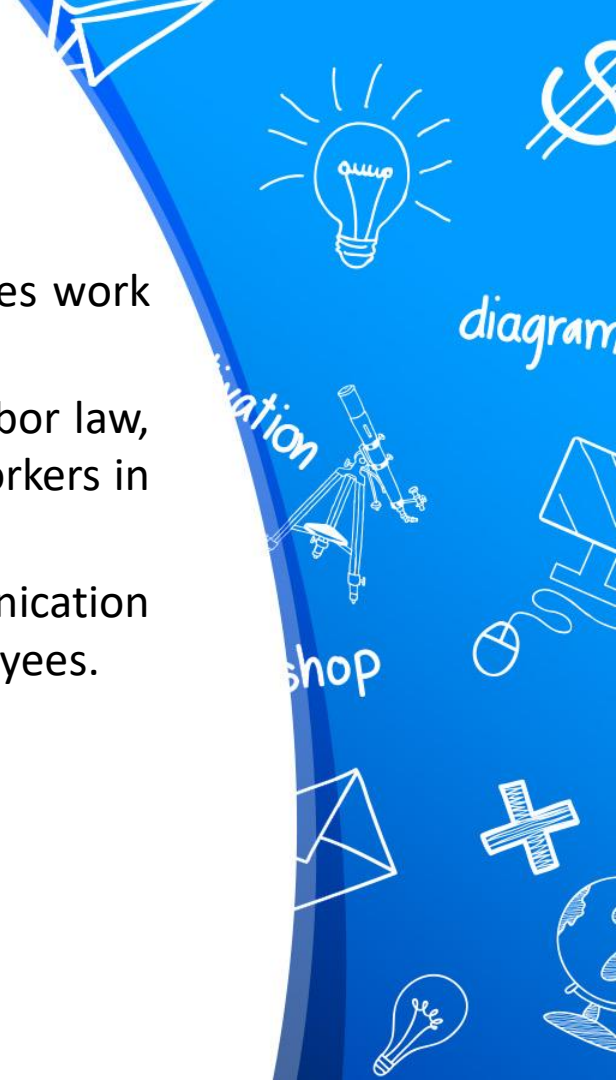
5.2. Global risks management and crisis (2/3)

- ❖ **A well-structured management plan** must include sub- procedures and practices, which in times of crisis (e.g. Covid-19) could be converted in significant and comparative advantages.
- ❖ This can be achieved by planning protocols which can deal with such global crisis. Such protocols can be the following:
 - Protocols which are related to the work health and safety and specify the organization chart of operation and management of HR.
 - Defining a risk management team
 - Determining procedures, which define the manner and the break time of the operating cycle of a business, if it is necessary.



5.2. Global risks management and crisis (3/3)

- ❑ Companies have to review the way in which their employees work until now and they should established new practices.
- ❑ At the same time, they have to comply with the national labor law, in such a way, that they will put the health and safety of workers in the first place.
- ❑ All these actions should come with valid and timely communication and with proper training and supportive programs for employees.



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Lecture 11th: Organizational Communication and HRM



ReinFORCE SOCIAL Entrepreneurial Spirit through setting up Innovative Support Structures in the cross-border Territory "Social Forces"

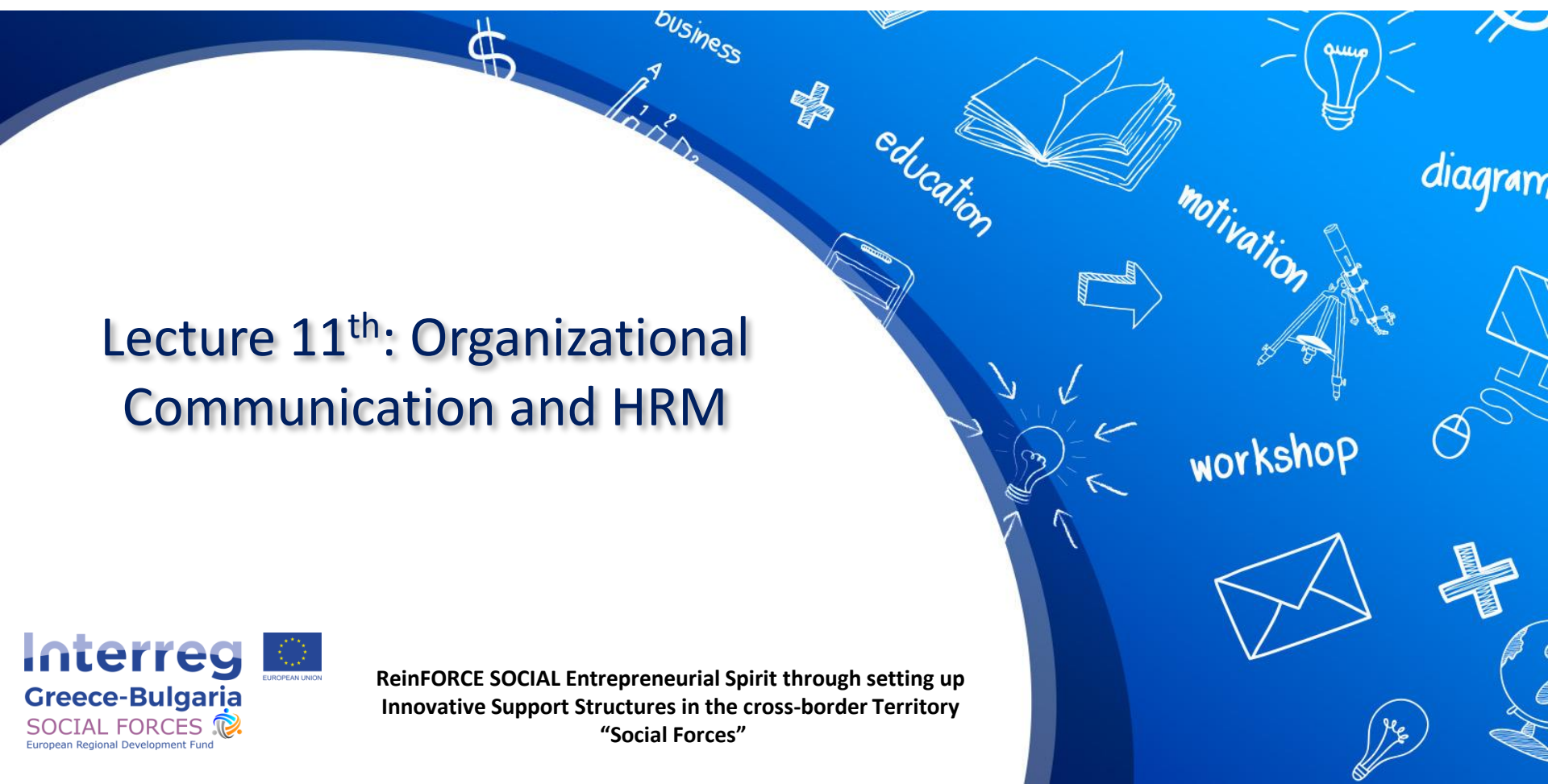


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Organizational Communication



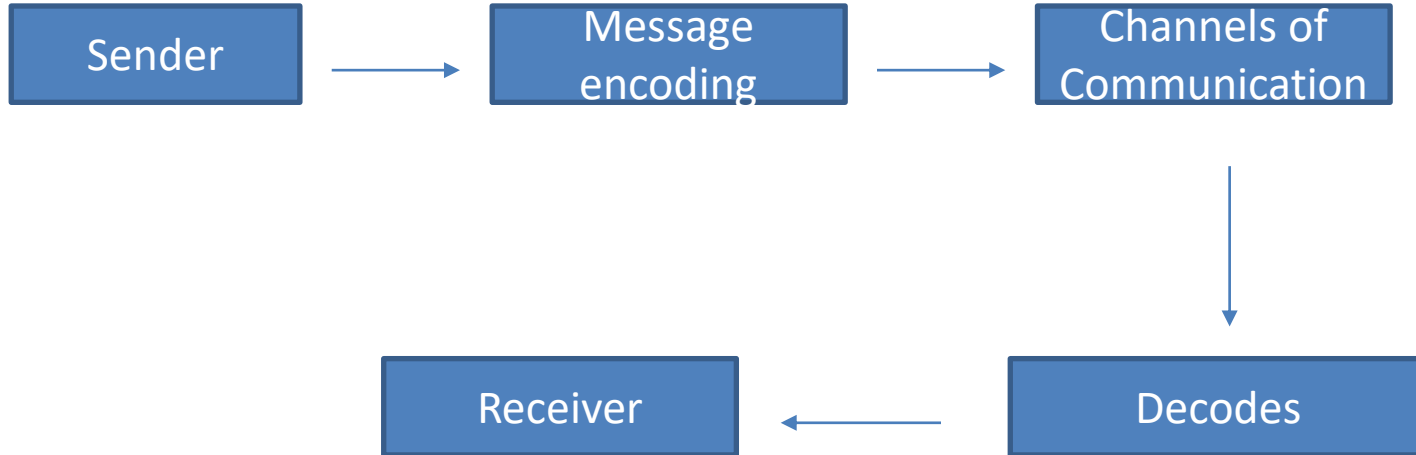
1. Communication

- Communication is a **human experience**, a **social activity**, a vital process of the human relationships at **interpersonal** and **work level**.
- **“Communication”** is a process, a mean of expressing, exchanging emotions, ideas, thoughts, beliefs, attitudes, information and transmission of symbols between at least two people.
- Through communication, human relationships can cultivated into an mutual environment with **trust** and **understanding**.
- Communication as a dynamic process can be **one-way** or **two-way (bidirectional)**.



2. Communication Models (1/2)

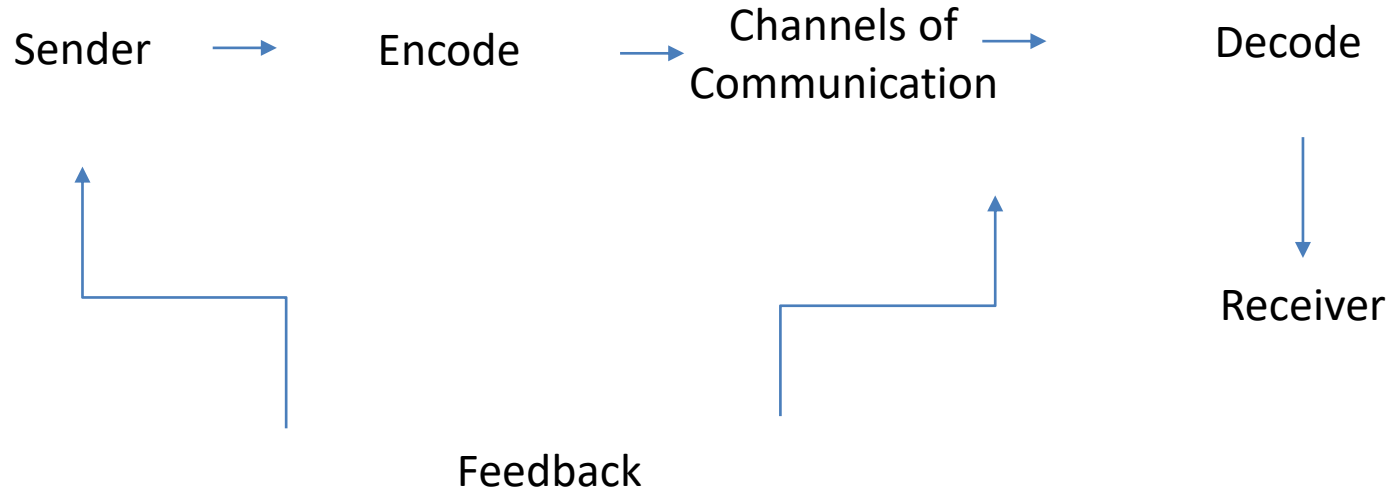
One-way Communication: The receiver has passive role and the messages are transmitted without any response.



Linear Communication Model

2. Communication Models (2/2)

Two-way Communication: The receiver has the ability to feedback and exchange messages.



3. Communication Process (1/2)

Communication process includes these **basic characteristics**:

1. Sender of the message,
2. Encode of the message,
3. Form of the message (letters, verbal, telephone etc.),
4. Channel of communication,
5. Receiver of the message,
6. Decode of the message,
7. Formulate of the message,
8. Feedback,
9. Final message.



3. Communication Process (2/2)

- Communication starts from the “need” to transmit a message (ideas, information, emotions etc.), its “encode” and its “transmission” through a communication channel (written, oral, etc.).
- Then, the receiver receives, decodes and understands the message, and then “react” within communication.
- Communication remains at an operational level when basic conditions are met, such as ability and willingness to communicate, the definition of the communication target, right planning, preparation etc.



4. Types of Communication (1/2)

Communication within an organization can be:

1. **One- way, without directly feedback.**
2. **Two-way or bidirectional.**
3. **Formal:** This is the formal communication policy of an organization which includes the types of communication and the communications flows channels, as they have been prepared in its organization chart.
4. **Informal:** is the organization's independent communication network, in which information and messages circulate freely among employees.



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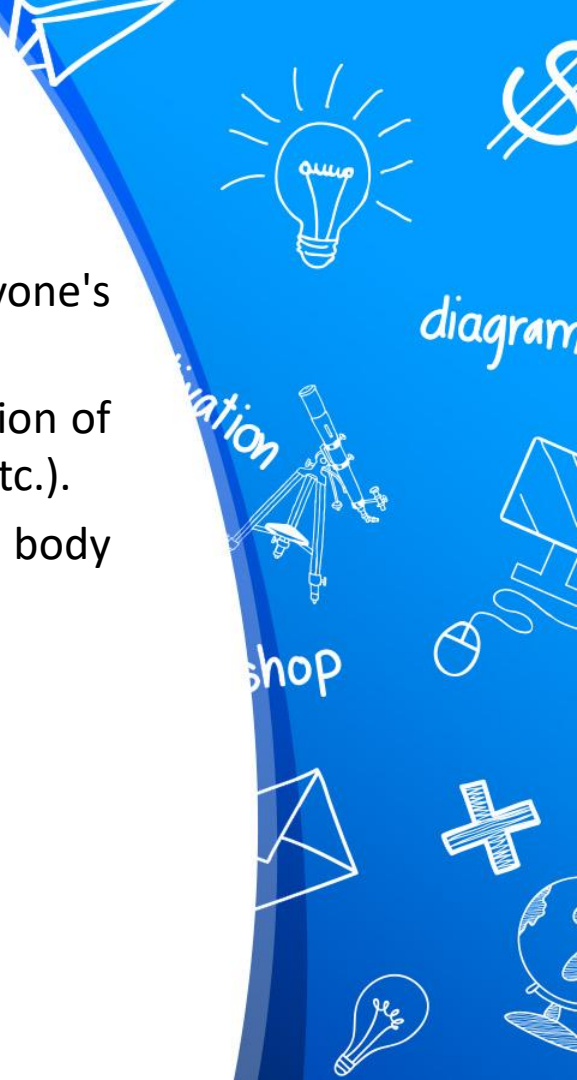


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4. Types of Communication (2/2)

5. **Direct:** People communicate directly without the need of anyone's mediation.
6. **Indirect:** In this communication type, people need the mediation of third party (such as trade unions, employees representatives etc.).
7. **Non-verbal:** This communication type uses facial expressions, body movements, physical contacts, gestures, etc.
8. **Verbal:** Verbal communication uses oral and written language.



5. Organizational Communication

- Organizational communication is very important and its result is shaped through its **ability to transmit and understand the messages** in the workplace. As a result, there is **harmonious cooperation** among to **employees and supervisors**, in issues that concern the work activity.
- **The purpose of organizational communication** is the timely and valid sending of the message, the objective and fair management, spread and understanding the information material that circulate in the internal and external environment, the required positive reaction of the receivers in order to effectively implemented the objectives of the entire company and of each departments.



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5.1. Functions of Organizational Communication

- ✿ **From the point of view of the organization:** communication helps to complete actions (individual and group) to achieve organizational objectives.
- ✿ **From the point of view of the supervisor:** communication helps to set objectives, to control the current execution and to give retrospective communication for the results.
- ✿ **From the point of view of the psychology:** communication helps people to think about the policy and requirements of the company, to accept equivalent actions, and consequently to lead to better results and stronger job satisfaction.



5.2. Types of Organizational Communication (1/4)

1. Formal and Informal Communication:

- **Formal Communication** is established by company's communication policy and includes specific communication flow channels, clear contact methods and strict abidance of information flow and hierarchy.
- **Informal communication:** messages don't follow specific paths, but they move freely among to hierarchical levels and bring into contact the work teams, which belong in separated sub-levels.



5.2. Types of Organizational Communication (2/4)

2. Vertical intra- business communication:

- Transfer of messages and information among to employees, who belong to different hierarchical levels in the company.
- **Vertical communication** is usually more formal and is affected by work position, prestige and power.
- When information flow from a higher level in an organization to a lower level is a **downward communication**. On the other hand, when information flow from the people at the lowest level of an organization and reach the top, this is called **upward communication**.



5.2. Types of Organizational Communication (3/4)

3. Horizontal intra- business communication:

- Horizontal (lateral) communication takes place among the people who are working at the same level.
- This communication type is related to the exchange of information and knowledge, in order to coordinate tasks, resolve problems and this makes communication easier.
- Its purpose is not only to inform and support but also to coordinate company's activities.



5.2. Types of Organizational Communication (4/4)

4. Individual communication (conversations, personal orders etc.)
5. Collective communication (meeting etc.)
6. Communication and group decision- making (thoughts/ideas that lead in decision-making)
7. External communication (communication with suppliers, clients, media, advertising agencies, banks, third party etc.)



6. Models of Organizational Communication (1/2)

These are the main communication methods, which are used to inform the current HR in an organization:

1. **Conducting Team Briefings:** team leader conducts brief and regular meetings with his/her team and aims to inform employees about the current work issues.
2. **Quality circle or quality control circle,** are consisted of employees who collaborate and try to conduct specific tasks, in order to analyze work problems and find solutions for them.



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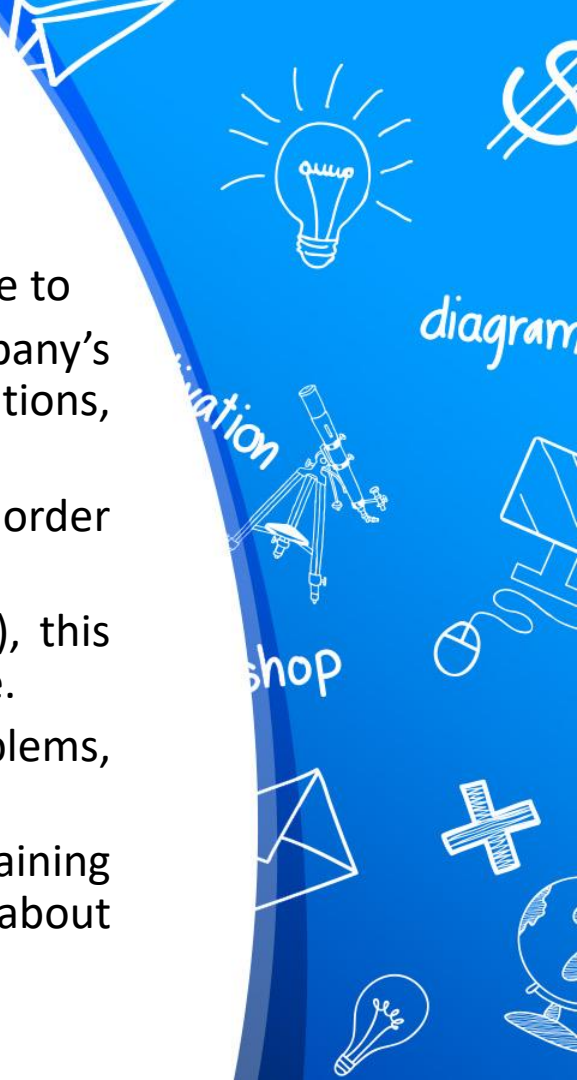


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6. Models of Organizational Communication (2/2)

- 3. Suggestion systems:** they give the opportunity to each employee to participate with his/her ideas in the process of achieving company's objectives. The suggestions concern issues such as working conditions, working methods, etc.
- 4. Information meeting:** management is meet with employees, in order to present the company's activities and progress.
- 5. Managing by wandering around** (meander around the office), this method aims to identity problems and difficulties in the workplace.
- 6. One-on-one meetings:** aim to understand the individual problems, complaints, concerns and expectations of each employee.
- 7. Labor- Management Committee/ Bargaining Committee:** bargaining committee communicates with employees' representatives about collective problems, rights and claims.



7. Effective Communication

There is effective communication, when it is paid special attention to the following:

- Clear definition of the purpose of communication.
- Sensitivity to the personality and social characteristics of the receiver.
- Check the comprehension of the message from the sender to the receiver.
- Use direct, understandable language without impressions.
- If there is a high degree of difficulty in the message, then receivers can ask for help, in order to become clear the message.
- When transmitting a message, it is important to don't overlook the non-verbal communication.
- Attentive/ active listener.



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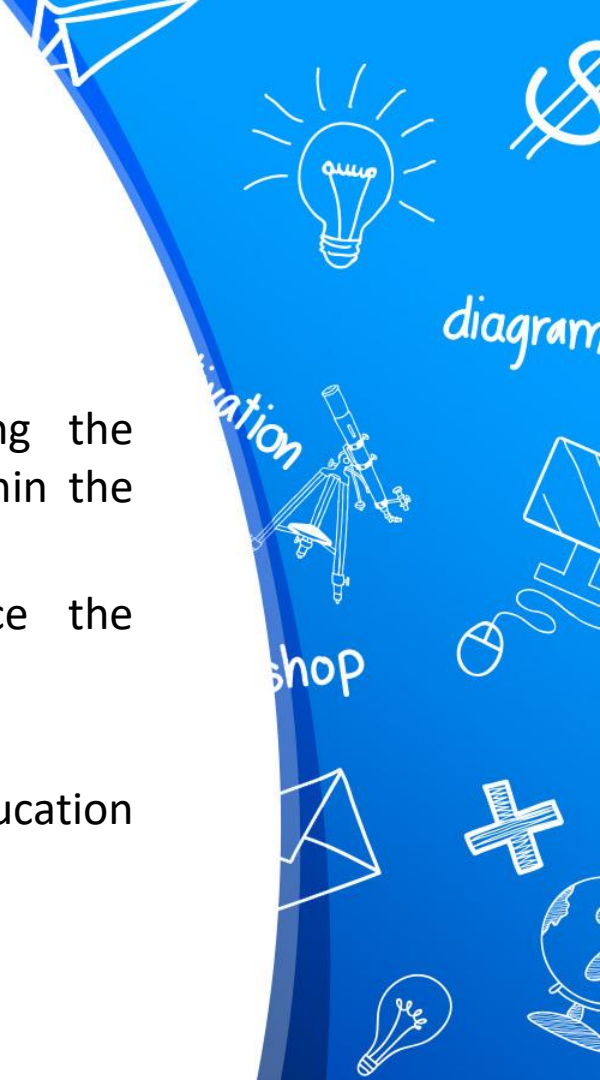
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7.1. Requirements for Effective Communication

Requirements:

- Clear definition of the objective and the desired result.
- Promoting interpersonal communication and encouraging the multiple formal and informal communication channels within the organization.
- Support communication from supervisors and existence the possibility of two-way information' flow within the company.
- Creating a climate of trust.
- Improving managers' communication skills through their education and training.



7.2 Managers' Role in Effective Communication

- **Executives link employees with the management** within an organization.
- The purpose of executives is to maintain the balance of cooperation and communication at all levels of the organization.
- An important parameter that affects the quality and the effective communication of an organization is the manager's ability to inspire, to lead in new directions, to communicate, to mobilize emotions and to share the same vision with employees.
- A two- way communication system can not be created when the administration follows authoritarian leadership. This leadership style emphasizes on one-way communication, in which the management makes its own decisions and transmits them to the team without explanations or possibilities of feedbacks.



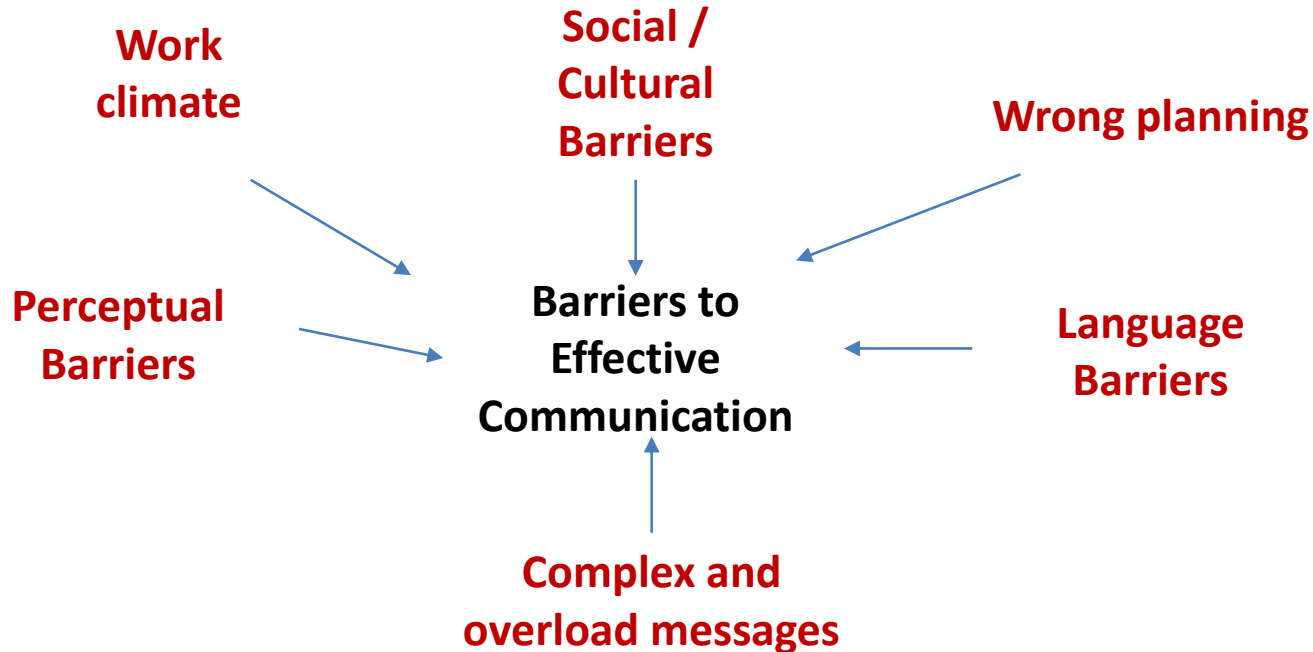
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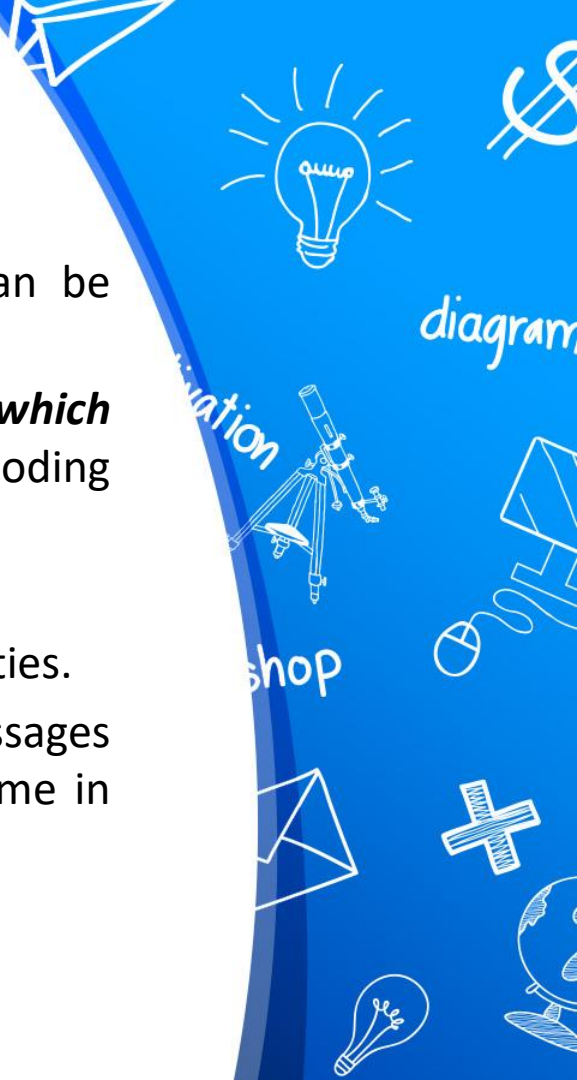
8. Effects of ineffective communication in the workplace (1/3)



8. Effects of ineffective communication in the workplace (2/3)

Barriers that can affect communication in a company, they can be **individual** or **organizational** such as:

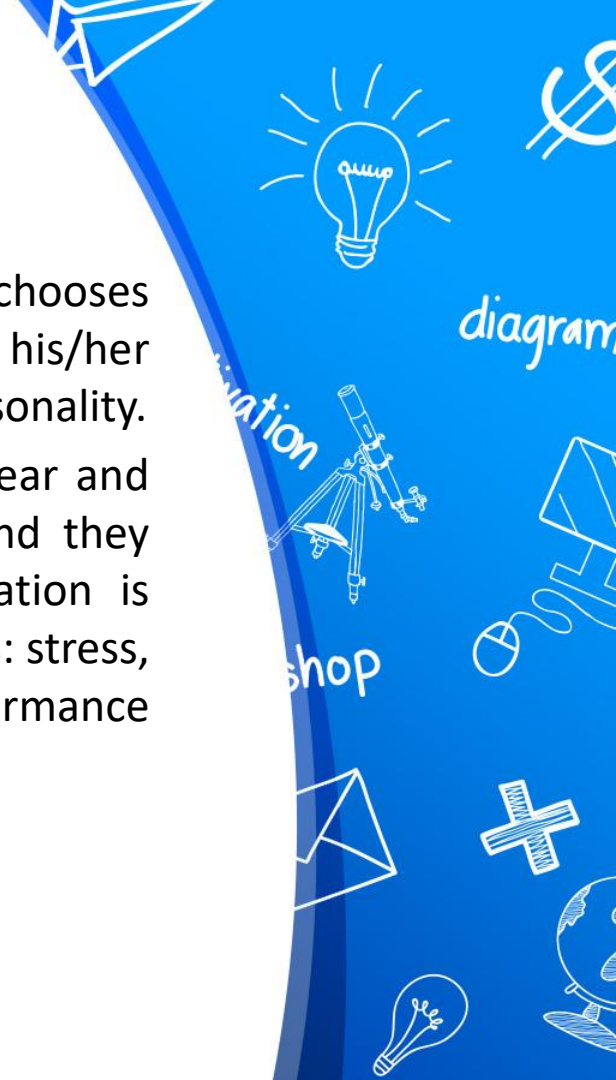
1. ***Sociological, political, psychological and physical conditions, which exist during communication and*** affect the encoding and decoding process of a message.
2. ***Language and semantic barriers.***
3. ***Wrong/ not clear planning:*** can confuse tasks and responsibilities.
4. ***Complexity and Information Overload:*** sending multiple messages can create confusion and a complex message needs more time in decoding and it is more difficult.



8. Effects of ineffective communication in the workplace (3/3)

5. *Perceptual Barriers:* occur when the receiver of the message chooses to retain certain information, stimuli, symbols, which meet his/her needs and ignores information that is different from his/her personality.

6. *Work climate:* when there is lack of trust, then there are fear and cautiousness in the workplace. People tend to keep silent and they don't help to increase two-way communication. Communication is directly related to the work climate and with parameters such as: stress, dedication, emotional and social support, overwork, work performance etc.



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Lecture 13th: Total Quality Management and HRM

TABLE OF CONTENTS

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 2. Quality Control
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QUALITY



1. Definition of “Quality”

- “Quality” means those features of products which meet customer needs and thereby provide customer satisfaction.
- Quality means compliance with requirements.
- Quality is the worth of a product or service, equal to the exchanged money.
- The ISO 8402 standard defines quality as “The totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs.
- Quality refers to products, services, people, processes and environment.



1.1. Key Features of Quality

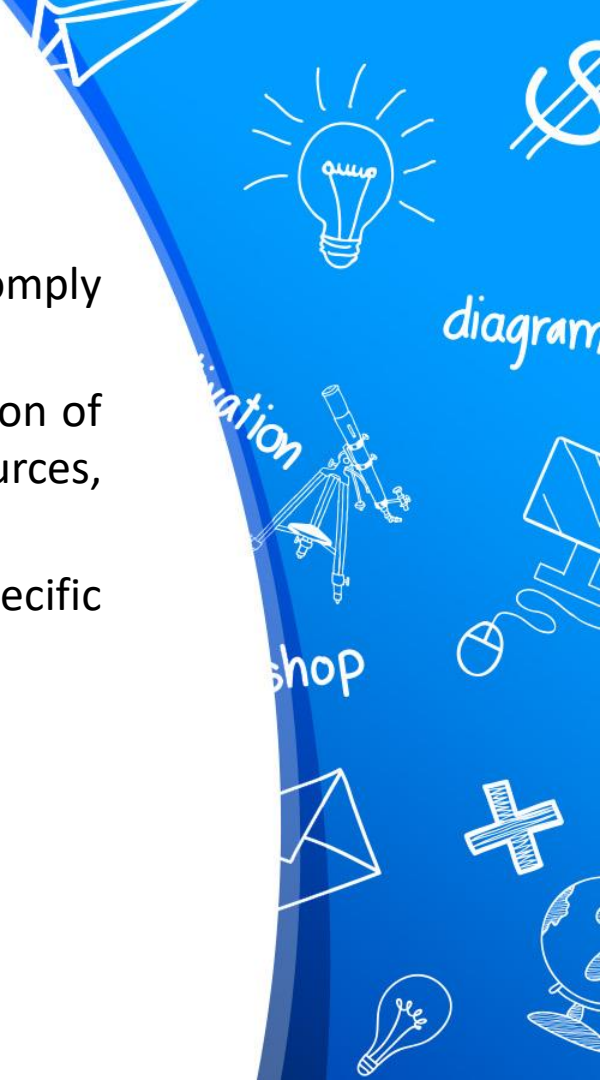
Key Features of Quality are:

- ✓ Perfection
- ✓ Stability
- ✓ Removal of Defective Products
- ✓ Express Shipping
- ✓ Compliance with policies and procedures
- ✓ Production of a good and useful product
- ✓ First Time Right
- ✓ Satisfied customers
- ✓ Comprehensive customer service experience



2. Quality Control

- Quality Control detects and identifies factors that do not comply with specific standards.
- Quality control is a process that is applied after the completion of service and evaluates the wrong services, wastes in resources, money and work.
- Quality control uses various test to investigate whether specific standards are followed through the process.



3. Quality Assurance

- Quality assurance is different from quality control.
- There is- before and during -the process and focuses on avoiding and anticipating failures, which may arise from the beginning.
- Quality assurance refers to quality design, in order to ensure that provided services follow predefined criteria.
- Quality assurance provides error-free services.



3.1. Quality Assurance Principles (1/2)

- Any company depends on its customers and has to comprehend their current or their future needs. It has to satisfy their demands and tries to exceed their expectations.
- Leaders of a company have to establish harmonious operation within the company. They have to create and maintain an environment in which everyone takes action, in order to achieve the company its objectives.
- Human Resources is pivotal factor for the company. When employees are completely engaged with the company, then their abilities can be used for company's benefit.



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3.1. Quality Assurance Principles (2/2)

- It constitutes a fact that a desired result can be achieved much easier, when the sources and the related activities can be combined in an united process.
- A company's performance and its efficiency can be improved, when there is recognition, understanding and management of a system of interrelated processes.
- Continuous improvement is a regular and an objective goal for a company.
- The making effective and rational decision should be based on the analysis of relevant data and information.
- The company and its supplier are independent and when a mutual beneficial relationship develops among them, then there is the ability of both to improve their commercial value.



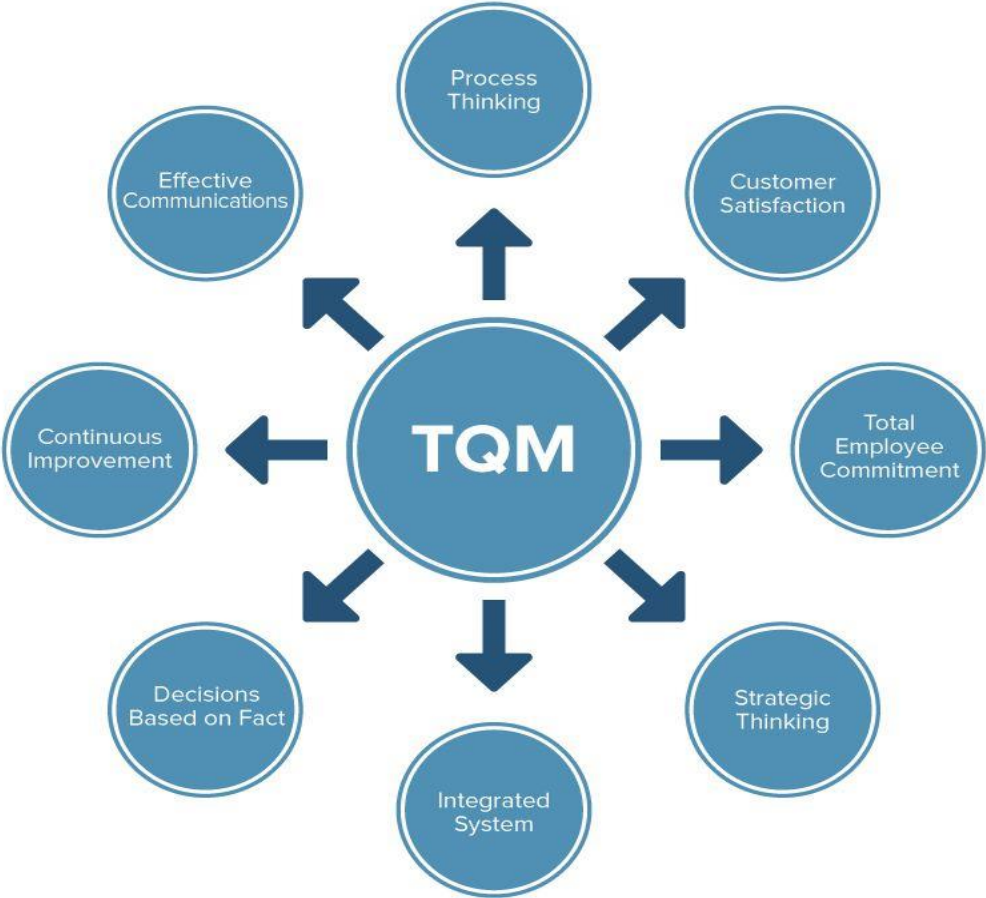
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TOTAL QUALITY MANAGEMENT



4. Total Quality Management (1/7)

- **Management** = action, art, operation, audit, direction, management, control.
- **Total** = refers to the total approach.
- **Quality** = is the degree of perfection of a product which is provided to a customer in relation to the present and the future.



4. Total Quality Management (2/7)

- Total Quality Management is a management strategy, which aims to inclusion and sensitization of quality at all company's processes.
- Total Quality Management is the art of managing the total and aims at perfection.
- According to ISO 8402, Total Quality Management is defined as “a management approach for an organization, centered on quality, based on the participation of all its members and aiming at long-term success through customer satisfaction, and benefits to all members of the organization and to society”.



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4. Total Quality Management (3/7)

- Total Quality Management is a holistic philosophy “**change of mindset**” of an organization, in order to direct steadily its total operation in the direction that the total operation offers the greatest possible satisfaction to consumers, its efficiency and its continuous competitiveness.
- TQM is the administration of an organization, in such a way that excels in all aspects of its product/ services, which are important to its consumers.
- TQM includes the quality assurance, its expansion and development.



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4. Total Quality Management (4/7)

- It refers to the creation of quality culture, upon which the total staff of the company has as objective to satisfy customers' needs.
- The dominant characteristic in TQM is the **customer** and the **satisfactions** of his/her **needs** and **expectations**.
- It constitutes a philosophy of **continuous improvement** that is pursued and accomplished by people.
- It refers to the **long-term** pursuit of quality.
- It is connected with the **continuous conquest of innovation and change**, in order to be constantly committed the organization with the continual cycle of improvement.



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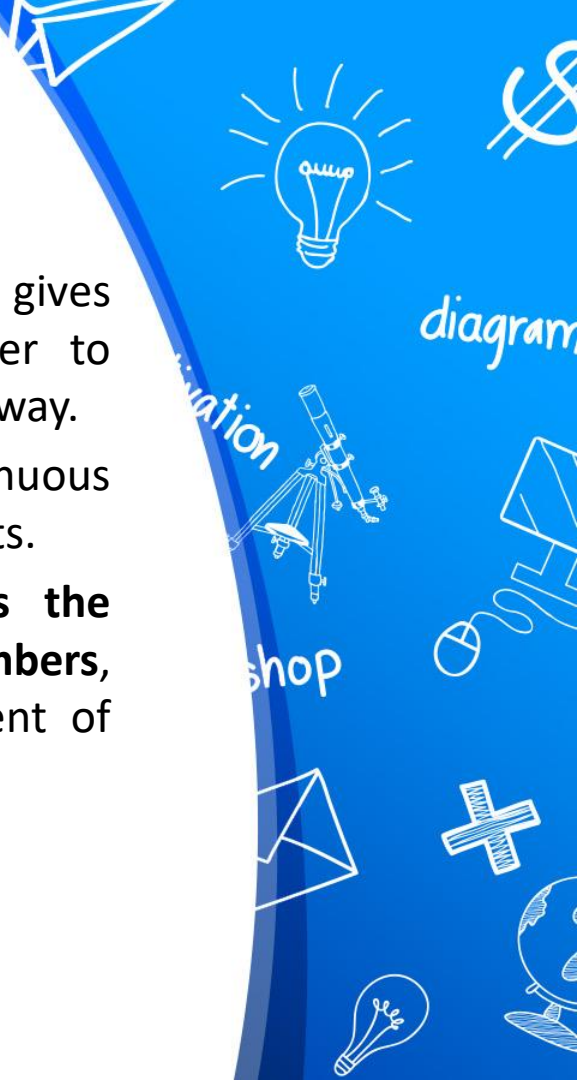


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4. Total Quality Management (5/7)

- TQM requires from all managers to **trust the entire staff** and gives to them the **opportunity** and the **responsibility**, in order to contribute everyone in the conquest of quality with their own way.
- Total Quality Management constitutes a long-term and continuous effort, but in the action needs many small and important efforts.
- The **split** of a large project into small ones, it **favors the achievement of success** and the **confidence of involved members**, in order to continuous the effort for continual improvement of quality.



4. Total Quality Management (6/7)

- Total Quality Management requires a **change in the culture** of a company or an organization.
- It demands changes in **attitudes, behaviors** and the **methods** to be used in carrying out the job.
- It requires changes in the **management style**.
- It needs efforts and time to implement it in the working process.
- It requires to **create a conducive environment** for employees, providing to them the appropriate conditions, systems, procedures and tools.



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4. Total Quality Management (7/7)

- It requires the **continuous staff empowering** and recognition of its effort, success and accomplishment.
- It requires **proper ways to motivate** and **guide** the staff.
- It requires **leadership** that creates the right work atmosphere. In this atmosphere, the self-esteem of each employee will be strengthened and this can contribute to the quality of the organization or company where he/she belongs.



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5. Total Quality Approach

Characteristics of TQM:

- TQM is based on strategy
- Focuses on customers
- Continuous commitment
- Permanent commitment to quality
- Scientific approach to decision- making and problem solving procedures
- Continuous improvement of processes
- Importance to education and training
- Empowering teamwork
- Involvement and empowerment of employees
- Cohesion of purpose



6. Total Quality Management Principles (1/4)

1. Quality first – Continuous Improvement
2. Customer focus
3. Emphasis on the prevention of poor quality
4. Management based on objective data
5. Total and systematic employee participation
6. Management with mixed interoperable teams
7. Administration's commitment

Therefore, the key principles of Total Quality Management are based on three axioms: COMMITMENT, KNOWLEDGE- TRAINING, PARTICIPATION.



6. Total Quality Management Principles (2/4)

1st Principle: Support, active participation and administration's commitment

High level executives and employees are committed to continual improvement of products and services quality. Leadership guides and encourages staff to adopt the TQM Principle on quality's improvement and commitment.

2nd Principle: Customer and employees focus

In order to meet the requirements and the expectations of the customers, the company should know: in which customers is it addressed, what are their needs and what are their expectations from the specific product that they want. In the philosophy of Total Quality Management, it isn't considered as customer only the buyer and the consumer of the product. As customer is also considered someone who is in the production chain and has the knowledge and the tools to continuous the production process. For TQM both types' of customers have the same value.



6. Total Quality Management Principles (3/4)

3rd Principle: Continuous Improvement

TQM seeks a systemic and continuous improvement process, which includes human resources, facilities, suppliers, materials and functions. The improvement process is made with techniques and tools to monitor and to take preventive measure, in order to avoid mistakes.

4th Principle: Total employee participation

In the traditional management approach, only the high level executives are involved in the making decision and solving problem process. At TQM, the problem solving is responsibility to each employee. The objective is to involve entire staff (from all levels) in problem solving and quality improvement and this will happen if the leadership motivates them to take responsibilities. This presupposes to exist freely communication among departments, competition' absence and dynamic participation's encouragement, for the benefit of the employees and company.



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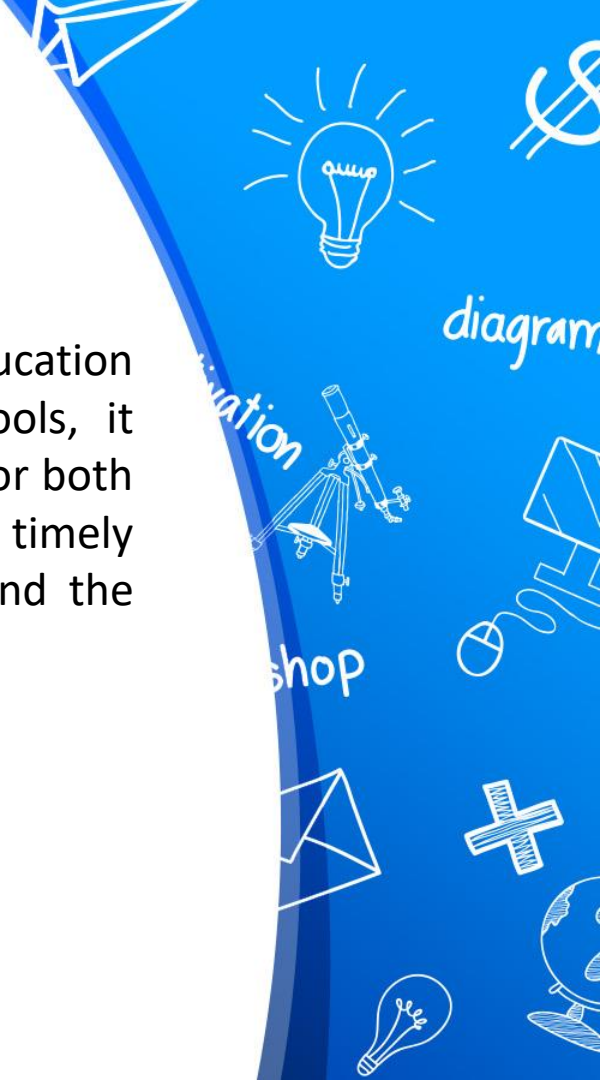
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6. Total Quality Management Principles (4/4)

5th Principle: Continuous education and training

The key characteristic of TQM's success is the employees' education and training. The scientific knowledge of techniques and tools, it creates proper conditions, in order to be everyone responsible for both quality and solution problems. Furthermore, it contributes to the timely specifying of problem, to the correct analyses of its causes and the timely decision-making process for its restoration.



7. Total Quality Management Processes (1/2)

The key procedures of TMQ for the development of qualitative activities, which are aimed to satisfy customers, are:

1. Quality by design:

- the quality objectives of products and services.
- the Customers needs and requirements.
- the characteristics of the products / services.
- the characteristics of the production processes.
- the quality control procedures.



7. Total Quality Management Processes (2/2)

2. Quality control

- control object is selected (characteristics, production process).
- quality objectives are aimed.
- results are measured.
- the causes of the divergence are analyzed.
- corrective measures is implemented.

3. Quality improvement

- The need for quality improvement
- The quality improvement design teams.
- Diagnosis of causes
- Effective treatment
- Quality assurance



8. Objectives of Total Quality Management

Key objectives of TQM are:

- Increasing customer satisfaction, better quality for goods and services.
- Ensuring the company's high efficiency in relation to operating cost.
- Increasing company's capability for innovations and for flexibility to needed adjustments.
- Improving the efficiency of company's human resources.
- Utilization of new technology, new equipment and software, when these help to company's strategic objectives.



**TOTAL QUALITY
MANAGEMENT
AND HRM**

**TOTAL QUALITY
HUMAN RESOURCE
MANAGEMENT**



9. HRM and Total Quality Management (1/2)



TQM adoption has brought important changes in the field of **HR**.



HRM practices, which are based on TQM, aim at:

- 1) the involvement of employees in total quality,
- 2) the emphasis on quality-related actions through teamwork,
- 3) the empowerment of employees,
- 4) strengthen the individual and the group commitment to quality through rewards and support.



9. HRM and Total Quality Management (2/2)

To achieve the above objectives, companies apply the following **practices:**

- Companies combine human resources plans with their rest plans, which are based on TQM. So that, they completely address to their needs and development of human resources.
- All company's employees are involved at all levels and functions.
- They emphasize and support teamwork.
- They strengthen individuals and teams to make decisions, which affect the quality and customers satisfaction.
- They invest in training and development.
- They control the effectiveness of HRM practices and measure employees satisfaction, as a useful mean of continual improvement.



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10. Benefits of Total Quality Management

- 👍 Development, long-term survival and economic success.
- 👍 Improving competitiveness
- 👍 Quality of products
- 👍 Increase productivity
- 👍 Increase sales
- 👍 Increase profits/ earnings
- 👍 Increase market share
- 👍 Reduction of defective products
- 👍 Reduction of manufacturing production
- 👍 Reduction of control costs
- 👍 Satisfied customers
- 👍 New customers
- 👍 Satisfied employees



11. Obstacles to TQM Success (1/2)

Perception Obstacles

- Difficulty to isolate problems.
- Tendency to determine the problem.
- Inability to estimate the problem from all its aspects.
- Unable to use all inflows and information.

Obstacles arising from the internal environment

- Lack of collaboration and lack of trust among colleagues.
- Authoritarian executives, who overestimate their own ideas and don't recompense other employees.
- Distraction (telephones, visits, etc.).



11. Obstacles to TQM Success (2/2)

Cultural obstacles

Prohibitions and prejudices, which lead in thoughts such as:

- Imagination and deep thinking are waste of time.
- Documentation, logic, numbers and practices are positive evidences.
- Emotions, insight, quality judgment and satisfaction are positive evidences.
- Traditional methods are preferable than changes.
- Any problem is settled with scientific thought and money.



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