HUMAN RESOURCES MANAGEMENT

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Introduction

People are at the core of every organization. Without staff, organizations cannot exist. It is therefore vital that organizations do not take their staff for granted. This book aims to help professionals in the HR field and organizations consider and improve how they recruit, develop and look after their staff. The term that is often used for this is human resource management:

Human(s) – people with their experience, skills, knowledge and personal qualities.
Human resource – the people, and the policies and practices that affect them in the workplace.
Human resource management – the management of the people and the staff policies and practice that enable an organization to carry out its work. This affects staff from the moment an individual contacts the organization in response to a job advertisement, to the time they leave the organization. Human resource management is about enabling staff to use their qualities in order to fulfill their role and contribute to the organization's mission and purpose.

Good human resource management is essential if organizations want to attract and retain good staff. If people see that an organization values its staff, they are more likely to apply for a job with the organization and more likely to stay once they are recruited. Good human resource management means that an organization reduces risk to its staff and reputation. It can do this by considering issues such as employment law, child protection and health and safety. Good human resource management can also reduce costs for an organization. For example, good recruitment policies and processes mean that organizations can efficiently recruit people who will carry out their jobs effectively. Good systems for performance management mean that organizations can ensure that they are getting the best from their staff. It should be noted that volunteers are an important resource for many organizations. Some sections of this book, such as salaries and employment contracts, are not relevant to volunteers. However, sections such as benefits, performance management and staff development *are* relevant to volunteers. Development organizations should consider carefully which policies and practices should also be used with volunteers.

This book is for people who manage staff and those who are specifically involved in aspects of human resource management. In some organizations, line managers may be the only people who consider human resource management. Other organizations may employ one or more people to oversee human resource management. The policy and guidelines for human resource practice which such people provide are used by the line managers. Line managers are therefore as responsible for human resource management as any team devoted to it.

This book provides tools that professionals in the HR field and organizations can use to develop good human resource management. Many of the tools can be used to make improvements at low cost, with enormous benefits. Some of the tools help organizations

to employ the right people, while others enable organizations to develop good systems. The combination of good people and good systems leads to an effective organization – one that achieves its mission and purpose.

Throughout the book are reflection questions which can be used by individuals or groups of staff to consider what action they might take.

Human resource management at organizational level

There are many aspects of human resource management. Some organizations may feel overwhelmed and unsure about where to start making improvements. This is particularly the case for organizations that do not have a team or department specifically responsible for human resource management.

Where there is no specific team, it is worth considering giving someone responsibility for aspects of human resource management as part or all of their role. There are many benefits of having a member of staff with ownership of human resource management. For example:

■ The organization can be kept up-to-date on legal issues.
■ A coordinated approach can be taken with regard to strategy, policy and practice. This helps to ensure that the organization has a fair and consistent way of treating its staff.
■ Staff have access to good advice on issues relating to staff.
■ Salaries are fair and consistent.
■ Good policy and practice can be put in place.
■ Job descriptions can be kept up-to-date. Staff and line managers then know what to expect and performance can be measured successfully.
■ Recruitment procedures can be thorough and enable the best people to be recruited.
■ Staff briefing and induction is planned and well organized.
■ As the organization shows it thinks human resource management is important, staff feel valued and encouraged to stay with the organization.

Some organisations may be large enough to establish their own team that is responsible for human resource management. In this case, it is important to gain permission from the leadership of the organisation first, including the Chief Executive Officer and the board. It may be necessary to inform them of the benefits of human resource management in order for them to understand its importance. It is worth noting that some donors will provide funding for activities related to human resource management.

Where to start

This book outlines the main areas of human resource management. Some areas will need to be addressed first as they have a direct impact on others. For example, it is important to establish a good grading structure in order to set fair salary levels. The table below shows the different areas of human resource management and what they are dependent on. Most areas depend on a good grading and salary system, so this is usually

a good place to start. It is best to address human resource management one bit at a time. There may be some areas that do not take long to address, but which can have a big impact. For example, ensuring that line managers hold regular catch-up meetings with their staff and developing an appraisal form for them to use, can have a huge impact on staff performance.

Main areas of human resources management	Dependent on
Grading	Good staff planning, organizational structure, job descriptions and job evaluation
Salary	Grading, funding, organization's values, payroll, tax, social security, pay slips
Benefits	Common practice, funding, organization's values, types of benefits such as medical, leave, allowances
Recruitment	Organization's priorities and needs, staff planning, good recruitment practice, grading, salary, benefits, employment contract
Briefing / Induction	Recruitment, performance management
Performance management	Recruitment, briefing, timely catch-ups and appraisals
Employment contracts / staff handbook	Grading, salary, benefits, discipline and grievance policies, recruitment, national law
Staff development	Organization's priorities, needs and values, recruitment, performance management

Preparing to improve human resource Management

There are two important things to identify before considering human resource management:

■ The organization's vision, purpose, mission and values.
■ The organization's structure.

1 Vision, purpose, mission and values

Good human resource management depends on the organisation having a clear vision, purpose, mission and values. The vision is needed to motivate staff. The purpose is needed to ensure that staff are all working towards the same goal. Without a mission, it is impossible for the organisation to know what work needs to done, and job descriptions

cannot be identified. Values show how the organisation will do its work and what kind of staff are needed to do it. The box below gives examples of vision, purpose, mission and values. It is important that an organization has identified these before reviewing and improving its human resource management.

VISION is about how we would like the world to change for the better. For example: *A world without hunger*.

PURPOSE is about what the organisation exists to do, in order to contribute to the vision. For example: *To help people to increase food production*.

MISSION is what the organisation commits itself to do and identifies the people the organization serves, where they are and how they are served. For example: *To reduce hunger in our country through training, enabling and supporting farmers*.
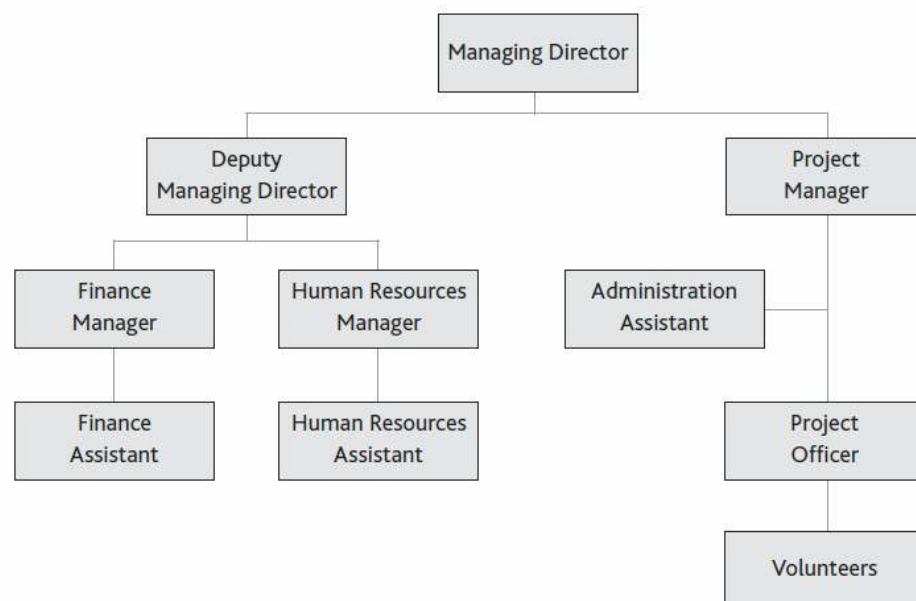
VALUES relate to what the organisation stands for. They influence the way the organization acts and give the organisation its identity. Values often make an organisation different from other organisations that address the same issue. Examples include: *commitment to God; commitment to learning; commitment to relationships; commitment to excellence*.

2 Organisational structure

It is helpful to consider the structure of the organisation's staff. The best way to do this is to draw an organisational chart which shows where staff positions fit into the organisation and how they are line managed. This chart:

■ makes grading systems easier to develop and enables smooth recruitment processes
■ helps in understanding how many people are being managed by one manager. It is advisable that no more than eight people report to a single manager
■ helps to keep job titles consistent. For example, the title 'manager' may only be given to senior staff in the organisation
■ shows where there may be gaps or overlap in positions within the organisation.

EXAMPLE of organisational structure

QUESTIONS TO ASK YOURSELF WHEN RUNNING THE HR DEPARTMENT OF AN ORGANIZATION:

- How important are our staff to the success of our organisation? Do we view some staff as more important than others?

- How does our organisation show staff they are valued?

- How do our staff fit within our organisation's vision, purpose, mission and values? Are we using and investing in staff in the right way? If not, how can we improve?

- What does our organisational structure look like? What can we learn from this?

Grading, salaries and benefits

This section looks at how to grade jobs and set the levels of salaries and benefits offered to staff. Salaries and benefits are given to people in return for the work they do for the organisation. The level of salary makes a difference to how valued a member of staff feels. Salary and benefits play an important part in attracting people to work for the organisation and encouraging them to stay.

For good working relationships it is essential to set fair and appropriate salary levels and benefits. Therefore, it is important not to rush into any decisions about salary and benefit levels without working through the steps outlined in this section.

Salaries should be linked with the specific job that someone carries out. For example, a manager would normally be paid more than an administrator.

Benefits usually apply to all staff, although they may depend on the type of contract they have. For example, different benefits may be given to permanent staff than staff on fixed-term, temporary or casual contracts.

2.1 Grading and salaries

There are three key issues to take into account when considering salaries:

■ Salaries should be **consistent** with the organisation's grading structure – the higher the grade the higher the salary. This ensures that the principle of equal pay for equal work is followed.
■ Salaries should be **fair**. Consider what other similar organisations are paying people for carrying out similar jobs.
■ The grading and salary system should be **transparent** and easy to understand. This means that staff can clearly see where their salary fits within the organisation's overall grading and salary structure. This helps to ensure fairness and consistency because it enables staff to keep the organisation accountable.

To set a salary for a particular job, four steps need to be taken:

STEP 1 Write job profile

First it is necessary to consider what a particular job involves. This can be set out in a job profile. Guidance on writing job profiles is given in one of the following sections. Here we give an example of a job profile for a driver, which we will use throughout the rest of this section to show how the job might be graded and a salary set.

JOB PROFILE FOR A DRIVER	
Job description	**Person specification**
• Reports to the logistician	• Clean driving licence
• Ensures vehicle is maintained	• Two years' driving experience in rural areas
• Drives staff to designated locations safely	• Punctual, accommodating, polite, patient
• Conducts errands, collects items	• Drives carefully and aware of good safe driving practice

STEP 2 Evaluate job

In order to set a grade for a job, the job profile needs to be evaluated. One way of doing this is to use a systematic method of scoring jobs so that they can be compared with one another to ensure fairness and consistency. Evaluation of jobs should be carried out by a member of the Human Resources Department and the line manager of the job being valuated. Between them, they have an overview of the organisation and have a good understanding of the job. Here we give an example of a simple system. Whatever system is used should be used to evaluate *all* jobs within the organisation.

Designing the system

Three criteria are used, against which job profiles can be assessed. The criteria may differ from organisation to organisation, but the three criteria we use in this example are:

LEVEL OF SKILLS: The level of skills that would normally be considered essential to do the job.

LEVELS OF RESPONSIBILITY: The amount of responsibility the person in the job has, such as managing other members of staff or financial responsibility

LEVELS OF REPRESENTATION: The extent to which the person in the job represents the organisation externally.

There are four levels for each criterion, each of which is given a certain number of points. Lower levels of responsibility, skill and representation are given fewer points than high levels of each of these criteria. More points are given in the **responsibility** column because in this example, organisation sees responsibility as more important than skills. **Representation** is given the least emphasis and is therefore given the lowest number of points. This information is incorporated into a table like the one on the next page. Each column represents one of the three criteria and each row represents the level for each criterion.

	RESPONSIBILITY			SKILL			REPRESENTATION	
	POINTS	DESCRIPTION	POINTS	DESCRIPTION	POINTS	DESCRIPTION		
Low	3	• Little or no accountability for materials, equipment or finance • No responsibility for the work of others • Works under close supervision	2	Performs a small number / range of simple, routine tasks	1	Has little or no contact with people outside of his / her own working group		
Medium	6	• Accountable for the use, control and / or protection of the organisation's resources • May be responsible for the supervision of staff • Works with moderate supervision	4	• Performs tasks which require discretion and judgement • Has knowledge of a variety of procedures, methods and techniques	2	Has frequent contact with people inside his/ her own working group and others within the organisation		
High	9	• Accountable for part of the organisation's work • Responsible for a significant budget and / or a significant number of staff • Works with minimal supervision	6	Performs highly complex tasks, involving a number of different aspects of the organisation	3	• Has frequent contact with people within and outside the organisation • Frequently required to use influencing skills		
Very high	12	• Fully accountable for a complete area of the organisation's work • Works independently within broad policy, professional standards and budgetary limits	8	Deals with a variety of highly complex assignments across the organisation	4	• Has regular contact with people at senior levels, both within and outside the organisation • Needs to develop and maintain relationships and to influence people as a fundamental part of the job		

Once this table is designed, it is used to evaluate all jobs within the organisation.

Method for evaluating a job

Start with the first column of the table which represents **responsibility**. Look at the job profile and identify which level of responsibility is appropriate. Give the job an appropriate score for **responsibility**. Sometimes jobs fit between levels. In this case, an appropriate score can be given between the points stated on the table.

Then repeat this process for **skill** and **representation**.

When all three criteria have been scored, add the points together to arrive at the total number of points for the job.

EXAMPLE (we review the driver job profile mentioned earlier and look at the evaluation table to score the job for responsibility, skills and representation)

RESPONSIBILITY The driver will have responsibility for maintaining the vehicle and ensuring that the vehicle is driven safely. However, the driver will not be responsible for any other staff. The driver will be supervised by the logistician, but when driving the vehicle the driver will be on their own. We could therefore say that the driver job fits between low and medium levels of responsibility. A score of 5 may be appropriate.

SKILLS Driving safely is a task that requires good judgement. However, as the main task is driving, the driver does not need to have knowledge of many procedures, methods and techniques. Therefore a score of 3 may be appropriate.

REPRESENTATION The job involves transporting staff but not guests. A score of 2 may therefore be appropriate.

We then add up the scores: 5 + 3 + 2 = 10.

STEP 3 Assign a grade

Evaluating a job by giving it a score is only the first step in the grading process. The job must also be compared to the other jobs in the organisation to ensure that the job evaluation has been carried out fairly. Therefore, once the job has been evaluated and a score has been identified, it should be checked against the organisation's grading structure. The grading structure is based on the scoring during the job evaluation. The jobs with more points are at a higher grade than those with fewer points. An example is given on the next page. The names of the job families will vary according to the organisation. Each organisation should consult with staff to establish a grading structure that reflects its own needs, purposes and values.

EXAMPLE of grading structure	GRADE	POINTS	JOB FAMILY
	A1	24	Senior management
	A2	23	
	A3	21 / 22	
	A4	20	
	A5	19	Project management
	A6	18	
	B1	17	Officers
	B2	16	
	B3	15	Administrators
	B4	14	
	C1	13	Assistants
	C2	12	
	C3	11	Driver
	C4	10	
	D1	9	Domestic
	D2	8	
	D3	7	
	D4	6	
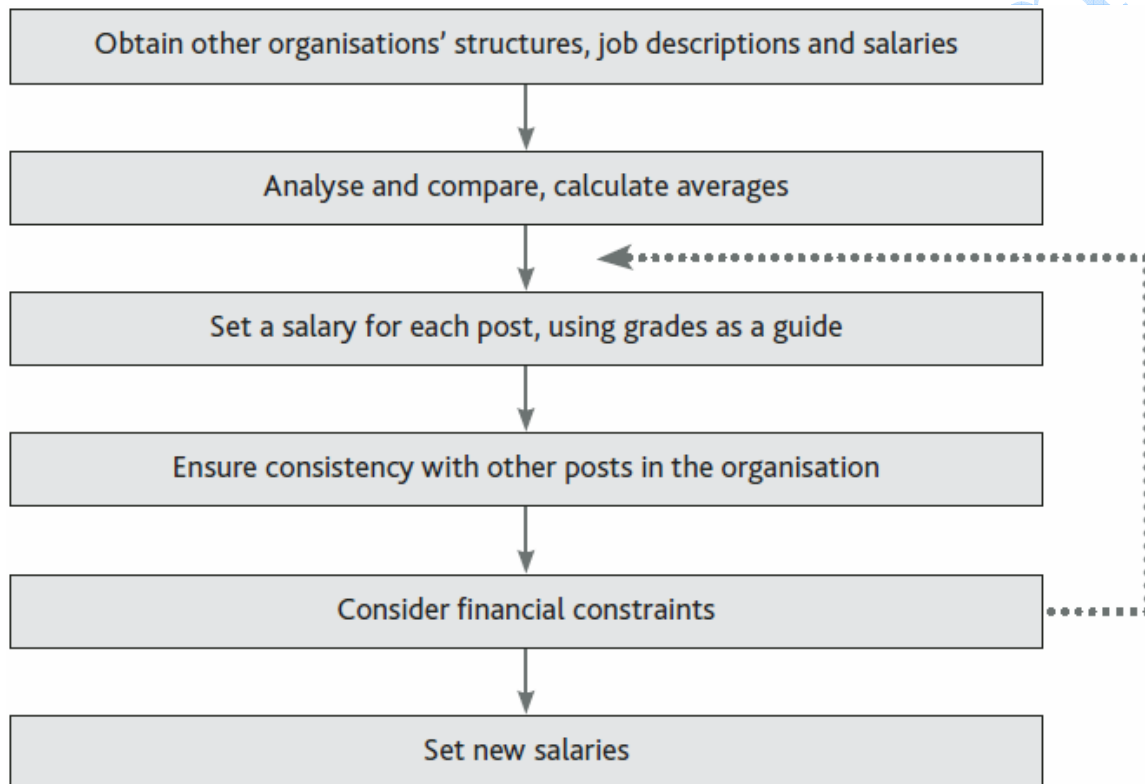
The driver job that was evaluated has a total score of 10. This fits with the grading structure, which indicates that a driver should score either 10 or 11 points. The job that was evaluated is given the grade C4.

After comparing a job evaluation score with the organisation's grading structure, it may be necessary to assign the job to a slightly higher or lower grade than the score indicates, in order to make the job consistent with other jobs in the organisation.

STEP 4 Set the salary

Some organisations have one salary per grade. In this case, when a job is assigned a grade, the salary is easy to identify. However, many organisations have a salary range for each grade, so it is necessary to identify a particular salary for each job within that salary range. When an organisation sets its salary levels it is helpful to understand what similar organizations are paying their staff for similar roles.

The process for setting a salary structure is shown in the diagram below:

Obtain other organisations' structures, job descriptions and salaries
Analyse and compare, calculate averages
Set a salary for each post, using grades as a guide
Ensure consistency with other posts in the organisation
Consider financial constraints
Set new salaries

When identifying salaries, take the following issues into account:

■ **Local labour legislation and employment practice** such as employment tax, minimum wage and social security. Where possible, gain advice from a local employment lawyer or consultant.

■ **Local common practice on salaries, allowances and other benefits.** This includes researching other organisations (based locally if possible) involved in similar work. Where there are no local organisations, collect information from a nearby town or main city and adjust the data according to the local cost of living. To identify common practice, it is best to contact at least eight similar organisations. It is recommended that a human resources specialist visits other organisations as it can sometimes be difficult to compare jobs between organisations. Organisations use different job titles, and duties

carried out by similar roles may not be identical. It is therefore helpful to gather organisational charts and job profiles from other organisations and understand how each organisation calculates its salaries, in order to decide whether it is a fair and consistent method.

■ **Location of the job.** If the job is based away from the main office, it may be necessary to carry out separate research for this location. However, the time needed to do this can only be justified if the cost of living is substantially different from the main office.

■ **Budget available** to pay salaries. In principle, salary levels should not be driven by available funding. Instead, salaries should reflect the salaries paid by similar organisations to their staff. However, sometimes funds are limited, which may have an impact on salary levels. Since analysis of salary data can be difficult and take a lot of time, it is advisable to seek help from a member of staff with financial expertise or a local professional consultant. A local salary survey carried out by another organisation could also be useful. However, check that the survey data is accurate and meets the organisation's requirements.

Here we provide some ideas for analysing salary data and setting salaries:

■ Draw a table in which to put salary data collected from other organisations. Use only data from organisations with similar roles, and with fair and consistent salaries. Each row in the table represents a job that is being compared across organisations. The columns represent different organisations.

■ Once the salaries have been inserted, calculate an average across the organisations for the same job. It is suggested that the highest and lowest figures in each row are excluded from the calculation. To find the average, add up all the remaining salaries for each job and divide the sum by the number of salaries included in the calculation.

EXAMPLE

	Organisation:								
	1	2	3	4	5	6	7	8	Average
Field Manager	~~1,000~~	~~1,500~~	1,250	1,100	1,050	1,100	1,300	1,250	**1,175**
Finance Manager	~~990~~	1,020	~~1,100~~	1,000	980	1,000	950	1,010	**993**

To find the average salary for the Field Manager job:

■ Remove the highest (1,500) and lowest (1,000) salaries.

■ Then add up the remaining salaries: 1,250 + 1,100 + 1,050 + 1,100 + 1,300 + 1,250 = 7,050

■ Divide the total by the number of salaries included in the calculation: 7,050 ÷ 6 = 1,175

The average for the Finance Manager job is $\dfrac{1,020 + 1,000 + 980 + 1,000 + 950 + 1,010}{6} = 993$

■ Use these calculated averages for each job as a starting point for setting the salary. Decide how the organisation wants to compare itself with these other organisations. It may want to pay salaries above or below the average.

■ The salaries should follow the same pattern as the grades. In the example grading structure above, salaries should be higher in the A grades than the B grades.

■ When a job cannot be compared with jobs in other organisations, the grades can act as a guide as the example on page 19 shows. Using this system means that salaries are calculated in a simple way and line managers are not paid huge salaries compared with those they line manage. However, it is possible that jobs on the same grade may not always be paid the same salary. For example, an officer working on a medical project may need medical qualifications and therefore be given a higher salary than an officer working on a community development project.

■ Once a set of salary levels has been identified, consider the overall costs in relation to available funds. If necessary, repeat the process until an acceptable solution has been achieved.

EXAMPLE

IDENTIFYING AN ADMINISTRATOR'S SALARY FROM THE GRADING STRUCTURE

It was not possible to obtain salary data for an Administrator's job from other organisations. The job has been given a job evaluation score of 15 points and given grade B3. Insert salaries for other jobs in the structure. By using the data we already have for Officer and Assistant, it is possible to work out what the Administrator's salary will be. The highest Officer's salary is 2,000 and the lowest level Assistant's salary is 1,000. There are four grades in between these roles. To ensure a steady increase, divide the difference between the two salaries by the number of grades between the two roles. In this example, the increase between each grade is 200. The Administrator's salary would therefore be 1,600.

Jobs	Points	Grade	Salary	Increase
Officer	17	B1	2,000	200
	16	B2	1,800	200
Administrator	15	B3	1,600	200
	14	B4	1,400	200
Assistant	13	C1	1,200	200
	12	C2	1,000	200

Other salary issues

Informing staff about salaries: staff should be informed of their salary, and any change in salary, by letter, and the grade should be set out in the employment contract.
Payment of salary: payment should be made directly to the member of staff. Where payment is in cash, both the organisation and the member of staff should keep a signed

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