

# INTRODUCTION TO HUMAN RESOURCE MANAGEMENT

Fresh Perspectives

3rd Edition

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## Preface

The world of work is complex, interesting and diverse, forming the very core of human activity that controls economies and individuals. It consists of various role players that form relationships and create responsibility, as they continue with their daily activities and function. Groups of individuals working together as teams form organisations which in turn form sectors that fuel the economy. Individuals are forced to come together and work closely towards an economic goal.

The presence of individuals at work presents the opportunity for inequality and abuse. Human resource management (HRM) must allow for individuals to work, function and produce within a work context that is fair and equitable. HRM can be described as a specific approach to managing employees with the understanding that those employees are vital assets to the organisation. It is frequently said that an organisation is only as effective as its employees. HRM thus forms a critical part of maintaining or improving the welfare of the organisation.

The goal of *Introduction to Human Resource Management: Fresh Perspectives* 3rd edition is to provide students, just starting out at a tertiary institution or the new businessperson, with the basic principles of HRM. The book will create awareness and understanding of the purpose and function of HRM within an organisation. The book takes the reader through the employee journey in five core sections. Section A discusses human resources management in context, offering the reader a glimpse into the world of work and its complexities. This is followed by Section B, which looks at the employee at work and includes job design, planning and the acquisition of employees. Employees are vital assets to an organisation. So, with this being said, the reader is invited to understand the process involved in developing employees, discussed in Section C, retaining employees, discussed in Section D, and caring for employees within the organisation, discussed in Section E.

For ease of reference for both students and lecturers, the text delivers a high-level of practical orientation that encapsulates contemporary examples and case studies that will enable students to learn how concepts are used in actual practice, and how they relate to one another within the South African context.

## Target market

This book is aimed at first-year students registered for a qualification that requires a foundational understanding of HRM. It is also an ideal complement to students studying towards business-related qualifications such as the Diploma in Management, the Certificate in Sales Management, the Certificate in Marketing Communications Practice, and the Diploma in Business Studies.

## How to study this text

The organisation of this text ensures that the reader is able to follow the stages in the employee journey. Each chapter traces the journey of John, as he signposts the context of each chapter. The following study method is recommended:

- Prepare your mind for an experience through the lens of John, as he enters the world of work.
- Set up a timetable to help manage your time effectively. In general, reading the text for at least an hour every day will greatly enhance your ability to master the concepts included in this book.

- Read and understand the learning objectives set out at the beginning of each chapter.
- Read the preliminary sections to each chapter in this book, namely the “Before you start” and the “Think about it” sections in order to provoke your thinking about the central theme of the chapter and to familiarise yourself with the journey through the chapter that awaits you.
- Study the sections in each chapter in conjunction with any course study materials provided by your lecturer. Synthesise the core ideas and arguments in each section with the information that you already know, as well as with information that you have found from other supplementary materials. Supplementary materials include the published works listed in the “Reference and additional reading” section at the end of each chapter in this book.
- Complete the various activities included in the chapter, analysing and answering the self-test questions at the end of each chapter in order to evaluate the extent to which you have mastered the required skills and competencies for each chapter.
- Explore each case study presented at the end of the chapter and attempt to answer the questions that follow.
- Write a reflection regarding your view about the various sections in the chapter and share this with your friends and/or classmates in a formal or informal discussion platform.

Enjoy the journey.

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# Contents

Preface .....	iii
List of case studies.....	xvi
List of figures and tables.....	xvi
List of abbreviations .....	xx
<b>SECTION A: Human resource management in context .....</b>	<b>1</b>
<b>CHAPTER 1: What is human resource management? .....</b>	<b>3</b>
1.1 What is human resource management? .....	4
1.2 HRM past and present .....	4
• Scientific management .....	5
• The human relations approach .....	6
• The human resource (HR) approach .....	7
1.3 The agility and flexibility of HRM in a contemporary environment.....	7
1.4 Fundamental focus areas of HRM .....	9
1.5 Human resource management in South Africa .....	11
• Macroenvironment .....	11
• Microenvironment.....	16
1.6 Possible careers in HRM .....	20
• Talent specialists.....	20
• Learning and development specialists.....	21
• Payroll specialists .....	21
• Labour relations specialists.....	22
• Human resource information systems (HRIS) specialists .....	22
• Human resources (HR) administrators.....	22
• Human resources (HR) managers.....	22
• Human resources (HR) consultants .....	22
• Health and safety officers .....	23
<b>CHAPTER 2: Human resource role players .....</b>	<b>28</b>
2.1 Human resource role players .....	29
• The International Labour Organization (ILO).....	29
• The National Economic Development and Labour Council (Nedlac) .....	30
• The State.....	30
• The employer .....	33
• The employee.....	33
• Trade unions .....	34
• Employer organisations.....	34
• Professional bodies that support HR role players .....	34
2.2 Different employment relationships.....	36
• The relationship between the State and the employer.....	37
• The relationship between the employer and employee .....	37
• The relationship between the employer and the employer organisation.....	41
• The relationship between the employee and the trade union .....	41
• The relationship between the employer, the employee and the trade union .....	42
• The relationship between human resources employees and professional bodies .....	44

<b>CHAPTER 3:</b>	<b>Ethics in human resource management.....</b>	<b>48</b>
3.1	<b>What is ethics? .....</b>	<b>49</b>
	• What ethics is not .....	49
	• Important ethical decision-making frameworks .....	52
3.2	<b>What is business ethics?.....</b>	<b>55</b>
3.3	<b>What is corporate governance? .....</b>	<b>55</b>
	• Theories of corporate governance .....	56
	• Corporate governance in the South African business environment .....	59
3.4	<b>Creating an ethical working environment .....</b>	<b>63</b>
	• Fostering a culture of ethics in the organisation .....	63
	• Business ethics policy and the code of conduct .....	64
3.5	<b>Ethical issues and challenges in the workplace.....</b>	<b>66</b>
	• Discrimination .....	66
	• Harassment .....	67
	• Unauthorised disclosure of confidential information and data privacy breaches .....	68
	• Use of organisational resources for personal purposes .....	68
	• Health and safety violations in the workplace .....	69
	• Employee theft.....	69
3.6	<b>Managing ethical issues in the workplace .....</b>	<b>70</b>
3.7	<b>Reporting ethical issues in the workplace .....</b>	<b>71</b>
	• Guidelines for successful ethics hotlines .....	72

**SECTION B: The employee at work .....** **79**

<b>CHAPTER 4:</b>	<b>Workforce planning .....</b>	<b>81</b>
4.1	<b>Job design .....</b>	<b>82</b>
	• Definition of a job .....	82
	• Definition of job design.....	82
	• Benefits of job design.....	83
	• Factors affecting job design .....	83
	• Approaches to job design.....	84
	• The employee and job alignment .....	85
	• Job re-engineering .....	87
	• The process of job re-design .....	88
4.2	<b>Job profiling.....</b>	<b>89</b>
	• Definition of a job profile.....	90
	• Benefits of job profiling .....	90
	• The process of job profiling .....	90
	• E-job profiling .....	92
	• Establishing new roles .....	93
4.3	<b>HR planning.....</b>	<b>94</b>
	• Definition of HR planning .....	94
	• Who is responsible for HR planning? .....	94
	• The benefits of HR planning .....	95
	• The HR planning process.....	95
	• The workplace skills plan (WSP) as a tool for HR planning.....	97
	• The purpose and development of a WSP.....	97

4.4	<b>Succession planning</b> .....	<b>100</b>
	• Definition of succession planning .....	101
	• Who is responsible for succession planning? .....	101
	• The benefits of succession planning .....	101
	• Factors affecting succession planning .....	101
	• The process of succession planning .....	102
	• A succession planning template.....	104
4.5	<b>The new world of work: some considerations</b> .....	<b>105</b>
	• The digital age and its impact on workforce planning .....	105
	• The effect of COVID-19 on workforce planning .....	106
	• Ethical concerns in workforce planning .....	107
<b>CHAPTER 5:</b>	<b>Talent acquisition</b> .....	<b>112</b>
5.1	<b>Recruitment and selection</b> .....	<b>113</b>
	• Differences between recruitment and selection .....	113
	• Who is responsible for recruitment and selection in an organisation.....	114
	• Factors affecting recruitment and selection .....	115
	• Challenges associated with recruitment and selection.....	116
	• Sources of recruitment .....	117
	• Methods of recruitment .....	118
	• The life cycle of talent acquisition .....	120
	• Selection and the law .....	124
	• Evaluating the life cycle of talent acquisition .....	124
	• The importance of effective talent acquisition.....	125
5.2	<b>Onboarding and orientation</b> .....	<b>125</b>
	• The purpose of onboarding and orientation.....	125
	• The importance of onboarding and orientation .....	126
	• Who is responsible for onboarding and orientation in an organisation? .....	126
	• Challenges associated with onboarding and orientation .....	126
	• The onboarding and orientation process .....	127
	• Best practices in onboarding and orientation .....	128
	<b>SECTION C: Developing employees</b> .....	<b>133</b>
<b>CHAPTER 6:</b>	<b>Performance management and evaluation</b> .....	<b>138</b>
6.1	<b>Performance management</b> .....	<b>139</b>
	• Definition of performance management.....	139
	• SABPP performance management objectives .....	139
	• Performance management vs. performance appraisal .....	140
6.2	<b>The performance management cycle</b> .....	<b>140</b>
	• Performance planning .....	140
	• Implementation phase.....	141
	• Results assessment phase.....	141
6.3	<b>Performance criteria and appraisal objectives</b> .....	<b>142</b>
	• Performance appraisal objectives.....	143
6.4	<b>Developing a performance appraisal system</b> .....	<b>145</b>
	• Phase 1: Determine the purpose of the performance appraisal system .....	145
	• Phase 2: Determine the performance criteria and dimensions .....	146



	• Phase 3: Determine who will be involved in assessing performance . . . . .	146
	• Phase 4: Select the appropriate appraisal method(s) . . . . .	146
	• Phase 5: Get senior management buy-in . . . . .	146
	• Phase 6: Involve employees . . . . .	146
	• Phase 7: Design the appraisal system . . . . .	147
	• Phase 8: Train the raters . . . . .	147
	• Phase 9: Implement the system/conduct performance appraisals . . . . .	148
	• Phase 10: Evaluate and adapt the system . . . . .	148
6.5	<b>Performance appraisal methods . . . . .</b>	<b>148</b>
	• Objective methods . . . . .	149
	• Subjective methods . . . . .	149
	• Comparative methods . . . . .	149
	• Rating methods . . . . .	151
	• Goal-based methods . . . . .	155
	• Computerised performance monitoring . . . . .	157
6.6	<b>Raters of performance . . . . .</b>	<b>157</b>
	• Managers/supervisors . . . . .	158
	• Upward feedback . . . . .	158
	• Multisource feedback . . . . .	158
	• Peer assessment . . . . .	159
	• Interactive panel for performance appraisal . . . . .	159
	• Self-appraisal . . . . .	159
6.7	<b>Factors influencing performance appraisal . . . . .</b>	<b>160</b>
	• Organisational environment . . . . .	160
	• Goals of senior management . . . . .	160
	• Group norms . . . . .	161
	• Prevailing attitudes . . . . .	161
	• Perception and attributions . . . . .	161
	• Psychological capital . . . . .	162
	• Performance criteria . . . . .	162
	• Rating errors . . . . .	162
	• Reliability and validity of ratings . . . . .	164
6.8	<b>Performance appraisal interviews . . . . .</b>	<b>164</b>
	• Approaches to performance appraisal interviews . . . . .	164
	• Managing the appraisal interview . . . . .	165
	• How to conduct the appraisal interview . . . . .	165
	• Frequency of performance appraisals . . . . .	167
	• The performance appraisal appeals procedure for the employee . . . . .	167
	• Guidelines for conducting a PA interview . . . . .	168
	• Legal implications of PA . . . . .	169
6.9	<b>Performance appraisal and legislation . . . . .</b>	<b>170</b>
	• Code of good practice: Dismissal . . . . .	170
	• Employees on probation . . . . .	171
	• Managing poor performance . . . . .	171
	• Performance management and technology . . . . .	171

<b>CHAPTER 7:</b>	<b>Learning and development</b> .....	<b>177</b>
7.1	Definition of learning and development (L&D) .....	178
7.2	The value of L&D to the organisation .....	178
	• Value to the employer .....	178
	• Value to the employee .....	179
7.3	L&D trends in the 21st century .....	180
	• The reskilling and upskilling revolution .....	180
	• Stimulating social learning .....	180
	• Prioritising personalised learning .....	181
	• Driving diversity and inclusion (D&I) .....	181
	• Soft skills for success .....	181
	• Corporate learning is becoming more common .....	181
	• Integrating virtual and digital learning .....	181
	• Data-driven learning .....	182
7.4	Considerations for the L&D professional .....	182
	• The role of the L&D professional in the organisation .....	182
	• Challenges for the L&D professional .....	182
	• Ethical issues in L&D .....	184
7.5	L&D in South Africa .....	184
	• Challenges and priorities in the South African skills development environment	184
	• Human Resource Development Strategy for South Africa (HRDSSA), 2010–2030	184
	• National Skills Development Strategy (NSDS) .....	185
7.6	Legislation and professional bodies that influence L&D in South Africa	
	• The Green Paper on a skills development strategy for economic and employment growth in South Africa .....	186
	• The Skills Development Act 97 of 1998 .....	186
	• The Skills Development Levies Act 9 of 1999 .....	186
	• The Skills Development Amendment Bill of 2011 .....	186
	• The National Qualifications Framework Act 67 of 2008 .....	187
	• Sector Education Training Authorities (SETAs) .....	188
	• The role of the workplace skills plan (WSP) .....	188
	• The Occupational Learning System (OLS) .....	189
	• South African Board for People Practices (SABPP) L&D objectives .....	189
7.7	The learning process .....	190
	• Why people learn .....	190
	• Adult learners are different .....	190
	• How adults learn .....	191
7.8	A systematic approach to learning .....	195
7.9	Training cycle Phase 1: T&D/L&D needs analysis .....	196
	• Proactive and reactive needs analysis .....	196
	• The L&D analysis process .....	197
	• Identifying causes of performance problems .....	197
	• Levels of L&D needs analysis .....	197
	• Gathering data for L&D analysis .....	198

7.10	<b>Training cycle Phase 2: Learning programme design</b> .....	200
	• Setting training goals, objectives and outcomes .....	200
	• Writing an instructional plan .....	200
	• The transfer environment .....	201
	• Target audience analysis .....	201
7.11	<b>Training cycle Phase 3: Training delivery</b> .....	202
	• Training versus facilitation .....	202
	• Learning support materials .....	203
	• Training methods .....	203
	• Managing the delivery of training .....	206
7.12	<b>Training cycle Phase 4: Assessment and moderation of learner achievements/assessment of training</b> .....	206
	• SABPP and HPCSA board examinations .....	207
7.13	<b>Training cycle Phase 5: Evaluation of programme effectiveness</b> .....	207
	• Kirkpatrick's hierarchy .....	208
	• Phillip's return on investment (ROI) .....	208
	• Nadler's model of evaluation .....	209
<b>CHAPTER 8:</b>	<b>Leadership and management</b> .....	<b>214</b>
8.1	<b>What is leadership?</b> .....	215
8.2	<b>What makes a good leader?</b> .....	216
	• Emotional intelligence (EQ) .....	216
8.3	<b>Responsibilities of a leader</b> .....	217
8.4	<b>What should leaders in an organisation do?</b> .....	218
8.5	<b>Successful and unsuccessful leadership</b> .....	220
8.6	<b>Models of leadership</b> .....	222
	• Individual models of leadership .....	222
	• Group models of leadership .....	224
	• Organisational models of leadership .....	226
8.7	<b>Self-leadership</b> .....	229
	• Strategies for self-leadership .....	229
	• Why is self-leadership important? .....	229
	• Implementing self-leadership in the workplace .....	230
8.8	<b>HR leadership</b> .....	233
	• Activities of the HR leader .....	233
	• Systematic approach to leadership in HRM .....	235
8.9	<b>The role of the line manager</b> .....	236
8.10	<b>What is management?</b> .....	237
8.11	<b>What do managers do?</b> .....	238
	• Management functions .....	238
	• Management roles .....	239
	• Management skills .....	239
8.12	<b>Managing remote teams</b> .....	240
	• Guidelines for managing remote teams .....	240
	• Challenges in managing remote teams .....	241
8.13	<b>Leadership versus management</b> .....	242

<b>SECTION D: Retaining employees</b> .....	<b>247</b>
<b>CHAPTER 9: Talent management and retention</b> .....	<b>248</b>
9.1 What is talent? .....	249
9.2 What is talent management? .....	250
• War for talent.....	250
9.3 Approaches to talent management .....	250
• The resource-based approach .....	251
• The object approach.....	252
• The subject approach.....	253
9.4 Talent management as an organisational strategy .....	253
• Attracting and retaining the best employees in the “war for talent”.....	253
• Reduced employee turnover .....	253
• The development of a high-performance culture.....	257
9.5 The talent management process.....	257
• Talent planning.....	258
• Attracting new talent .....	258
• Developing talent .....	259
• Retaining talent .....	260
• Transitioning talent.....	264
<b>CHAPTER 10: Rewarding and recognising employees</b> .....	<b>271</b>
10.1 Strategic reward management .....	272
10.2 Objectives of a reward system .....	273
• Attract, motivate and retain talented employees .....	273
• Improve employee performance .....	274
• Ensure legal compliance .....	274
• Control labour costs .....	275
• Ensuring fairness and equity between employees.....	275
10.3 Components of a reward and remuneration system .....	276
• Intrinsic compensation .....	277
• Extrinsic compensation (remuneration).....	277
10.4 Factors influencing remuneration .....	281
• External environment.....	281
• Internal environment .....	282
10.5 Remuneration policies .....	283
10.6 Job evaluation (establishing pay rates) .....	284
• The Paterson system.....	285
• The Peromnes system.....	286
• The Hay system.....	287
10.7 Rewarding special groups .....	288
• Executive management.....	289
• Expatriate employees .....	289
• Sales and professional services employees.....	290
• Miscellaneous staff .....	291
• Contingency workers, contractors and freelancers.....	291

10.8	<b>Latest trends in employee rewards</b> .....	<b>291</b>
	• Globalisation .....	291
	• Rewards for digital talent .....	291
	• Differentiate for talent and critical skills .....	292
	• Remuneration during the global pandemic (COVID-19) .....	292
	• Increased shift to health and well-being benefits .....	292
	• Restructuring pay for working remotely .....	292
	• Transparency .....	293
	• Variable compensation .....	293
	• Total rewards .....	293
	<b>SECTION E: Employee care</b> .....	<b>298</b>
	<b>CHAPTER 11: Employee safety</b> .....	<b>301</b>
11.1	<b>Legislation that regulates employee safety in the workplace</b> .....	<b>302</b>
	• Occupational Health and Safety Act 85 of 1993 (OHSA) .....	303
	• Mine Health and Safety Act 29 of 1996 .....	309
	• Compensation for Occupational Injuries and Diseases 130 of 1993 Amendment Bill 2020 .....	309
11.2	<b>National Occupational Safety Association (NOSA)</b> .....	<b>310</b>
11.3	<b>Health and safety representatives and committees</b> .....	<b>310</b>
	• Who are health and safety representatives? .....	310
	• How many health and safety representatives may be designated? .....	310
	• When must health and safety representatives be designated? .....	311
	• What are the duties of the health and safety representatives? .....	311
	• Health and safety committees .....	312
	• How many members does a health and safety committee comprise? .....	312
	• What do health and safety committees do? .....	312
11.4	<b>Causes of accidents</b> .....	<b>312</b>
	• Chance occurrences .....	312
	• Unsafe conditions .....	313
	• Unsafe acts in the workplace .....	315
11.5	<b>Prevention of accidents in the workplace</b> .....	<b>316</b>
	• Discourage risky behaviour .....	316
	• Implement control measures .....	317
	• Review health and safety workplace policies and procedures .....	318
	• Provide adequate training .....	318
	• Perform regular inspections .....	318
	• Supervise employees .....	319
	• Make use of employees' expertise .....	319
	• Take a risk management approach .....	319
	• Offer different types of support .....	319
	• Use case management software .....	319
11.6	<b>Reporting serious incidents</b> .....	<b>319</b>
11.7	<b>Health and safety policy</b> .....	<b>320</b>
11.8	<b>Safety management</b> .....	<b>321</b>

11.9	<b>Occupational injuries and illnesses</b> .....	<b>322</b>
	• Cumulative trauma disorders .....	323
	• Sick building syndrome .....	323
	• Occupational illnesses .....	323
11.10	<b>Ergonomics</b> .....	<b>324</b>
11.11	<b>The impact of COVID-19 on health and safety in the workplace</b> .....	<b>325</b>
11.12	<b>Workplace violence</b> .....	<b>327</b>
11.13	<b>Workplace harassment</b> .....	<b>328</b>
<b>CHAPTER 12:</b>	<b>Workplace wellness</b> .....	<b>331</b>
12.1	<b>Workplace wellness</b> .....	<b>332</b>
12.2	<b>Wellness dimensions</b> .....	<b>332</b>
	• Physical wellness .....	333
	• Emotional wellness .....	334
	• Social wellness .....	334
	• Intellectual wellness .....	334
	• Spiritual wellness .....	334
	• Financial wellness .....	334
	• Environmental wellness .....	334
12.3	<b>What are the benefits of workplace wellness to the business?</b> .....	<b>338</b>
	• Benefits of workplace wellness .....	339
	• Lower absenteeism .....	339
	• Reduced stress .....	340
	• Greater productivity .....	340
	• Increased morale .....	340
	• Increased psychological contract .....	340
	• Improved relationships .....	340
12.4	<b>Employee assistance programmes (EAPs)</b> .....	<b>341</b>
12.5	<b>How organisations can develop wellness programmes</b> .....	<b>342</b>
12.6	<b>Stress</b> .....	<b>349</b>
	• What causes stress? .....	350
	• How to deal with stress .....	350
	• Recognising and managing stress .....	352
12.7	<b>Burnout</b> .....	<b>353</b>
	• Warning signs and symptoms of burnout .....	353
	• The difference between stress and burnout .....	354
12.8	<b>Mental health disorders</b> .....	<b>355</b>
	• Depression .....	355
	• Generalised anxiety disorder (GAD) .....	356
	• Post-traumatic stress disorder (PTSD) .....	356
	• How do mental health disorders affect the workplace? .....	356
12.9	<b>Substance use disorders</b> .....	<b>357</b>
	• Alcohol dependency .....	358
12.10	<b>Impact of COVID-19 on employee wellness</b> .....	<b>360</b>
	• Psychological impact .....	361
	• Physical impact .....	361
	• Financial impact .....	361
	• Social impact .....	362

<b>CHAPTER 13: Employee relations</b> .....	<b>366</b>
13.1 The history of employee relations in South Africa .....	367
13.2 Progressive labour legislation.....	368
13.3 The role of legislation and human resource management in the employment journey .....	368
13.4 Legislation that governs the formation of the employee relation .....	371
• The Constitution of South Africa of 1996.....	371
• The Broad-Based Black Economic Empowerment Act 53 of 2003 (BBBEE) .....	371
• The Employment Equity Act 55 of 1998 (EEA) .....	371
• The Labour Relations Act 66 of 1995 (LRA) .....	372
• The Basic Conditions of Employment Act 75 of 1997 (BCEA) .....	372
13.5 Managing conflict, grievances, and disputes.....	373
• Workplace conflict.....	373
• Grievances .....	374
• Dispute resolutions .....	375
13.6 Legislation that governs the management of the employee relation .....	376
• Labour Relations Act 66 of 1995 (LRA) .....	376
• Basic Conditions of Employment Act 75 of 1997 (BCEA).....	379
• The Employment Equity Act 55 of 1998 (EEA) .....	380
• Unemployment Insurance Act 30 of 1996 (UIA) .....	381
• The Occupational Health and Safety Act 85 of 1993 (OHSA) .....	381
• Compensation for Occupational Injuries and Diseases Act 130 of 1993 (COIDA) .....	382
13.7 Termination of the employee relation .....	382
• Misconduct .....	383
• Incapacity.....	383
• Operational reasons .....	384
• Unfair dismissal.....	385
• Automatically unfair dismissal.....	385
• Incompatibility.....	386
13.8 Dispute resolution mechanisms .....	387
• Commission for Conciliation, Mediation and Arbitration (CCMA) .....	387
• Labour Court.....	387
• Labour Appeal Court .....	387
Glossary .....	391
Index .....	393

## List of case studies

Chapter	Page number	Case study
Chapter 1	26	Office Space Inc
Chapter 2	46	I am but I am not
Chapter 3	76	Themba's predicament
Chapter 4	110	Workforce planning at Tasty Taco's
Chapter 5	131	Recruitment woes
Chapter 6	174	Performance management and evaluation at Discs and Chunks
Chapter 7	211	Training new employees in the Free State
Chapter 8	244	Yummy Tummy baby foods
Chapter 9	266	Talent management at Ikamva Inc
Chapter 10	295	Tegan Consultants Inc rewards system challenges
Chapter 11	329	Designing a safety programme
Chapter 12	363	Priya's wellness dilemma
Chapter 13	389	Health issues at work

## List of figures and tables

Figure/Table	Page number	Figure/Table title
Figure 1.1	11	STEEPLE analysis of the macroenvironment
Table 2.1	32	Important labour Acts in South Africa
Figure 2.1	36	Different employment relationships
Figure 2.2	39	Employment contract
Table 3.1	57–58	Five corporate governance theories
Table 3.2	60	Key amendments made to the King Codes on corporate governance and reporting
Table 3.3	67	Forms of harassment
Table 3.4	71	Differences between internal and external whistle-blowing facilities
Figure 4.1	85	Job characteristics model of Oldham and Hackman (1980)
Figure 4.2	85	Employee and job alignment
Table 4.1	86	Advantages and disadvantages of job simplification
Table 4.2	86	Advantages and disadvantages of job rotation
Table 4.3	87	Advantages and disadvantages of job enlargement
Table 4.4	87	Advantages and disadvantages of job enrichment



Figure/Table	Page number	Figure/Table title
Table 4.5	87	Advantages and disadvantages of job re-engineering
Figure 4.3	88	Process of job re-design
Figure 4.4	91	Process of job profiling
Figure 4.5	92	E-job profiling system
Figure 4.6	95	Process of HR planning
Figure 4.7	98	Steps in developing a WSP
Figure 4.8	99	Template 1: Workplace skills plan
Figure 4.9	102	Steps in succession planning
Figure 4.10	104	Template 2: Succession planning
Figure 4.11	106	Job design in a pandemic
Table 5.1	114	Differences between recruitment and selection
Table 5.2	119	Advantages and disadvantages of internal recruitment methods
Table 5.3	119	Advantages and disadvantages of external recruitment methods
Figure 5.1	120	The life cycle of talent acquisition
Figure 5.2	127	The orientation and onboarding process
Figure 6.1	142	The performance management cycle
Figure 6.2	143	Objectives of performance appraisal
Figure 6.3	145	Steps in developing a performance appraisal system
Table 6.1	148	Categories of performance appraisal methods
Table 6.2	150	An example of ranking employees by department
Table 6.3	150	Forced distribution
Figure 6.4	151	An example of paired comparison
Figure 6.5	152	Graphic rating scales
Figure 6.6	153	Behavioural checklist for a waiter
Figure 6.7	153	Rating scale for frequency of desired behaviour
Figure 6.8	154	A BARS for a car salesperson: dimension "automobile salesmanship skills"
Figure 6.9	156	Template of a MBO appraisal form
Table 7.1	183	Ten challenges L&D professionals face
Figure 7.1	187	The integration of the components of the South African occupational learning system
Table 7.2	189	Considerations for building a WSP
Figure 7.2	191	Principles of andragogy
Figure 7.3	192	Kolb's experiential learning cycle
Figure 7.4	195	The systematic training cycle

Figure/Table	Page number	Figure/Table title
Table 7.3	198	Summary of the levels of T&D needs analysis
Table 7.4	198	Most common data gathering techniques
Table 7.5	202	Distinction between a trainer and a facilitator
Table 7.6	206	Questions to be asked when managing a training or learning programme
Figure 7.5	208	Kirkpatrick's hierarchy of evaluation
Figure 7.6	209	Nadler's model of evaluation
Table 8.1	221	Main differences between successful and unsuccessful leadership
Figure 8.1	222	Overview of different leadership models
Figure 8.2	223	Leadership traits
Table 8.2	227	Behavioural components of transformational leadership
Table 8.3	228	The macro components of management
Table 8.4	229	Strategies for self-leadership
Table 8.5	233–234	Important activities of the HR leader
Figure 8.3	235	The systematic approach to leadership in HRM
Figure 8.4	237	Efficiency and effectiveness in management
Figure 8.5	238	An overview of what managers do
Table 8.6	242	Comparison of management and leadership
Figure 9.1	254	Formula for calculating labour turnover rate
Figure 9.2	254	Formula for calculating the percentage of voluntary turnover
Figure 9.3	257	The talent management process
Figure 9.4	261	Retention factors
Table 9.1	263	Formal and informal recognition
Figure 10.1	275	Fairness and equity in remuneration
Figure 10.2	277	Components of a reward and remuneration system
Table 10.1	279	Public holidays in South Africa
Figure 10.3	280	Example of the total guaranteed package for an HR analyst
Table 10.2	285	The Paterson system
Table 10.3	286	The eight factors in the Peromnes system
Table 10.4	287	Meaning of grades in the Peromnes system
Table 10.5	288	Factors of the Hay system
Figure 10.4	293	World at Work total rewards system
Figure 11.1	306	Near miss/incident report template
Table 11.1	310	Number of health and safety representatives required in the workplace
Figure 11.2	313	Example of a chance occurrence
Figure 11.3	314	Example of an unsafe condition

Figure/Table	Page number	Figure/Table title
Figure 11.4	314	Example of an unsafe condition
Figure 11.5	315	Example of an unsafe act
Figure 11.6	316	Example of an unsafe act
Figure 11.7	317	Hierarchy of occupational health and safety controls and their effectiveness
Figure 11.8	320	Structure of a health and safety policy
Figure 11.9	321	Aspects that can cause accidents and incidents in the workplace
Figure 11.10	325	An ergonomically incorrect workstation
Figure 11.11	325	An ergonomically correct workstation
Table 11.2	328	Violence indicators
Figure 12.1	333	The seven wellness dimensions
Figure 12.2	342	Process to develop workplace wellness programmes
Table 12.1	344	How leaders and line managers can promote wellness within the organisation
Table 12.2	345	Stages of research
Table 12.3	346	Wellness goals and objectives
Figure 12.3	347	A healthy food workplace policy
Table 12.4	350	Organisational, interpersonal and individual stress factors
Table 12.5	352	Signs of stress and to deal with this
Table 12.6	354	Physical, emotional and behavioural warning signs of burnout
Table 12.7	355	Differences between stress and burnout
Table 12.8	359	Signs of alcohol abuse
Table 13.1	368	Primary South African labour legislation and latest amendments
Figure 13.1	369	Legislation: formation, management, and termination of the employment relation
Figure 13.2	373	Conflict resolution touch points
Table 13.2	374	Things to do and not to do in the grievance process
Figure 13.3	374	Grievance procedure
Figure 13.4	376	The dispute process
Table 13.3	377–378	Important chapters in the LRA for the management of the employee relation
Table 13.4	379–380	Important chapters in the BCEA for the management of the employee relation
Table 13.5	380	Important chapters in the EEA for the management of the employee relation
Table 13.6	381	Important chapters in the UIA for the management of the employee relation
Table 13.7	381	Important sections in the OHS Act for the management of the employee relation
Table 13.8	382	Important sections in the COIDA for the management of the employee relation

## List of abbreviations

<b>BBBEE</b>	Broad-Based Black Economic Empowerment	<b>NOSA</b>	National Occupational Safety Association
<b>BCEA</b>	Basic Conditions of Employment Act	<b>NSDS</b>	National Skills Development Strategy
<b>CCMA</b>	Commission for Conciliation, Mediation and Arbitration	<b>NUM</b>	National Union of Mine Workers
<b>COIDA</b>	Compensation for Occupational Injuries and Diseases Act	<b>QCTO</b>	Quality Council for Trade and Occupations
<b>CONSAWU</b>	Confederation of South African Workers' Unions	<b>OHSA</b>	Occupational Health and Safety Act
<b>COSATU</b>	Congress of South African Trade Unions	<b>OLS</b>	Occupational Learning System
<b>D&amp;I</b>	diversity and inclusion	<b>PDA</b>	Protected Disclosures Act
<b>EAP</b>	employee assistance programme	<b>POPI</b>	Protection of Personal Information Act
<b>EEA</b>	Employment Equity Act	<b>PPE</b>	personal protective equipment
<b>EQ</b>	emotional intelligence	<b>PTSD</b>	post-traumatic stress disorder
<b>FEDUSA</b>	Federation of Unions of South Africa	<b>SABPP</b>	South African Board for People Practices
<b>4IR</b>	Fourth Industrial Revolution	<b>SAFTU</b>	South African Federation of Trade Unions
<b>GAD</b>	generalised anxiety disorder	<b>SANCA</b>	South African National Council on Alcoholism and Drug Dependence
<b>HR</b>	Human resources	<b>SAQA</b>	South African Qualifications Authority
<b>HRM</b>	Human resource management	<b>SDL</b>	Skills Development Act
<b>ILO</b>	International Labour Organization	<b>SETA</b>	Sector Education and Training Authority
<b>IPM</b>	Institute of People Management	<b>STEEPLE</b>	Sociological, Technological, Economical, Environmental, Political, Legal and Ethical
<b>L&amp;D</b>	learning and development	<b>TNA</b>	training needs analysis
<b>LRA</b>	Labour Relations Act	<b>UIA</b>	Unemployment Insurance Act
<b>LRAA</b>	Labour Relations Amendment Act	<b>UIF</b>	Unemployment Insurance Fund
<b>MBO</b>	management by objectives	<b>WFH</b>	work from home
<b>NACTU</b>	National Council of Trade Unions NQF National Qualifications Framework	<b>WHO</b>	World Health Organization
<b>Nedlac</b>	National Economic Development and Labour Council	<b>WSP</b>	workplace skills plan

# SECTION A

## Human resource management in context

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### CHAPTER 1: What is human resource management?

- 1.1 What is human resource management?
- 1.2 HRM past and present
  - Scientific management
  - The human relations approach
  - The human resource (HR) approach
- 1.3 The agility and flexibility of HRM in a contemporary environment
- 1.4 Fundamental focus areas of HRM
- 1.5 Human resource management in South Africa
  - Macroenvironment
  - Microenvironment
- 1.6 Possible careers in HRM
  - Talent specialists
  - Learning and development specialists
  - Payroll specialists
  - Labour relations specialists
  - Human resource information systems (HRIS) specialists
  - Human resources (HR) administrators
  - Human resources (HR) managers
  - Human resources (HR) consultants
  - Health and safety officers

### CHAPTER 2: Human resource role players

- 2.1 Human resource role players
  - The International Labour Organisation (ILO)
  - The National Economic Development and Labour Council (Nedlac)
  - The State
  - The employer
  - The employee
  - Trade unions
  - Employer organisations
  - Professional bodies that support HR role players
- 2.2 Different employment relationships
  - The relationship between the State and the employer
  - The relationship between the employer and employee
  - The relationship between the employer and the employer organisation
  - The relationship between the employee and the trade union
  - The relationship between the employer, the employee and the trade union
  - The relationship between human resources employees and professional bodies

## **CHAPTER 3: Ethics in human resource management**

### **3.1 What is ethics?**

- What ethics is not
- Important ethical decision-making frameworks

### **3.2 What is business ethics?**

### **3.3 What is corporate governance?**

- Theories of corporate governance
- Corporate governance in the South African business environment

### **3.4 Creating an ethical working environment**

- Fostering a culture of ethics in the organisation
- Business ethics policy and the code of conduct

### **3.5 Ethical issues and challenges in the workplace**

- Discrimination
- Harassment
- Unauthorised disclosure of confidential information and data privacy breaches
- Use of organisational resources for personal purposes
- Health and safety violations in the workplace
- Employee theft

### **3.6 Managing ethical issues in the workplace**

### **3.7 Reporting ethical issues in the workplace**

- Guidelines for successful ethics hotlines

# CHAPTER 1

## What is human resource management?

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### Learning objectives

- Explain what human resource management (HRM) is and provide a definition.
- Summarise the historical development of HRM.
- Discuss the importance of agility and flexibility of HRM in a contemporary environment.
- Outline the fundamental focus areas of HRM.
- Discuss how the macroenvironment affects organisations in South Africa.
- Describe how the microenvironment influences HRM in a South African organisation.
- Identify possible careers in HRM.

### Before you start

While John is on his way to class, he overhears a person speaking on the phone. The person keeps on repeating the same sentence: “Listen, Jerry, I agree with you, it’s a wonderful business idea, but you need the right people for the job. You don’t have the human resources to do it now.” John has heard the term ‘human resources’ before, but now he is intrigued. What did the person mean when he said that Jerry’s business idea lacked the necessary human resources?

### Think about it

When you sit in a room full of people, you are likely to meet some people that have the same interests, abilities, and talents as you, whilst others will differ from you. Let us call it the ‘human condition’. Understanding this, we can agree that the world is a wonderful and interesting place and that a diverse group of people is likely to pursue different careers.

We do all, however, have one thing in common. We are all human resources (a vital resource that can ensure organisational success). As such, human resource management will form part of your career journey, no matter what career avenue you follow. On this exciting journey, you will be recruited, hired, employed, receive remuneration, develop your skills and talents, and eventually you will retire. All these aspects form part of human resource management.

### Introduction

This chapter commences with a brief introduction of what human resource management is. The history and development of HRM is explained, starting with a discussion of scientific management and thereafter the human relations approach. This is followed by a discussion on the agility and flexibility of HRM in a contemporary work environment.

Following this section, we move on to discuss the fundamental focus areas of HRM. This includes all the important aspects of HRM in today’s world and will be discussed throughout this book.

This chapter offers insight into a South African perspective of HRM by taking a closer look at both the microenvironment and the macroenvironment (internal and external factors) that have an influence on HRM and the world of work today. The chapter provides a sound introduction to HRM as a field of study, and ends with insight into the possible careers that could be pursued in HRM.

## 1.1 What is human resource management?

Human resource management (HRM) can be described as a specific approach to managing employees with the understanding that those employees are vital assets to the organisation. It is frequently said that an organisation is only as effective as its employees. HRM thus forms a critical part of maintaining or improving the welfare of the organisation. HR (human resources) can also refer to either the human capital (employees) of the organisation or the specific department within the organisation. This department is responsible for managing all matters related to the employees of the organisation.

HRM entails various processes, procedures, and the management of various functions. Some of these include HR planning, recruitment and selection, employee induction and orientation, conducting job analysis, training and development, performance management, talent management, career planning, compensation and benefits, employee motivation, employee discipline, preserving labour relations (including relations with trade unions), employees' safety and compliance, development and implementation of HR policies, as well as systems and organisational development. Due to the many areas that HRM covers, it is typical for professionals in this field to have specific expertise in one or more of the areas. Possible careers in HRM are discussed in section 1.6.

## 1.2 HRM past and present

In this section, you will learn more about the historical development of HRM. You will learn how vastly different HRM is from employee management approaches in the past. The section starts off with a discussion of the scientific management approach, followed by the human relations approach. The section concludes with the preferred approach of managing employees in the contemporary work environment.

In the early 1900s, the workplace was quite different from what it is today. Most people either worked in coal mines or in the manufacturing industry, and they often had to work very long hours. Working conditions were terrible. Employees worked in dirty, dangerous and freezing conditions without any ventilation. Furthermore, employers believed that all employees should work at the same level of productivity, and if an employee did not deliver accordingly, they were simply dismissed. Employees were placed in jobs with little or no concern for matching their abilities or capacities with the duties they were required to do. Supervisors watched employees constantly and they were threatened that they would lose their jobs if they did not produce a certain number of goods in the allocated time. Then, at the beginning of the twentieth century, a wave of change occurred with the development of the scientific management approach.



## 1.2.1 Scientific management

So when did modern management theories start to emerge? If you had to pinpoint it, 1911 might be a good place to start. This was the year in which Frederick W. Taylor published his book on the principles of scientific management. Taylor, the father of scientific management, was one of the first theorists to study the process of work scientifically. Taylor and other scientists, such as Henry Gantt, Lillian Gilbreth and Frank Gilbreth, considered how work was performed, and then observed how this influenced employee productivity. The main concern of this school of thought was to increase productivity through greater efficiency and effectiveness.

The principles captured in Taylor's book quickly became popular amongst managers across the globe. Taylor's philosophy focused on the idea that making employees work as hard as they could was not as effective as optimising the way in which the work was actually executed. Taylor used time as a measure and broke down each job into sections. He then determined the most time effective and most suitable methods to perform each section. His focus was to determine how much employees should reasonably be able to accomplish with the materials and equipment available to them. Taylor accordingly suggested that by optimising and simplifying jobs, productivity would rise.

In short, the idea of scientific management is a method of examining jobs to see how many products can be made or how much work can be executed in a certain amount of time. For example: It takes ten minutes to stitch trousers according to the required specifications, using a certain machine. If the employee took twenty minutes to do this task, they did not achieve the specified performance standard. This process is referred to as a time-and-motion study.

Up until this philosophy put forward by Taylor, all employees earned the same daily or weekly wage, even if they did different jobs and/or produced more products than co-workers. Taylor, however, was not satisfied with this approach and was convinced that all employees were motivated by money, so he encouraged the idea of a piece-rate system. The piece-rate system worked on the principle that employees would receive a higher rate of pay per item produced after the daily production standard had been achieved. Employees who produced output above and beyond the standard would receive additional incentive compensation.

Scientific management was fairly successful, but problems arose because the employees were treated as if they were only interested in money. Work methods (the way a job was done) were only concerned with what an employee could produce and not with the employees themselves and their satisfaction in doing the job. According to this approach, there is only one best way to perform a task, which is highly specialised and routine. This means that employees had to apply minimal mental effort and there were very limited opportunities to make decisions.

Employees had to keep to a given routine and were not encouraged to suggest new ideas. The work methods of scientific management thus entailed a great concern for employee output, but employee satisfaction was of little importance.

Thinking about scientific management, do you think the employees were happy in those days? Do you think they were able to enjoy their work for an extended period of time?

### Activity 1.1

Ask five of your friends, colleagues, or family members to share their views with you on the following two statements:

1. The only reason to work is to make as much money as possible.
2. Employers know that when they pay employees enough, the employees are not too worried about their working conditions.

Note down their answers to share and discuss in class.

## 1.2.2 The human relations approach

The human relations approach emerged as a result of criticism of the scientific management approach which focused on tasks, productivity and organisational structure but neglected to consider the well-being of the employees. The new approach was also advanced by the growing strength of trade unions during the time. At that stage, trade unions began to question and contest the fairness and legitimacy of the scientific approach of employee management.

Those who endorse the human relations approach believe that the effectiveness of any organisation is dependent on the quality of the relationships among the employees working in the organisation. Elton Mayo is frequently referred to as the father of the human relations approach. His work served as the turning point in the development of management beliefs, since it challenged the foundations of the scientific approach.

The human relations approach developed as a result of a series of experiments conducted by Mayo and his academic associates. Between 1924–1932, Professor Mayo and his colleagues at the Harvard School of Business conducted experiments at the Hawthorne Works of the Western Electric Company Chicago, USA.

These experiments, commonly known as the Hawthorne studies, proclaimed that employee productivity was influenced not only by the job design and the way in which employees were financially rewarded, but also by certain social and psychological circumstances. The findings of the Hawthorne studies demonstrated for the first time the importance of the connection between social factors and productivity of employees. People in organisations realised that employees' feelings were affected by their working conditions, and that those feelings could affect their productivity. This meant that the satisfaction of the employees in their work circumstances had an impact on their productivity. With this realisation, managers in organisations turned away from scientific management to the human relations approach.

Subscribing to the human relations approach, managers realised that employees are affected not only by their wages, but also by certain social and psychological factors including their safety, comfort and physical working conditions, the attitude of the managers and supervisors, and their ability to be involved in organisational decision making.

Managers started to treat employees like human beings, rather than machines who had to produce goods for the organisation. This approach thus held the premise that when the employees are more satisfied, they will be more productive. However, just because employees are happy, it does not necessarily imply that they do their work well. The human relations approach certainly helped to improve the working conditions of many employees, but it did not have much success in making employees more productive or in giving them work satisfaction. It fell out of favour during the 1950s and 1960s and is considered outdated today.

### 1.2.3 The human resource (HR) approach

During the mid-twentieth century, people started to realise that organisational goals and employees' needs cannot be separated. This is the essence of the human resources (HR) approach. Researchers and practitioners started to understand that you will not achieve organisational goals if you neglect or ignore the needs of your employees. The HR approach is a system of managing employees that recognises that the success of the organisation depends on its human resources (i.e. its people or human capital). The primary role of HRM is to make the organisation more effective and, at the same time, to satisfy each employee's needs. Employees who are motivated and skilled will produce good work, which in turn will help the organisation to make a profit. If the organisation shows increased profits, the employees will benefit through financial rewards and recognition.

The HR approach is about managing employees as assets rather than mere factors of production, as portrayed in the scientific management approach. It is about balancing the needs and achieving the goals of both the organisation and its employees. Employees are seen as investments that, if managed effectively, will provide long-term rewards to the organisation in the form of greater productivity. Within the HR department of each organisation, the need exists for the creation and preservation of policies that will satisfy both the economic (financial) needs of the organisation and the emotional needs of employees.

To this end, HRM can be defined as a coherent and strategic approach to the management of an organisation's most valued resources – the employees who individually and collectively contribute to the realisation of the organisation's aims and objectives. It is a strategic, integrated and coherent approach to the employment, development and well-being of the people working in organisations.

## 1.3 The agility and flexibility of HRM in a contemporary environment

Employees (human resources) have always been indispensable in ensuring the continued existence of the organisation, but in the contemporary world of work, their importance is increasingly appreciated. Indeed, it is with the use of these resources that organisations are propelled forward, and the aims and objectives of the organisation are realised. It is therefore obvious that these assets should be well taken care of by the organisation. With this understanding, the value of an exceptional HRM department within an organisation cannot be over emphasised. This is because the HRM department fulfils the dual role of being the custodians of the well-being of the human resources (employees) and the continued existence of the organisation. To be able to attain all this, the HRM department needs to be agile and flexible.

Flexibility is the ability and willingness to adjust one's thinking or behaviour. Within an organisational context, flexibility is the ability and willingness to adapt and adjust to changes in the business environment. This can typically include aspects such as changes in the needs of consumers, market demands, technology, and business processes. Closely related to the concept of flexibility is the concept of agility. Agility is the ability to respond swiftly and effectively to changes and challenges. Agility in HRM therefore refers to the ability of the HR department to take action quickly, and to effectively manage changes and challenges that can occur in the business environment.

In the management of HR, it is vital to be flexible and agile for three different reasons:

- to manage and respond to the necessary abilities and skills of employees
- to adapt approaches and practices that are followed within the HRM department, for example payroll systems and recruitment procedures
- to influence the behaviour of the workforce.

It is scientifically proven that organisations that strategically choose to be flexible and agile are able to uphold their competitive advantage, and these organisations rely on their HRM practices to achieve this goal.

To demonstrate the importance of agile and flexible HRM practices, the impact of the COVID-19 pandemic on organisations will be highlighted. The influence thereof on the entire world can be taken as a perfect, albeit frightening, example of how quickly the business environment can change, and the agility and flexibility needed to survive.

In December 2019, the World Health Organization (WHO) was informed of cases of pneumonia of unknown cause in Wuhan City, China. On 30 January 2020, the WHO declared the novel coronavirus outbreak a public health emergency of international concern. Then, on 11 March 2020, the rapid increase in the number of cases outside of China led the WHO director-general to announce that the outbreak could be categorised as a pandemic. On the 5 March 2020, the National Institute for Communicable Diseases confirmed the first case of COVID-19 in South Africa.

The effects of the COVID-19 pandemic quickly became apparent worldwide due to its profound impact on not only health, but also the societal well-being of people and most economic activities. National lockdowns had unparalleled effects on every individual and organisation. In South Africa, national lockdown measures were implemented to curb the spread of COVID-19, but these measures also resulted in the reality that organisations could no longer function in ways that they were used to. The unique circumstances brought on by the coronavirus is something that no organisation had had to deal with before, and it resulted in one of the greatest workplace transformations of our lifetime.

This global pandemic has led to the emergence of a complex and challenging environment for HRM practitioners who needed to find novel solutions to support their organisations, and to help employees to cope with the challenges of this extraordinary situation. Indeed, flexibility and agility by HRM was essential to navigate this unknown territory. HRM practitioners had to make a **plethora** of decisions and implement even more action plans. The actions and decisions included:

**Plethora**

a large amount  
or over  
abundance

- Remote working arrangements (work from home (WFH))
- Initiatives to uphold employee morale and engagement
- Conducting training on WFH and employee well-being
- Implementing health and safety measures for employees
- Providing support to managers who must manage employees remotely
- Conducting retrenchments
- Reconsidering and reformulating HRM strategies
- Acceleration of training in IT technologies to enable employees to WFH
- Encouraging employees to remain motivated and productive
- Implementing infrastructure to enable alternative ways to communicate (replacement of face-to-face interactions).

## 1.4 Fundamental focus areas of HRM

As you discovered in section 1.3, the world of work is constantly changing and evolving. You further discovered that for organisations to remain relevant, they need the sound and rational support of HRM. HRM in turn needs to be agile and flexible to provide this type of support to the organisation in the 21st century. In this 3rd edition of *Introduction to human resource management: Fresh perspectives* we will take you on a journey to discover the various fundamental focus areas that are important for sound management of HR in a contemporary work environment.

In Chapter 2, you will learn about the different role players within the world of work, and how each of these fit into the work arena. From a holistic perspective, several stakeholders make up the HR role players. The objective of the chapter is to introduce HR role players in a manner that is systematic and realistic. After introducing the various role players of the HR environment, the chapter explains how the relationships are formed between the role players.

Chapter 3 focuses on explaining ethics in HRM. The chapter provides insight into ethics and explains important ethical decision-making frameworks. From there the focus is shifted to business ethics and corporate governance. Different theoretical perspectives of corporate governance that exist are briefly explained and the importance of corporate governance in South Africa is discussed. The chapter also looks at the role of HR managers in creating an ethical working environment. In addition, attention is paid to the ethical challenges that can arise in the workplace and how these can be addressed to ensure that an ethical culture prevails in the organisation.

Chapters 1 to 3 provide a macro perspective to understanding HRM. In Chapter 4, your attention is turned inwards, and attention is paid to workforce planning. In this chapter, the terms “jobs”, “occupation” and “career” are clarified. Thereafter, job profiling is explained. This section is followed by a discussion on job design and methods of conducting job design. Thereafter, HR planning and succession planning is discussed. The chapter concludes with considerations of the digital age, the effects of the COVID-19 pandemic and ethical concerns on workforce planning.

Chapter 5 is closely related to Chapter 4 and focuses on how an organisation finds the correct employees. In Chapter 5, you will learn about the recruitment, selection, onboarding and orientation of employees.

Chapters 6 to 8 look at how the organisation can develop employees. In Chapter 6, you will learn why a performance appraisal system forms a central part of the performance management process. Performance appraisals involve assessing employees’ performance based on set standards and criteria. Such standards and criteria provide a way of evaluating the productivity of the individuals and work units. You will also learn why managers and supervisors must select the appropriate method(s) when conducting performance appraisals since each method has specific advantages and disadvantages.

Chapter 7 focuses on explaining everything you need to know about training and development of employees in the organisation. The chapter discusses the skills development legislative framework, including aspects such as the Skills Development Acts, The National Skills Development Strategy, the institutional framework for skills development, and other structures signifying a vision of an integrated learning and development framework. The chapter provides insight into the new occupational learning system (OLS) in South Africa.

In Chapter 8, the development of leaders and managers will be explained. Organisations do not focus solely on the development of its employees. For organisations to be successful, they also need strong leadership. The chapter explains the difference between leaders and managers and what constitutes a good leader. The chapter further provides insight into the different approaches to leadership in HRM, what constitutes a good leader, and discusses the responsibilities of leaders. In this chapter you will also learn about self-leadership. From there the discussion turns to management. What a good manager is, the role of managers within an organisation, and how we develop our managers is explained.

Chapter 9 and 10 focus on the strategic importance of retaining employees. In Chapter 9, you will learn about talent management and retention. Organisations invest a lot of resources in developing and growing their employees, managers, and leaders. It is therefore understandable that organisations want to hold onto these “investments”. The chapter opens with a definition of talent and talent management. Three approaches to talent management are discussed, and the benefits thereof when it is used as an organisational strategy are highlighted. The five steps in the talent management process are outlined and seven critical factors for retaining talent are explored.

In Chapter 10, we focus on the strategic importance of reward management and recognition. The objectives and components of reward systems, as well as the factors that influence remuneration are explained. The concept of job evaluation and its importance in remuneration is discussed. The new concept of total rewards and the latest trends in the field are explored to show how much the nature of rewarding employees has come into sharp focus as a key organisational strategy.

Chapters 11, 12 and 13 focus on the importance of employee care. Chapter 11 concentrates on employee safety. The management of employee safety and the legal framework thereof are covered in this chapter. The duties that the employer has towards employees will be explained together with the rights that employees have in this regard. The chapter further provides insight into, and draws the necessary attention to, workplace violence and harassment in the workplace. In addition, this chapter places a strong emphasis on the promotion of workplace safety and health awareness, as well as health programmes in the workplace.

Building on the foundation of Chapter 11, which focused on employee safety, Chapter 12 focuses on wellness in the workplace. The chapter commences with an explanation of what wellness in the workplace entails, and then considers the seven dimensions of wellness. Attention is given to explaining why wellness in the organisation is important and how to promote it in the workplace. In this chapter, you will gain insight into the monitoring of employee well-being and learn about the role of HRM in this regard.

The final chapter, Chapter 13, takes a closer look at employee relations. The chapter starts with an introduction to the historical context of employee relations in South Africa. The different HRM role players in employee relations are also discussed. Attention is paid to the legislation surrounding the formation, management, and termination of the employee relations. In addition, this chapter gives insight into the different grounds for the termination of the employee relationship, and explains when termination is fair or unfair.



## 1.5 Human resource management in South Africa

In section 1.3, we dealt with obtaining a better understanding of flexibility and agility of HRM. In this section, we will explain how both the macroenvironment and the microenvironment impact organisations in South Africa specifically. You need to understand that the world has changed immensely over the last few decades and that today we indeed live in a global society. This will inevitably influence the way in which all organisations function.

### 1.5.1 Macroenvironment

The macroenvironment refers to the external factors that have an influence on the organisation and the strategies it needs to follow to ensure the continuous existence and success of the business. These external factors beyond of the control of the organisation, but still play a definite role in its success.

When you have a clear understanding of the external factors or influences, it is possible for the organisation to maximise opportunities and minimise threats for its continuous existence and success. Stated differently, with this insight, organisations will be better equipped to make sound and more informed decisions. With this insight, organisations can take the required actions and adjust their operations to mitigate potential threats and seize possible opportunities.

The endeavour of the organisation to examine and evaluate the external environment is frequently referred to as a strategic analysis. While there are various approaches that could be considered for such an undertaking, we prefer the STEEPLE (Sociological, Technological, Economical, Environmental, Political, Legal and Ethical) approach. This approach includes various components of the external environment that could influence the welfare of the organisation (and thus also HRM). Some other strategic analyses are not as comprehensive. The STEEPLE analysis approach is also very flexible, enabling organisations to use it in a variety of different sectors, scenarios, and time periods or intervals. The STEEPLE analysis approach focuses on accessing the following components: Sociological, Technological, Economical, Environmental, Political, Legal and Ethical as shown in Figure 1.1.

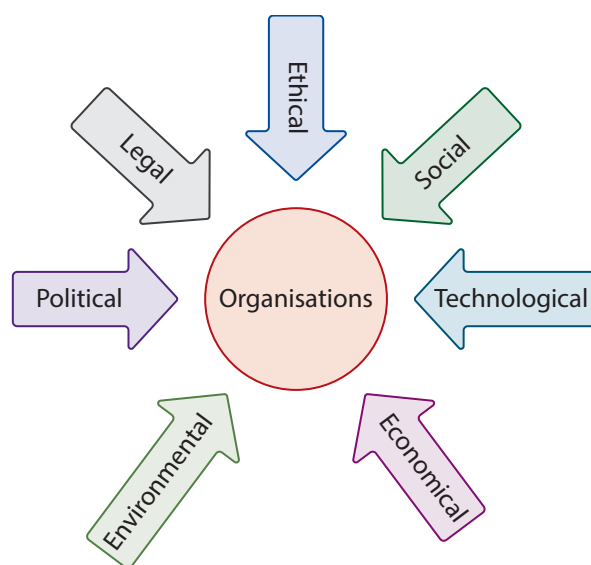


Figure 1.1 STEEPLE analysis of the macroenvironment

HRM plays a vital role in the strategic management of an organisation and should therefore take into consideration how changes in these components can influence the operations of an organisation and how they should be managed. To this end, the focus of each of these components are explained below.

## S – Social

Social factors speak to the factors that are concerned with the functioning of a society. The following social factors typically need to be taken into account by organisations:

- Career attitudes
- Employment statistics and patterns
- Social mobility
- Languages spoken
- Cultural norms, values, and perspectives
  - Cultural diversity
  - Lifestyle choices
- Societal traditions
- Religion
- Levels of education
- Population growth rate
- Age distribution of population
- Health and safety consciousness.

Each of the social factors listed above, form part of the identity of individuals. This means that each of these factors will have an indirect influence on the role of HRM within the organisation. This is understandable since we cannot deny our identities the moment we arrive at the workplace. For example:

- HRM needs to consider the level of education of current and future employees to determine the needed skills and development initiatives.
- Employment statistics and patterns can, in turn, influence the approach that HRM needs to follow to attract new employee and/or retain current employees with the needed skill levels.
- A large proportion of the current employee corpse are single-parent households (lifestyle choices) and HRM needs to take into account the increasing need for flexible working conditions.

South Africa is specifically challenged by a number of social concerns that will have an indirect influence on all organisations. These include social factors, such as continuous gender and racial discrimination; income, class, and poverty division; high unemployment rates; widespread violence; high crime rates; poor public health provision; and an insufficient educational system.

Organisations should thus have a clear understanding of the social factors that can create various challenges for employees, customers, and the wider community, if they want to operate within the South African environment.



## T – Technological

Different forms of technology, which is continuously improving, inevitably effects organisations. Technological developments continuously change the way in which businesses operate. With technological progress, a business culture prevails where instant results are expected. The rise of the Fourth Industrial Revolution, (4IR), artificial intelligence, and robotics has also had a significant influence on the operations of HRM within organisations. Changes in technology bring about opportunities, as well as challenges that HRM needs to deal with. These opportunities and challenges are continuous in nature and the response from HRM will be dependent on their occurrence. Technological advancements that have had some of the most noticeable changes in the way in which HR operates include:

- **Workforce planning:** New systems and equipment can improve the performance of an organisation, but it can also lead to some employment positions becoming redundant. Alternatively changes in equipment and new systems can create the need for new skills or employment positions. HR needs to assist in this process by considering where redundancies will occur and where appointments need to be made.
- **Communication:** Technological advancement has changed the platforms available to HR to communicate with employees. Various technological platforms exist for HRM to effectively communicate to employees. Communications can be sent via the organisation's intranet (news bulletins); text messages, emails, electronic notice boards, messaging apps, etc.
- **Performance management:** One of the key functions of HRM is to manage the performance of employees. Several organisations have switched from paper-based appraisal or performance management systems to digital performance management systems. Online performance management systems are less time consuming, employee data are organised and easily accessible, and performance reviews can be conducted with more ease.
- **Information and data storage:** Previously HRM had to ensure that each employee had an employee file which was kept in a secure storage facility. However, with the advancement of technology, all employee information can be stored electronically. Although it is convenient and employee data can be reached with a click of a button, this technological advancement is not without risks. HRM needs to ensure that employee data are held securely. Cybercriminals can launch cyberattacks on organisations, and it is the dual responsibility of IT and HRM to ensure that confidential information of staff are not accessed or compromised.
- **Recruitment of employees:** Recruitment of employees has significantly changed over the last decade. The majority of organisations have adapted their approaches to recruiting suitable candidates. Organisations use job portals on the internet to search for the best candidates for the position. Positions that become vacant within organisations are posted online and job seekers apply through an online applicant tracking system, from where the organisation can obtain their information.

- **Training and development:** Training and development of employees are influenced in two ways by technology. Firstly, with the advancement of technology HRM can provide training for employees via electronic platforms. Secondly, HRM constantly needs to re-evaluate the skills of the workforce. In order for the organisation to perform satisfactorily and to deliver quality services to clients, employees need to have the necessary skills. This means that HRM needs to provide the required training for employees to utilise the technology to satisfy clients' needs.

## E – Economical

The economic status of the country has a big impact on how organisations function. These economic factors comprise all the important developments in the economy that can either support or hamper organisations in realising their objectives. Economic factors that will typically influence organisational performance include interest rates, inflation, exchange rates, employment levels, income per capita, and the demand for goods and services (consumer behaviour). Factors, such as income per capita, consumer behaviour, unemployment levels and inflation, will influence the purchasing power of societies which in turn will influence the financial performance of organisations in these societies. The financial standing of an organisation will in turn impact HRM functions. Aspects which will need to be considered include:

- **The recruitment and selection budget:** Will there be funds available to recruit, select and place future employees?
- **Employee remuneration:** Will the organisation be in the financial position to increase annual salaries, pay performance bonuses or overtime? What are the salary trends in the sector?
- **Equipment:** Will funds be available to provide the needed equipment for employees to fulfil their duties?
- **Retrenchments:** Will retrenchment of employees be necessary for the organisation to stay financially viable?
- **Training and development:** What funds will be available to train and develop employees?

## E – Environmental

Environmental factors that have an influence on the macro environment of organisations include amongst others air quality, climate change, weather patterns and natural disasters. The main environmental factors that pose challenges to organisations in South Africa include water and air pollution, extensive usage of pesticides, overgrazing, insufficient fresh water supply, climate change, and soil erosion.

Some industries are more susceptible to the risks from changes in the natural environment, including agriculture, manufacturing, travel and tourism, and sports. Organisations need to consider how its operations can potentially affect the environment and also how changes to the environment can influence the operations of the organisation.

Factors within the means of organisations that could positively affect the environment include being sustainable and following ethical business practices, for example recycling of used products, rehabilitation of mining sites, switching to sustainable resources, and the appropriate disposal of industrial waste. Another major environmental concern is the impact of climate change on organisations. Organisations need to consider aspects such as ethical sourcing of products (e.g., local vs nationally or internationally) and making use of sustainable resources.

## P – Political

Political factors that influence organisations are about the degree to which government intervenes or are involved with an organisation's operations. Political factors that can influence organisations include aspects such as the political situation in a country, political stability or instability, trade agreements, tax policies, corruption, foreign trade policies, trade restrictions, and environmental law.

In order to support a favourable business environment, government holds the responsibility to promote fair competition and ethical business practices. Government should also take firm action against mismanagement and corruption evident in organisations, be it in the private or public sector. When political uncertainty, corruption, mismanagement, political biases, crime and violence are experienced in a country, it has a detrimental impact on business confidence and investment. These issues hinder economic development and progress within a country.

When considering the political influences on organisations, the following factors should be taken into account:

- When is the next local or national elections?
- How will policies be adapted with the election of a new ruling party?
- Which parties are most likely to gain power with a local or national election?
- Could any legislation or taxation changes occur and how will it affect organisations?
- What is the position held by the ruling party related to environmental affairs, labour legislation, corporate governance, and consumer protection?

In terms of political factors that could influence the organisation, HRM holds the responsibility to ensure that all operations are compliant with laws, policies, and other regulations.

## L – Legal

Legal factors refer to all the factors that an organisation legally needs to comply with that in turn affect the business operations. All organisations are affected by the laws under its jurisdiction. It can be to the detriment of the organisation if it is discovered that the organisation operates in violation of the country's legislation. Organisations thus need to remain compliant with all the laws of the country. Within the organisation, HR departments are responsible for ensuring that the policies and procedures are legally compliant and that these policies and procedures are adhered to by all members of staff.

Legislation impacts all HR activities. HR professionals must stay abreast of legislation and understand how it influences their roles and responsibilities within the organisation. Labour legislation and changes thereto which will have an indirect influence on all organisations include:

- Labour Relations Act 66 of 1995 (LRA)
- Basic Conditions of Employment Act 75 of 1997 (BCEA)
- Employment Equity Act 55 of 1998 (EEA)
- Unemployment Insurance Act 30 of 1996 (UIA)
- Occupational Health and Safety Act 85 of 1993 (OHSA)
- Compensation for Occupational Injuries and Diseases Act 130 of 1993 (COIDA)
- Skills Development Act 97 of 1998 and Skills Development Levies Act 9 of 1999 (SDL)
- Broad-Based Black Economic Empowerment Act 53 of 2003 (BBBEE)

## E – Ethical

Social values are a fundamental part of the ethical qualities of an organisation that directs its behaviour. Ethical aspects govern what is right and what is not. Ethical aspects within an organisation are those factors that help to determine what is a respectable or dishonourable organisational action or activity. Ethical factors involve the moral inclination of the organisation in its decision making, its duties, integrity, and behaviour, and evaluating what is good and bad for the organisation, its employees, and external stakeholders. Ethical organisations conduct their operations in a socially responsible manner towards all their stakeholders. Ethical behaviour by organisations will be evident if they demonstrate the following:

- Be truthful about the products offered by the organisation.
- Ensure that employees receive reasonable payment for their labour.
- Ensure that suppliers are paid what they are owed in a timely manner.
- Sell goods and services at reasonable/realistic prices (fair trade).
- Provide reasonable working conditions for employees.
- Safeguard the natural environment by using resources efficiently, minimising waste and recycling raw materials.

If an organisation should for unforeseen reasons be liable for an ethical transgression, the actions taken by the organisation to remedy the situation or mitigate the damage, will demonstrate the ethical inclination and standards upheld by the organisation. For example, if an oil tanker loses its load (oil) in the ocean, how the oil company reacts to limit environmental damages, will demonstrate the values and ethics upheld at that organisation.

### 1.5.2 Microenvironment

The microenvironment encompasses all the factors of an organisation's immediate environment which influences the performance of the organisation. These factors are understood as the microenvironmental influences because they have a direct influence on the organisation's day-to-day business operations. To this end, the microenvironment does not have the exact same impact on all the organisations in an industry, since the strategies, company profile, capacity and abilities of each organisation is unique. In essence, this means that some factors will be specific to the organisation.

To understand the influence of the microenvironment on organisational outcomes, an internal analysis of an organisation needs to be conducted. The ultimate goal of such an exercise is to effectively utilise the organisation's strengths and to correct or compensate for its limitations.

To consider and act upon the microenvironmental influences, is critical to gain or maintain a competitive advantage. Some microelements have a direct bearing on the HR practices of the organisation. These factors include among other things, employees; labour supply, demand, and compensation; employee relations and trade unionism; organisational aims, objectives and performance management; mergers and other organisational changes; resources of the organisation; location of the organisation; competition; and clients, customers, and consumers. It is important to note that these factors are not static, nor is the way in which these microelements should be managed by HR practitioners. Nevertheless, in contrast to macrofactors, these microfactors are to a large extent within the control of the organisation (including HR). The factors listed above are explained in more detail in the sub-sections below.

## Employees

Employees are one of the cornerstones of a successful organisation. The benefit of having and retaining competent staff cannot be over emphasised. By training and developing employees, HR can guarantee that the workforce remains up-to-date with the necessary skills to add value to the organisation. With a qualified and competent workforce, it is more likely that the organisation will remain relevant and achieve organisational success.

In order for the organisation to have competent employees, HR holds the responsibility to firstly recruit and employ competent employees and then to offer ongoing training to these employees. It is also vital to offer promotion opportunities to employees. Development and opportunities for promotion contribute to the motivation of employees. When organisations do not have competent employees, it will have a detrimental impact on the competitive advantage and ultimate success of the organisation. In essence, HR needs to ensure that the organisation has skilled employees, since skilled employees can help an organisation to achieve organisational success.

HR should furthermore monitor the retirement of employees, to ensure that an employment position does not remain vacant (knowledge departure without replacement). Recruitment, selection, orientation, onboarding, and training (if needed) should occur in a timely manner to ensure the retiring employee can be replaced.

## Labour supply, demand and compensation

Labour supply and demand has a direct bearing on the compensation an organisation should offer to attract potential employees and to retain the current workforce. To stay on top of supply and demand in the labour market is a responsibility of HR. This means that when the labour supply is higher than available work opportunities (as is the case in South Africa, visible in the high unemployment figures), the proposed compensation offered to potential employees can be lower. Likewise, in cases of highly skilled employees, where a shortage of skills usually exists, the amount of compensation offered should be increased. This is to prevent the company from losing the candidate (or current employee) to another organisation.

The skills and competence of HR in this regard is critical. HR must continuously evaluate the organisation's compensation packages by appraising and comparing the compensation offered to employees with similar skill-profiles within the industry. By having accurate statistics, the organisation ensures that its compensation remains competitive enough to attract and retain employees, but low enough to ensure that the organisation remains financially viable.

## Employee relations and trade unionism

Trade unions (organised labour) are central role players in the modern world of work. Trade unions are formed by employees, to protect the interests of their members and, among other things, to better the working conditions of employees within organisations.

Organised labour (employees belonging to a trade union) are of the viewpoint that they are more protected from exploitation by the employer, compared to employees that do not form part of a trade union. The rationale for this view is founded in the belief that collective effort (collective bargaining) by the a trade union carries more weight and thus holds more power than individual efforts.

For HR, it is critical to be aware that trade unions play a vital role to maintain harmonious relations between management and employees. It is critical to uphold healthy relationships between these parties. It is always to the benefit of the organisation to maintain harmonious relationships between the different stakeholders, in order to avoid dissatisfied employees and a toxic work environment. To this end, it is advisable that HR perform activities, such as recruitment, compensation and terminations, in consultation with trade union representatives. You will learn more about trade unions in Chapter 2. For the purposes of this section, you simply need to understand how trade unions can influence the microenvironment of the organisation.

## Organisational aims, objectives and performance management

The aims and objectives of the organisation need to be realised for the organisation to be successful. These aims and objectives are realised by the employees of the organisation. The attainment of organisational aims and objectives can thus only be realised when the employees are able to perform well in their various work positions within the organisation.

In this regard, HR plays a fundamental role in the performance management of employees. Performance and accordingly, performance management, plays an important role in achieving organisational objectives. Effective performance management by HR can thus be used as a tool to realise the organisational objectives. The initiatives of HR should include training and development of all employees.

## Mergers and other organisational changes

Changes in organisations, mergers and even acquisitions are not a foreign concept in the business world and have a direct bearing on the microenvironment of the organisation. Large organisations often take over smaller organisations and countless organisations are moving to online systems.

Mergers and other organisational changes have a direct impact on HR. Such changes need to be accounted for in the future planning of HR, where the skills and abilities of the human capital needs to be re-evaluated and where needed, new skills need to be taught.

## Resources of the organisation

Apart from the human resources, organisations also have technological, financial, and physical resources. All the different resources support the organisation to reach its objectives and remain competitive in the business environment. HR needs to have complete insight into these resources. The reason for this is that with the aid of these resources, the human resources of the organisation can realise the business objectives. Without the necessary resources, it is not possible for employees to perform their duties.

As an example, consider the financial **stance** of the organisation. If the organisation is under financial pressure, HR should take into consideration the limitations of possible salary increases or performance bonuses. Funds that might have been **earmarked** for training and development might need to be redistributed for the continuous operations of the organisation. HR therefore needs to be aware of how to adjust to the micro influences within the organisation to support the continuation of the business. It is only with clear insight into the various resources that HR will be able to effectively support the flourishing of the organisation.

**Stance**  
another word  
for position

**Earmarked**  
be selected  
or chosen for  
something  
specific

## Location of the organisation

The area in which the organisation operates is a micro-environmental element which will have a direct influence on the organisation. The role of HR cannot be separated from this micro-environmental influence. For example, the location of an organisation will have a direct influence on the recruitment strategy followed by HR.

For some organisations, it might be essential for HR to consider the requirements of the consumers/customers in the area and recruit employees who will have the ability to understand this market. This can include aspects such as the languages spoken or cultures of the local community.

For another organisation, it might be difficult to recruit suitable candidates for employment positions. This could be the result of a smaller pool of available candidates in a remote geographical area. It might be difficult to convince candidates from elsewhere to relocate to the location of the organisation. To recruit employees from other areas might cost the organisation more, such as larger salary packages to convince candidates to move, or costs incurred by financing the actual relocation of the recruit.

Yet another organisation might decide to move operations to a more remote location, since the premises might be more affordable to rent. The operational requirements might not necessitate highly skilled employees. HR can thus recruit staff from the local community at lower wage expenditure to the organisation. In short, with a decrease in the overheads of the organisation, the feasibility of the continuation of the organisation is increased.

## Competition

The competitive environment comprises a number of aspects that every organisation needs to be aware of. Competitors can be understood as other organisations that operate in the same industry. The extent of the competition will have a direct influence on the power of HR to recruit suitable employees.

When employees have specific skills, their negotiation power increases as job opportunities are more available. They can thus decide to rather work for a rival organisation if the compensation packages offered are more appealing. Apart from obtaining suitable employees, HR has the responsibility to retain the organisation's current workforce. Specific structures should be in place to retain the skills and experience of its human resources.

The other major influence is the reputation of the organisation. Employees do not want to be associated with organisations that have a negative image in the corporate environment or the broader community. The corporate image of the organisation is greatly influenced by the conduct of its employees. In this regard, it is critical that HR ensures that organisational policies and codes of conduct are strictly adhered to.



**NGO (non-government organisation)**

a non-profit organisation that functions independently of any government, sometimes referred to as civil societies to serve a social or political goal such as humanitarian causes or the environment

## Clients, customers, and consumers

The main objective of any organisation (apart from NGOs) is to make a profit. This is achieved by delivering products or serving clients to a certain standard. In essence, for the organisation to be successful, the demands of the consumer need to be satisfied. Customer satisfaction is the foundation for the success of the organisation. In this regard, HR has the responsibility to employ staff that hold the best interest of the organisation, as well as the consumer, at heart. A large proportion of customer satisfaction is reliant on customer service. HR should ensure that organisational staff contribute to attracting and retaining customers.

## 1.6 Possible careers in HRM

Choosing a career is one of the most significant decisions that a person will make in his or her life. Although some people simply know what career they want to pursue, most of us are not so sure. Choosing a career is not an easy task. With a multitude of career options, how will you know what profession is right for you?

### Activity 1.2

When someone tells you to think of the word 'healthcare professional', many of us will automatically think of a doctor. But doctors are not the only healthcare professionals. Healthcare professionals also include nurses, paramedics, dietitians, dentists, optometrists, and many more. The same holds true for the management of human resources in organisations.

Before you study the section below, try to identify at least three career pathways in human resource management. Share these thoughts with the class. As a group, you are challenged to identify at least eight possible careers in HRM.

Selecting a career entails more than simply selecting a profession to earn an income. A large proportion of an individual's time is spent in the workplace. It is therefore justified to take the necessary time to do some research before making your decision. When considering a profession, it is also important that you take into consideration your personality type, personal values, interests, skills, and abilities. Reading up on possible career choices can greatly help you to make an informed decision.

Following are some different careers paths that can be pursued in the field of HRM. These are not the only career avenues in HRM, but it will provide you with insight into how comprehensive this study area is. With a better understanding of the different career options within HRM, you can better determine whether it is the right profession for you.

### 1.6.1 Talent specialists

The role of the talent specialist is to find, recruit and select the best possible candidate for a given employment position. You will learn all about the recruitment process and talent acquisition in Chapter 5. Accordingly, this section is dedicated to simply informing you of the role of recruiting, selection and talent specialists.



The recruitment and selection of qualified employees is a key priority in any organisation. This is because employees play a crucial role in the continuation and advancement of an organisation. It is thus vital to select the right person for each employment position. Finding and employing the right person is a critical operational need of an organisation.

Talent specialists are recruitment and selection specialists, but with a different objective in mind. Ever heard of the term “head-hunter”? Head-hunter is a layman’s term for talent specialist. Talent specialists are focused on identifying, sourcing, and hiring employees with a very specific skills profile. Talent specialists usually work in employment sectors that are very competitive. This requires them to find, source and hire highly skilled employees in specific employment positions before these candidates are recruited by the competition. Industries or sectors that typically make use of talent specialists include technology, healthcare and finance, since these sectors are ever expanding and changing.

While recruitment and selection specialists focus on the operational needs of the organisation for continued existence (short-term and immediate purposes), talent specialists are focused on the strategic needs of the organisation for continued existence (long-term objectives). Talent specialists follow an ongoing approach which is focused on long-term human resource planning to source specialists, leaders, or future executives of organisations.

Recruitment, selection, and talent acquisition are important and deliberate activities of an organisation to ensure that the operational needs, as well as the long-term strategic goals and objectives can be realised with the support of its human resources (human capital). These activities of the organisation are fulfilled by the recruitment, selection and talent specialists.

### **1.6.2 Learning and development specialists**

The overall success of an organisation is dependent on the effectiveness of its employees (human resources). To this end, it is fundamental to develop employees through learning, training, and development. A core function of learning and development specialists are to teach, train and develop (improve, advance and further) employees to essentially promote organisational effectiveness and success. By assisting employees to grow, the success of the organisation is furthered.

The intention of learning and development is to enhance the skills, work conduct, and expertise of employees by teaching them new skills, knowledge, and techniques to improve the way in which they do their work. This role is fulfilled by the learning and development specialist.

### **1.6.3 Payroll specialists**

Payroll specialists, as the job title suggests, are responsible for managing all aspects of the payroll. They manage the payroll and maintain the employee database for the purposes of salary and pay. In this capacity, payroll specialists will, among other things, be responsible for gathering employee data related to the remuneration they are entitled to. They will consolidate timesheet information, as well as calculate wages, reimbursements, bonuses, benefits, tax and other deductions, and commissions (where applicable). With this information, payroll specialists will then prepare and process employee payments.

### **1.6.4 Labour relations specialists**

Labour relations specialists, sometimes referred to as industrial relations specialists, or employee relations specialists, are responsible for bridging the gap between employers (management) and the employees, in order to manage the conflict, labour issues and labour disputes within organisations. A large proportion of their work entails mediating differences or various forms of conflict amongst employees or between employees and management.

### **1.6.5 Human resource information systems (HRIS) specialists**

HRIS specialists are responsible for implementing, maintaining, and supporting technological resources that are used for managing human resources within organisations. These information systems include software that usually manages payroll and benefits processing, leave management, attendance records (hours worked), performance management, training and development of employees, electronic employment records, and recruitment tracking records. To this end, it is important that HRIS specialists have extensive knowledge of HRM, information technology (IT), computer science and its systems operation.

### **1.6.6 Human resources (HR) administrators**

HR administrators play a crucial role in managing the administrative aspects of HR within the HRM department. HR administrators are fundamental team members. HR administrators make sure all administrative aspects of the HRM department run effortlessly. The duties and responsibilities of HR administrators can differ slightly, depending on the employment sector or organisation, but generally speaking, HR administrators are responsible to facilitate and support the operational processes within the HR department.

### **1.6.7 Human resources (HR) managers**

HR managers coordinate, plan, and supervise the numerous functions of the HRM department within an organisation. They are usually responsible for supervising a team of HR professionals and support staff. HR managers are responsible for ensuring that the organisation follows best practice to develop and retain its human capital and to effectively manage employee relations.

They furthermore plan, direct, and coordinate the administrative functions of the HR department within an organisation. HR managers also play a key role as they serve as a link between an organisation's management and its employees.

### **1.6.8 Human resources (HR) consultants**

HR consultants work independently, carrying out contract work to provide guidance and advice on the effective and efficient management of human resources to a number of organisations. Smaller organisations that do not have a dedicated HR department, can typically make use of the services of HR consultants. HR consultants charge organisations an hourly fee to provide a consultative or advisory service regarding the human resources of the organisation. The tasks and undertakings of the HR consultant is dependent on the needs of the client.

The consultative work that HR consultants will provide to organisations will usually entail assisting the organisation to identify its needs, develop an action plan, and then facilitating the implementation of the proposed (and approved) action plan needed to enhance the success of the organisation.

### 1.6.9 Health and safety officers

HRM holds the undisputable task of balancing the best interests of employees and the organisation. No HR manager (or any other manager) wants their employees to be harmed in the workplace. Although the role of HRM can differ in terms of health and safety, depending on the size and structure of the organisation, the sole objective of health and safety measures in an organisation remains the same. Health and safety measures in organisations are focused on ensuring that the working environment is suitable and safe. The safety of employees does not only refer to the physical safety but includes safeguarding the well-being of employees during their employment at the organisation. In Chapter 11, you will learn more about the health and safety of employees, whilst Chapter 12 will focus on employee well-being.

As stated earlier, the role of HRM can differ, in terms of health and safety, depending on the size and structure of the organisation. In some instances, the role of health and safety will be fulfilled by a HR manager, whilst in other instances a health and safety officer will be appointed to fulfil this work duty.

#### Activity 1.3

Now that you have gained more insight into some careers in HRM, use an electronic search engine and consult career portals to look for the abovementioned HR job positions and vacancies. From there do the following:

1. For each career option, write down the different duties that these employees will be responsible for. (Consult more than one advert to ensure you get a holistic picture.)
2. For each career option, identify the necessary skills, experience, and, where applicable, qualifications. Write these down.
3. Try to find other HRM career avenues that were not referred to in section 1.6 and share your findings with the class.

## Summary

HRM is about managing people. It can be understood as a specific approach to managing employees with the understanding that those employees are vital assets to the organisation.

The chapter commenced with a discussion of the scientific management approach, followed by the human relations approach. These older approaches influenced the development of the HRM approach – the preferred approach to managing human resources in the contemporary work environment.

With the scientific management approach, employees were treated as if they were only interested in money. Work methods were concerned with what employees could produce but not with the employees themselves and their work satisfaction. The shortcomings of the scientific management approach led to the development of the human relations approach. The human relations approach worked on the premise that the effectiveness of any organisation is dependent on the quality of relationships among the employees working in the organisation. Yet, with this approach, it could not guarantee that employees worked at optimal levels of productivity. The shortfalls of the scientific management approach and the human relations approach led to the development of the HR approach.

The HR approach functions on the belief that organisational goals and employees' needs cannot be separated. What this means is that the role of HR is to make the organisation more effective and, simultaneously, to satisfy the needs of employees.

The next section focused on the importance of the agility and flexibility of HRM in a contemporary environment. In this section, it was explained that within an organisational context flexibility refers to the ability and willingness to adapt and adjust to changes in the business environment. Agility refers to the ability to respond quickly and effectively to changes and challenges in the business environment.

From there your attention was turned to the fundamental focus areas of HRM, which are the precise focus and purpose of this 3rd edition of *Introduction to human resource management: Fresh perspectives*. This section thus dealt with what you can expect to discover in this book.

The next two sections dealt with the macroenvironment as well as the microenvironment, and the influences thereof on organisations. The macroenvironment refers to the external factors that have an influence on organisations and the strategies organisations need to follow to ensure its continuous existence. The microenvironment refers to all the factors of an organisation's immediate environment which influences the performance of the organisation. These factors have a direct influence on the organisation's daily business operations.

The chapter concluded by providing insight into various career opportunities in HRM.

## Discussion topic

In July 2021, the world was in shock after a week of public violence in certain provinces in South Africa.

The violence left more than 330 people dead and hundreds more injured, with enormous damage to the South African economy. The violence witnessed was considered the worst civil unrest since the fall of apartheid.

The public unrest was catalysed by the arrest of former president, Jacob Zuma. Zuma handed himself over to police after he was convicted of contempt of court in June 2020, after failing to attend an inquiry into corruption during his presidency.

Upon his arrest, numerous supporters demanded the release of the former president, who they regard as their political hero. These protests quickly escalated to days of civil unrest, violence, and looting.

In several areas, fires were intentionally started, trucks that transported essential goods were set alight, livestock was stolen, and businesses and storage warehouses were looted. ATMs were broken into, highways were blocked, and ambulances were under attack by rioters in Gauteng and KwaZulu-Natal. The extent of the damages and lootings was so severe that some affected areas ran out of basic food supplies.

In many instances, looters were heavily armed, countless shots were fired and a number of petrol bombs were detonated. Police forces, who were unable to control the escalating situation, watched helplessly as looters emptied shops and carried stolen goods to cars waiting for them.

The vast majority of looters were young, black South Africans. Young black South Africans are most adversely affected by poverty and unemployment. The hardship was worsened with lockdown measures implemented because of the COVID-19 global pandemic.

While some sources believe the civil unrest was a result of the arrest of Zuma, other sources maintain that a time bomb has been ticking for some time because of economic hardships experienced by young black South Africans. These sources maintain that the arrest of Zuma might have set off the bomb, but that the civil unrest casts light on the far-reaching challenges and hardships faced by countless South Africans.

The civil unrest eventually came to an end with the deployment of 25 000 soldiers who were commissioned to patrol affected areas.

- Identify and then discuss the macroenvironmental factors or external factors which were present during these riots.
- Discuss how these macroenvironmental factors or external factors would have influenced the organisations in these areas.

## Self-test questions

1. What is the definition of HRM?
2. What are the three main areas of historical development of HRM?
3. What are the fundamental focus areas of HRM?
4. Why is agility and flexibility important for HRM in a contemporary environment?
5. What are the seven macroenvironmental factors that affect South African organisations?
6. What are the microenvironmental factors that affect HRM in South African organisations?
7. What are the possible careers in HRM?

Read this case study and then answer the questions that follow.

## CASE STUDY

### Office Space Inc.

Office Space Inc. is a manufacturing company specialising in the supply and distribution of office furniture, equipment, and stationery. The organisation was founded in 2000 and grew from 10 employees to a workforce of 98 employees. This gradual expansion was needed due to the ever-increasing demand for the high-quality products offered at affordable prices by Office Space Inc.

Jeffrey King is a HR consultant and periodically provided consultation and advice to Office Space Inc. as the need arose. The recommendations made by Jeffrey was always valued and approved by top management. Until recently, the action plans, as suggested by Jeffrey, were implemented by Parker Williams, the procurement manager at Office Space Inc. This implied that apart from his duties as procurement manager, Parker and his two assistants, Monica and Portia, had to ensure that the organisation's human resources were managed effectively.

In 2021, Office Space Inc. bought over Fabulous Office Equipment Pty Ltd. and the workforce suddenly expanded from 98 to 312 employees. At the first strategic meeting after the merger, top management announced that the operations of Office Space Inc. will be further expanded and that a second and third warehouse would be built over the next three years. Top management further made it known that they wanted to expand the workforce and foresaw that the workforce would triple in the next five years. Parker raised his concern to the executive board. He explained that with the greater workforce, the workload would be too much for him, Monica and Portia. They would not able to manage such an extensive workforce. He successfully argued that the organisation now needed a dedicated HR department.

Apart from objections made by one executive, Peter Marx, top management approved the recommendation made by Parker. The majority vote was that Office Space Inc. should again consult Jeffrey King to guide the process of setting up a dedicated HRM department. During the meeting, Peter Marx made two comments. 1) He stated that tasks should merely be simplified and then employees would know what to do, and that if employees knew what to do, it would be easy to manage them. 2) He stated that employees are only interested in earning as much money as possible. If management ensured that employees were paid enough, no problems should arise and the task could easily be managed by Parker, Portia and Monica.

### Questions

1. From the comments made by Peter Marx, it is clear that he does not understand the function and purpose of HRM. It is the responsibility of Jeffrey King to explain the purpose of HRM. If you were Jeffrey, explain to Peter Marx what HRM is and what it entails.
2. From the comments made by Peter Marx, it is clear that he believes in a different approach to management of employees than what was used in the past. Identify and discuss this approach.
3. Identify at least five employment positions that will be needed in the new HRM department at Office Space Inc. for the organisation to be successful.
4. Since Office Space Inc. have been loyal clients of Jeffrey King for more than 20 years, Jeffrey decides to provide the organisation with an additional service free of charge. He advises and makes recommendations to the organisation on aspects of the microenvironment that should be considered to ensure the continuous successful performance of Since Office Space Inc. What factors will typically be included in this report?

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