



# HRM Capstone Project

## INTRODUCTION

Organizations today recognize the importance of their employee in providing competitive advantage. As such, organizations now adopt HRM (human resource practices) that help them utilize their employees to their benefit. Human resource practices have the ability of determining how an organization performs against its competition. Research today has show a direct link between performance and best human resource practices. On this basis, organizations today require practices and procedures that have the capability of helping organizations best employ their human resource. The current trend in HRM practices is to align an organization's vision, mission and goals with its business strategy. The human resource factor in an organization's success mainly depend on how well treated and valued an organization's employees are. An organization that treats its workforce with dignity and respect gets the ability to utilize its workforce to add its value. Human resource management strategies can be designed to enable an organization sustain its competitive advantage. This mainly results from the understanding that an organization's core competencies emanate from employee embodied skills. The HRM strategy, therefore, should be designed to successfully

develop a workforce with the capability of undertaking all the required tasks to become the best asset in the organization. HRM practices and procedures have developed overtime, but cannot be imitated creating the need for each organization to formulate their own practices and procedures.

## BACKGROUND

This paper will use a virtue organization to develop HRM practices and procedure. Smith Systems Consulting is a consulting organization based in Huston with a workforce of three hundred and fifty employees. The company provides business systems and information technology consulting services. The company's clientele consist of companies from varied industries which include financial services, manufacturing, retail, transportation and education.

## SELECTION

- **EEO (equal employment opportunities)**

The equal employment opportunity practices have the main aim of ensuring employment equity. This is in line with employment laws and the company's goal. The company therefore, expects all its employees to be indulgenced fairly and with esteem. The working environment should be free of any form of harassment and discrimination. All employees should have equal chance for

recruitment, selection and promotions. The company also should ensure that employees can choose and pursue the most preferred career path. Training and career development opportunities shall be accessible to all employees.

The company's equal employment opportunities is "giving equal chance to all employees to enable everyone achieve their full potential and pursue their preferred career paths"

- **Affirmative Action**

Affirmative Action is a policy intended to ensure that previously discriminated groups are given employment opportunity. Protected groups or the previously discriminated groups and be defined in terms of age, disability, marital status, family status, pregnancy, color, sex, religion, sexual orientation or national origin. The company prohibits treating employees based on the defined discriminatory definitions. The company's recruitment practices should ensure that diverse applicants have an opportunity to gain employment.

The recruitment process should be designed to ensure that the most qualified individuals get employment opportunity and give due consideration to the protected or underrepresented groups. The company's should effect management practices that provide a working environment that is inclusive and have the capability to foster human diversity. In addition the work environment should be

able to add value to the organization and its employees. The company commits to ensure that its working environment accommodates all the named protected groups unless undue hardship can result from making such accommodations.

- **Affirmative Action statement**

The company undertakes to provide a working environment that is free of unfairness on the center of age, marital status, family status, pregnancy, disability, color, sex, religion, sexual orientation or national origin.

- **At-Will Employment**

At-Will Employment agreements can be used to describe the situations where employees and their employers can terminate the work relationship at any given period. The termination of their employment relationship is however not subject to legal without consequences at any given point. This implies that the company can terminate the services of its at-will employees at its pleasure without fear of legal action. The company's policy for it's at -will employees is, therefore, to end their services without notice whenever the fail to meet their employers expectations. On the other hand, at-will employee can terminate their service to the company at any given point without legal consequences. At-will employees are not required to give the company an reason for ending their services.

- **At-Will Statement**

Given the unfair nature of at-will employment the company does not engage this category of employees.

## **DEFINITIONS**

- **Independent contractors**

Contract employees can be recruited from time to time to perform supportive tasks or to provide the required additional capacity in cases where there are skill shortfalls. Contract employees can be hired according to the functions required or their specialized skills. The period of employment for contract employee can range from 6 months annually depending on their tasks.

- **Part-time Employees**

Part time employees can work for up to forty hours a week. Their work is based on a different schedule from that of their full time colleagues. Part time employees have one year renewable contracts with the company. Part time employees enjoy medical benefits, retirement benefits among other benefits provided by the company. In addition full time employees enjoy paid vacation, sick leave and bonuses that have to be determined by their job performance. Part time employees have job security guaranteed by their contracts.

## • Full-time Employees

Full time employees can be described as employees employed by the company to work for not less than forty hours per week. Fulltime employees have three years renewable employment contracts with the company. They should enjoy medical benefits, retirement benefits among other benefits provided by the company. In addition full time employees enjoy paid vacation, sick leave and bonuses that have to be determined by their job performance. Full time employees receive compensation depending on their skills and job description. They also enjoy employees have job security guaranteed by their contracts with the employer. The company should have a fair mechanism for determining its employees' compensation base on fairness and job level.

## • Temporary Employees

Temporary employees are hired for given period to assist the company to undertake extra tasks required to meet its client demands. The need to hire temporary employees occurs when there is surging demand from the clients. They undertake tasks that the company deems as temporary or seasonal. This implies that the cost of hiring and maintain fulltime employee to undertake such tasks would be costly and unnecessary. Temporary employees do not enjoy such benefits as health cover, retirement benefits, leave allowance, vacation allowances. Temporary employees may leave employment once the tasks they complete the tasks that they are

hired to undertake.

## TRAINING

Employee training is the planned effort aimed at facilitating employees to learn job related skills and the expected employee behavior. Ensuring that the employees gained the required skill to perform their tasks the company can improve its workforce productivity and run its operations efficiently. The Company's training program are aimed at helping the organization address improvement in staff performances and address any existing gaps in its employees performance. All training programs should be discussed with the targeted employees and directly linked to performance expectations. The training programs starts with induction programs for newly hired employees. Then the on-the-job training for new recruited employees, the company should also conduct skill base training for its existing staff to ensure they are updated on new developments in their particular fields (Bohlander, 2010). All new employees should undertake the orientation program which should include the company's vision and mission. The new employee orientation should also include the company's payroll and benefit practices and processes as well as the human resource procedures and the company policies. The training needs for the company's employees should be developed from employee performance appraisals. This should ensure that the organization does not spend resource on unnecessary training programs. In addition the company shall regularly conduct leadership



training, team building programs and workshops, for all its employees to ensure performance improvement (Walsh, 2010). Periodic Stress management programs, presentation skills, conflict resolution, emergency preparation and cross-cultural programs should also be carried out to enhance good interactions between the company employees.

- **New employee orientation**

All the company's new employees should be undertaken through an orientation program aimed at inducting them to the company's mission, vision and human resource practices. The induction program should also familiarize the new employees with the company's policies, rule, regulation and payroll process (Berman, Bowman, & West, 2010).

- **Workshops and seminars**

The company shall conduct regular training programs for its employees to train them on the new developments in their fields through workshop and seminar.

- **Team building programs**

The company should conduct periodic team building programs for all its employees to ensure that there is cohesion among its employees. Team building exercises also aimed at improving



interaction among the company employees and provide informal forums for the employees to interact.

- **Emergency training**

All employees should be trained in emergency procedure. The company should conduct regular fire drills and emergency evacuation procedures to ensure that its employees are trained to handle emergencies.

- **Specialized training**

For those tasks that require specialized training the company should train the qualified employees. However if the new training required employee attend courses in higher training institution, the company shall pay the cost of the training.

## **DEVELOPMENT STRATEGY**

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## **DEVELOPMENT STRATEGY**

The company's employee career development strategy is aimed at retaining the most talented employees. The company should ensure that a joint effort to upgrade its workforce skills, abilities and knowledge exist (Armstrong, 2008). The training program should provide the company with a highly skilled workforce with opportunity for the company employees to gain knowledge and experience. The program should ensure that the employees develop full expertise in their chosen fields and pick up new skills. Development program have several stages which include the beginners stage, middle stage and the full expert stage. At the beginners stage the employees are employees are taken through all the company's operations to familiarize themselves with the company operations (Gatewood, Feild, & Barrick, 2011). Career development should suit the job descriptions, company needs and employment contracts. It also aimed at enhancing employees learning opportunities.

- **On the job training**

On the job teaching is one of the methods that the company should

use to develop the career of its employees. Depending on the job description the company should ensure that its employees acquire the required skills. The program should also help the employees to perform their tasks competently and develop their full potential.

- **Mentorship programs**

The company should establish mentorship program especially for the management jobs to ensure that it has the required talent. Mentorship programs are also aimed at ensuring that right candidate for management position are indentified and trained to ensure continuity and a transition plan for top leadership.

## **COMPENSATION**

Employee compensation describes the practices of paying salaries, wages and other benefits by the company to its workforce. Compensation is one of the main ways that companies use to attract and retain talent. Higher compensation by a company to its employees in comparison to its competition ensures that it can attract talent and retain its most talented workers. The company should ensure that it pay level commensurate the industry pay level to ensure it remains competitive. Higher compensation beyond the industry level can increase the operational costs and reduce profits (Robert & Harold, 2011). Payment practices should, therefore, be in level with the industry compensations or slightly above the level to mitigate negative labour

costs. Compensation especially benefits can be tied to job performance to encourage higher performance. Compensation can be also used to ensure employees' job satisfaction by showing that their work is appreciated. The company compensation policy should also communicate fairness. Employee compensation enables the company to have future prospects.

- **Salaries and wages**

The company employee pay policy is to compensation employees with similar skills at the same level. However, contract employees should be paid according to what the agreed compensation in their negotiation.

- **Overtime compensation**

Employees who have to put in extra hours to complete urgent tasks require overtime compensation. The company should have a policy framework to determine those eligible for overtime compensation and those who should be exempted.

- **Compensation exempt status**

Employees who receive regular salaries and work for forty hours per week are exempted from overtime compensation unless the management authorizes their overtime pay. Temporary employees, part time employees and contract employees are exempted from

compensation payment unless under special circumstance and in emergency situations. This rule however, is not applicable during emergencies or special circumstance where employees may be required to work extra hours. Overtime compensation should be determined at an hourly rate and should be dependent on the employees pay level.

- **Non exempt staff overtime compensation**

Non exempt staff should receive overtime compensation pegged at one point five times their regular hourly compensation. Overtime compensation can also be in terms of time off compensation for the hours worked beyond the weekly requirement. Overtime compensation can, therefore, depend on the employee's preference.

- **Overtime limits**

All the non exempt employees cannot accumulate more than twenty compensatory working hours. Should an employee exceed this limit he or she should be paid in lieu of the compensatory hours and the exemption can only be approved by human resource manager.

## **APPRAISAL**

The company should have a uniform staff appraisal system intended to regularly perform scheduled performance appraisals. The appraisal system is the forums that enable the employees and their supervisors



to discuss their job performance, goals, skills and knowledge required to competently perform the required tasks. The mechanism is also in place to help identify performance gaps, skill deficiency and the areas that need improvements (Bohlander, 2010). All employees are required to fill and sign appraisal forms and submit them to human resource department within the given period. The appraisal process should evaluate the core expectations of the tasks performed. Supervisors are expected to complete appraisals of the employees under their charge and sign the forms. In cases where the immediate supervisors are unable to complete the appraisal the next highest supervisor should perform the task.

- **The appraisal process**

The immediate supervisor and the employee should review the performance appraisal. The employee is then given a copy of the appraisal and should sign the appraisal form indicating he or she has been offered a duplicate of the appraisal. They should also indicate receipt of the content in the appraisal form and acknowledge that they discussed their performance with their supervisor. The process also allows the appraised employees to write their comments and submit their appraisal within a month after being reviewed. In cases where employee refuses to sign their review the supervisor should ask another employees to witness the receipt. The witness should be an employee at the supervisory level and should indicate the employees' refusal to sign his or her appraisal. All new employees

should receive two appraisals in their beginning year of employment. Temporary employees and contract employees are however exempted from this requirement.

- **Appraisal notification**

Employees should be notified at least one month before performance appraisals are performed.

- **Late appraisal**

Appraisals should be considered late when supervisors fail to submit their employees' appraisals to the human resource department ten days after their due date. Exceptions to this rule, should apply to supervisory staff on official leave. The other exception to the rule is when an employee decides to take the given thirty days to make comment on his or her appraisal. The completed appraisal submitted to the human resource department should be filed in the employees file.