

Unit-4 - Human Resources Management

Introduction:

I have been asked to choose a particular business, which assesses the management of a Human resources department. For this report, I have decided to choose Ford Motor Company. I will be looking at how Ford Motor Company looks at its employees and how it focuses on the four functions of this department, which are Human resource planning, Recruitment and selection, Training and development and Performance management.

Methodology:

This report discusses on how a company plans and carries out the Human Resources department therefore it would be better to carry out the Secondary research where the research is carried through different standards such as Internet where it will be useful to extract information about the functions of the Human resources in depth. It would be efficient enough to carry out the advertisements through the leaflets, newspapers, brochures etc.

Primary research is the research that is original and is obtained manually involving range of methods, such as questionnaire and surveys. For Ford it is important that they find out the rate of high unemployment in a certain area. They can carry out this by creating surveys but it is not the Company's duty to find this particular information out they can obtain this information from the National Statistics Office (NSO) and they can use the information to carry out the planning for the future but this again is a form of secondary research.

Ford History:

Ford Motor Company entered the business world on June 16, 1903, when Henry Ford and 11 business associates signed the company's articles of incorporation. Few companies are as closely identified with the history and development of industry and society throughout the 20th century as Ford Motor Company.

Ford Human Resources Department:

Ford has different associations around the world. A global diversity program was created to support the employee's community around the world. All the needs and resources are accomplished for the employees to give them a bright future at Ford. Leadership development is promoted through mentoring, coaching, which means training is very important for Ford. Ford is looking for a better way to encourage the employees, where they can measure the performance of each employee and reward them to push their confidence.

There are very less companies which adopt non-discrimination employment policy, where they treat everybody with same respect and give the same benefits. More about sexual and other acts are stated below in brief.

E.1) Human Resources Department:

Human Resources department is concerned with the employees who work for the organisation. In human resources, staffs play the most important part, other than staff there are many other resources that are considered for example money (capital), equipment, buildings and materials. To fulfil its purpose, human resources staff is involved in specific activities. The Human Resources Dept would usually be dealt with by the Head Office when providing Guidelines to the Managers, these guidelines would provide the skills needed for the job, and the job description, and from there it would be the manager's job to find the suitable person for the job. In order to carry out this department well, it has to focus on the four functions which have been listed below:

Human Resources Planning:

Human Resources Planning are concerned with the process of forecasting the workforce requirements of the business for future years. It looks at how many employees the business will require in the future as well as the type of employee that will be required, it is also concerned with getting the right people to make sure that maximum efficiency and effectiveness of the workforce. This also helps the Company to achieve goals that are set by an organisation.

Responsibilities:

In order to achieve the goals Ford must identify the means of using the effectiveness of people and also to identify the problems which can occur and the responsibilities of this department. Human Resources planning must recognise as an overall part of the strategic plan the planning can either be implemented or carried out as short term or long term. Short term planning of human resources aims to meet the immediate needs of Ford, such as filling job vacancies e.g. as a result of staff turnovers or maternity leave what positions are vacant what kind of skills are required for the management. Long Term human resources planning attempts to plan for the future e.g. if Ford was aiming to change its distribution techniques in the next few years, it would need to plan out the number of employees, the training required and any incentives or motivation that workers may require.

It is very important for the human resources department when planning the employees and their representatives should be consulted, it should be based on everyone's decision.

The business planning must work as per their employment trends for e.g. Ford's Human resources department uses the statistics of the number of employee's increases in past 5 years, as per the growth Ford would require new people who would fit into those criteria. If more people have left then there should be an action taken maybe more appraisals should be introduced. It will also mean that if Ford decides to invent more models then more mechanics and machine workers would be required where they should plan considering these statistics.

Ford is globally formed it has its companies all over the world. So employing can be taken at global level that means more people can be employed from poor areas which can decrease the level of unemployment and also the competition from the rivals.

Importance:

Planning is very important because it helps the company to achieve its objectives more easily by realising the importance of attracting and managing talented and qualified workforce. The realisation has pushed the rise of Human Resource Departments and the all-important managers managing it. The forecasts must be constantly reviewed and updated where necessary where it must be prepared by skill/job level rather than stating an overall total human resources records must be up to date, ideally computerised and easy to access for the employees, Ford has kept those up to date with the accurate number of results.

The most important part is the **Labour turnover**, this is used as an important measure while considering Human Resources Planning, the business will need to identify groups that are likely to leave and be ready to fill vacancies that occur. An Employee may leave because they are ill, retiring or having children. In some cases, they may be dismissed. All these cases are unavoidable. However, some workers leave voluntarily because they are not satisfied with the job. It's these workers that a business should be most concerned about.

Knowing about the existing labour force enables Ford Motor Company's Human resources department to make the most of the skills and potential already at present within the organisation because then they are able to replace those who are leaving. However, consideration of the availability of people from the local and national labour markets is also vital.

Impact on Resources:

While planning for the future it is important that Ford's human resources department is also being able to predict any redundancies, where they can also find the ways of preventing them. They also need to classify the employment costs that involves training and development programmes. In order to plan well there is a need to spot the accommodation requirements in form of recreational facilities. A logical set of personnel policies and practices geared towards effective organisational performance is a necessary requirement for the company to make the best use of resources when motivated to meet business objectives. Other technical and financial costs should be considered as well when planning, it will be very important to calculate the costs of recruiting staff, with the desired skills which should be undertaken. The costs of training programmes, installation costs, performance appraisals and the other ways of measuring performance should be carried out to compare with Ford's budget for these expenses, to see whether Ford can afford that many expenses or not. According to the targets set by the managers should be achieved by their employees in a period of time. All these three functions (Recruiting, training, measuring performance) should be well performed to let the employee to achieve those targets within the time of period given, the time shouldn't be wasted.

Demand Side:

The demand for labour depends on the plans of the organisation. According to Ford’s plan, where Ford is thinking about opening a new branch within a certain area where there is a high rate of unemployment. As per the plan, Ford Motor Company would require checking the vacancies for each department and the type of skills. Using this information they could think about expanding, and in order to support this expansion plan it needed to recruit a large number of employees. More new car models will be produced this will increase the demand, this would lead to more employees that would be needed to produce the cars, this would also increase costs, but at the same time it will increase the rate of production. This can affect the costs of the Ford pretty by large amount. The Human resources plans could really help this situation because they tell us the overall financial position of the company whether they can afford more employees or not and also the perfect location where most unemployment is. In order to forecast the demand there are two ways of applying these that are stated below:

Management estimates:

In this case the managers are asked to forecast their staff requirements. They will do this on the basis of past, present and future requirements.

Work study techniques:

Work study specialists work out how long various jobs take using available machinery and equipment. If Ford is aware of their sales then they can easily calculate the numbers of employees are required and the hours they will need to work in the company.

Supply Side:

If the organisation is to work out the supply of labour available then it must examine the numbers of people available to work, their ability to work, how long they can work for and their productivity in desired location.

Planning internal supply	Planning external supply	
Training and development Changing employment condition Staff loss and retirement Legal factors	Local factors Housing Transport Local Unemployment rates	National factors Legislation Government policy Skills Flexible workforce Population trends National Employment rates

Internal Supply:

The internal supply looks at the statistics and the basic information that is required to be collected on employees within the organisation. It needs to cover the main areas which include:

- **The number of employees in particular job categories:** Where the figure gives a broad overview of the numbers in an organisation who already possess certain category of skills. In Ford they count the amount of managers and workers in their organisation.
- **The skills available:** Ford needs to identify the skills held by their labour force because then they can easily work out how much more effort needs to be inputted and also they should be able to divide the work according to the ability, which can make performance measurement more convenient in terms of promotion.
- **Skills analyse:** The timing is important so Ford keeps up with the importance of their employees needed at the right time so they need to identify the skills which are already adapted and the skills which are needed for the future.
- **Performance results:** Ford will have to gather information about the level of performance of various categories of their current employees.
- **Age distribution and length of service:** If there is a knowledge and information about workers then it is easier for them to evaluate and focus on the different age groups. So if there are older people employed then they need to take the retirement process in mind where they will have to employ more people to replace them.
- **Staff turnover:** In order to prevent from future losses and to analyse why people leave jobs Ford will have to analyse their staff turnover. Staff turnover can be beneficial for Ford because as new and fresh staff can be recruited, promotion channels can be opened.

- Recruitment and Selection:

In Human Resource Planning Recruitment is very important. People are very essential resource in a business which means they have to be managed well. The aim of this function in the Human Resource department is to acquire a large number of employees through the process of recruitment and selecting.

Responsibilities:

In all businesses, people are a vital resource - and they need to be managed as such.

Ford Motor Company looks its way of recruiting in three main stages:

1. Identifying and defining the requirements. This involves the preparation of job descriptions, job specifications and person specifications
2. Attracting potential employees - there are various methods for doing this - which are described in a separate revision note
3. Selecting and employing the appropriate people from the job applicants

Recruitment is becoming more and more important in business. In particular, this reflects the increasing need for a well-motivated and flexible workforce that requires less management supervision.

Considering the Legal and ethical responsibilities relating to equal opportunities:

One of the major responsibility of Ford it to discuss the rules and regulations of the company by also taking the laws in mind. So it is important to work within law, if any failure to keep up with it then it can lead to court cases, possibly fines.

The Race Relations Act 1976 (RRA) and Sex Discrimination Act 1975 (SDA):

The RRA and SDA both have a purpose of protecting employees irrespective of age or status. On whatever basis of work they deal with three types of discrimination:

- **Direct Discrimination** - If an employer treats a black worker differently from how they would treat a white worker in the same circumstances.
- **Indirect Discrimination** - Takes place where the employer treats all workers the same way, whatever their race etc, but the result of the treatment is that workers of a particular racial group are disadvantaged.
- **Victimisation** – This occurs when an employee is singled out for unfair treatment because the person has attempted to exercise rights under the RRA and SDA or has helped others to enforce their rights.

Racial Discrimination:

This occurs when you are able to show that you have been treated less favourably on racial grounds than others in similar circumstances. To prove this, it will help if you can give an example of someone from a different racial group who, in similar circumstances, has been treated more favourably than you.

Sex Discrimination:

This means being treated unfairly because of your sex or marital status. It also includes being dismissed from employment because you have family responsibilities. For example, Ford's manager said that all male employees would receive a wage increase, but all the female employees would not, this would be direct sex discrimination. Discrimination also exists where there is a requirement (a rule, policy, practice or procedure) that is the same for everyone, but which has an unfair effect on particular groups. If the manager of Ford said that employees who had worked

continuously for the company for 20 years would receive a wage increase, it is likely that many more women than men would miss out on the increase. Many women interrupt their working lives to have children and would not have worked continuously in one company for 20 years. This kind of unfair treatment is called indirect sex discrimination.

Equal Pay Act 1970 (EPA):

The Equal Pay Act 1970 (EPA) gives an individual a right to the same contractual pay and benefits as a person of the opposite sex in the same employment, where the man and the woman are doing an equal amount of work. The employer will not be required to provide the same pay and benefits if it can prove that the difference in pay or benefits is genuinely due to a reason other than one related to sex.

Disability Discrimination:

This Protects employee who are classified as disabled. Anyone with a physical impairment that has long-term mental effects upon his or her ability to carry out everyday activities is termed disabled.

Importance:

It is important that the business objectives are converted into human resources requirements. It is straight forward that when a company grows in size it needs more people to run it. These businesses such as Ford could recruit people in two ways, the first one could be recruiting using the existing jobs, in Ford it's mainly about manufacturing and producing more, to produce more it needs more production workers e.g. production line managers. For this the Human Resource specialists create it on a larger scale e.g. by advertising for interviews. Another way of recruiting for new jobs is by - e.g. if Ford decides to open a new branch in a different country e.g. Spain, it needs people who can speak Spanish, who can translate languages but for the new jobs more details are required because these jobs are different than the existing ones.

The Impact on the Resources:

Many businesses change their job structure, which leads to decline in standardised jobs. This forces the employees to gain new jobs requiring more technology skills. Developing new jobs require a lot of research, where they seek other countries for more jobs. This gives opportunities to manufacturers like Ford to recruit those people by having done a lot of research, if there is lack of research then it could affect the company negatively.

Filling vacancies created by resignation, retirement, dismissal:

Replacing employees is very important which means when people are dismissed or they get older they have to be replaced with another. The Company then decides

whether the same skilled candidate is needed or new skills are required. Ford decides this by analysing the previous job-holder, it examines what the problem was and they try to evaluate on how the new employee can fulfil those problems.

Recruiting Process:

The recruitment process is very costly in terms of resources. The process involves the job specification, on what the jobs are going to be, the cost of advertising, sifting through applications which should meet the criteria that was set down for post, interviewing candidates and selecting the appropriate candidate. In order to prevent from not selecting the best candidates for the job it is necessary for Ford that they carry out the right procedure, if not then they can face problems with poorly motivated staff, which may make trouble before leaving and can lead to loss. The Recruitment process also involves a number of documentation. There is a procedure for this to develop and recruit people more information about this has been stated below in E3.

Experienced employees have to be replaced with new recruits, who have to be trained. This is likely to disrupt the operation of the business. Experienced employees can deal with problems much more rapidly than new staff. Constantly recruiting and training new people are very **expensive** and **time consuming**.

By calculating the labour turnover later can also be very costly for Ford because if the percentage of the labour turnover is high then a lot of time wastage and money wastage can be produced which means they will require more people to recruit meaning more costs. However if the percentage is low, it will benefit Ford but also may increase costs by raising salaries for the employees to encourage them to come to work.

Technical factors such as advertisement and interview programmes need to be maintained and performed, this could lead to financial problem for Ford and Ford has to make sure that they do not use this to too much excess.

- Training and Development:

Training is concerned with each of the individuals in a company to enable themselves to meet the company's objectives, while developing them personally which enables to meet each individual needs. Traditionally development was seen as an activity normally associated with managers with the future firmly in mind. By contrast, training has a more immediate concern and has been associated with improving the knowledge and skills of non-managerial employees in their present job.

Training and developing is very important to firms like Ford. The company that trains and develops its people is best placed to add value to its products therefore gains a competitive advantage.

Benefits of training:

If Ford applies training to their employees then there are number of benefits which benefit the company and its individuals:

The benefits to Ford Motor Company:

- There will be highly skilled staff using their new skills to share ideas, problems and solutions.
- Ford will adapt a culture of creativity and continuous improvement which is reinvested in the organisation.
- Motivated staff working towards in meeting the business objectives.
- Improves Competitiveness with Mercedes Benz, BMW etc

The benefits to employees:

- Improved potential through commitment to learning and personal development.
- Developing new professional skills helps promotion.
- Training whilst working towards the business objectives.
- Adds into their motivation.

Responsibilities:

A number of responsibilities have to be carried which means Ford has to consider the types of methods of training and the key aspects. Ford has its own Training methods, in which they train and develop their employees. The methods and the main aspects of training are:

Induction Training:

The purpose of the induction period is to help a new employee settle down quickly into the job by becoming familiar with the people, the surroundings, the job and the business. It is important to give a new employee a good impression on the first day of work. As well as dealing with initial knowledge it also involves own skills to do the job and also to adapt the culture and the management of the business.

In Ford induction training involves the new employees working in a number of departments for a short-period of time to get an overall feel for the company before starting in the specific department. It also involves a general talk with a member to talk about the organisation and its line of work. Health and Safety issues are also considered.

On the Job Training or Mentoring:

This is a method of on-the-job training, particularly for aspiring senior managers, which appears to be growing importance. The trainee observes the skills displayed by the mentor, usually a senior manager who is not his or her boss, and copies and adopts the senior manager's behaviour. The Ford Motor Company uses Intranet for internal use of the company to share data and to answer any queries that are been performed by the employees so it is important for the employees to be trained on the method of using the intranet or any other network services.

Off-the-job training:

This is the opposite of the on the job training where the employee is taken away from the job, this can be internally, which means in the organisation or externally outside. External training can help the employee to get used to the business environment, and the surroundings around, it also helps them to gain more knowledge at a competitive level. Ford finds internally a better option because it has its own trainers where job can be done more accurately and external training can be a bit expensive.

Coaching:

Coaching involves providing individuals with personal coaches in a firm. Coaching skills are required by the person taking coaching and the coach. Management and associates work together on the developmental process. This process includes determining developmental need, agreeing on the development methods and coaching.

Apprenticeships:

This is to learn from your boss and gaining more skills. These are able to set high wages rate, employing apprentices of their own by learning their trades. Slowly as the apprentices became more skilled the wages get higher.

Importance

Training is very important in terms of achieving company's objectives. Training and development makes the employees suitable for the environment and it motivates them towards achieving the business objectives. The training helps the employees to concentrate more on their work, where the work is done more efficiently. In a way it benefits the company also because the work is produce up to the company's standard. For Ford the training is very important because Ford provides vehicles so more of the work is done in the production department because Ford is specialised in producing many types of car models so the employees are required to be trained on how to structure and produce those models. A lot of work is machinery work therefore the employees must be trained to use those machines and systems.

Impact on Resources

Effective training helps the employees to increase their skills and how efficiently they use the resources in order to meet the standards of the company. It is important for the company to give well-organised training to the employees where the employee must be able to help the company recover from bad situations, if the training is not up to its standards then it will affect the company's reputation and might create loss.

When it comes to training it is also vital to consider the costs because training is very expensive it involves a lot **installation costs and machinery costs**. If there is an increase in production then more employees are required which means more training is needed that also increases costs. Many programs are created to train the employees well, in a way this could also be considered as a drawback because it involves a lot of

computers and software which increases **technical costs** and could lead to more technical workers.

On-the-job or off-the-job has a lot of impact on businesses resources. For example if on-job, is being trained while actually doing the job, then mistakes made by the workers may be expensive. This is because the mistakes will be dealing with real products, real decisions and real people. It wastes a lot of time too because more time is taken to resolve the problems or errors. Off-the-job is much more expensive it has to be undertaken by experienced and professionals, where more expensive programs, courses, trainers are used, but it also saves time for Ford.

- Performance Management:

Performance management includes activities to ensure that goals are consistently being met in an effective and efficient manner. Performance management can focus on performances of the organisation, departments and processes to build a good relationship with employees for great output.

Importance of Performance management:

Performances are measured to observe whether the employees are motivated or not. Performance management is the difference between what the employee is currently achieving up to a given standard and to the desire that the employee wants to do better by asking for some encouragement. For Ford Motor Company it is very important to make sure to encourage their employees where they are falling behind and to assist them to complete their requirements. This basically makes a major difference on the outcome of the work.

Excellent communication skills are essential for good performance management. To communicate effectively with employees, performance managers must:

- Establish strong working relationships with employees
- Promote employee involvement in planning and development activities
- They should recognise and praise top performers to increase the level of output.

Impact on resources:

Normally judgements are made both formally and informally, about the performance of employees. In an informal system the superiors are continually making judgements about their employee's performance on individual basis. Whereas by using formalised systems also called performance appraisal techniques which involves assessing the performance of employees are considered to be more objective. The management can set targets to their employees where they should share an understanding about what has to be accomplished and the managers will naturally be concerned about how best to bring about those accomplishments.

However, the performance appraisal entails each employee being appraised by their manager. This takes a lot of time and may prove to be expensive, especially if the employee does not agree with the appraisal and becomes de-motivated because of it.

Rewards and other motivational awards should be given to the employees such as 'bonuses' and also the term '**Performance-related pay (PRP)**' where pay is linked with measuring performance of individuals, pay says something about the suitability of the employee's work behaviour, it conveys what the organisation thinks of the person's behaviour. It also increases their income so more luxuries and more requirements can be accessible. This basically increases the level of encouragement and also increases the level of self-confidence of the employees to do even better. However, giving rewards and benefits to the employees could increase extra cost on their salaries it could lead to high expenses, Ford would want to keep giving the rewards to the employees but at the same time they would want to encourage those employees to work hard which could benefit the company itself.

Performance measurement:

The judgements could be made by examining the quality of the output, which was been desired and expected.

Performance: The Performance is judged by the outcome, for the employee in Ford motor Company, the performance for the employee in the product department can be evaluated by the testing the car to check if it is working properly or not or does it meets the user requirements. However, there are many variables affecting the outcome, where the performance of the individual can be difficult to achieve where good teamwork is required.

Quality:

It is important to consider quality as well as quantity. A production line worker might be achieving high output figures but skimping on quality; a secretary might spend hours filing but have an inefficient system. Performance statistics are not much use if they cover inefficiencies that will reflect badly in the future.

Profitability:

To ensure quality is important but also making profits are important where the selling of the goods should be at narrow margins.

Self-Evaluation:

Self-Evaluation is very important for individuals. Individuals have to check their own performance; they have to set themselves performance criteria to ask themselves questions about the specific task. In Ford Motor Company, individuals check the by setting themselves a responsibility or task and then they identify the criteria for the business goals. Each individual check their performance by comparing it against the required standards. It is a way to learn and obtain new skills. It is also easier for them to set themselves their own targets, they do not need to ask for help from their seniors, the employees become autonomous.

There are many benefits to the Ford employees if they are asked to self-evaluate and check their own performance.

- Clear motivation for the employees by taking much more responsibilities.
- Employees gain greater understanding of their work than the external appraiser may have, where they also get a chance to work in a highly creative, individual satiation with no distraction.
- It saves time like wasteful expense.

Peer evaluation:

A team is a small group of people with balancing skills who are committed to a common purpose, performance goals, and an approach for which they hold themselves equally responsible. In Ford motor company the employees form a co-operative team and a quality circle, where it makes them possible to check how many team members are contributing towards the task. The teamwork results give the score and the performance evaluation tells them what is required.

Peer evaluation can be very effective in that it creates a joint approach of work. It also improves the relationship between each of the employees. It gives a certain respect for each other and it also gives a confidence.

However, a unique feature of performance management is its combining strength in supporting various processes with business objectives such as introduction of performance-related payment systems and the training and development resources to achieve objectives.

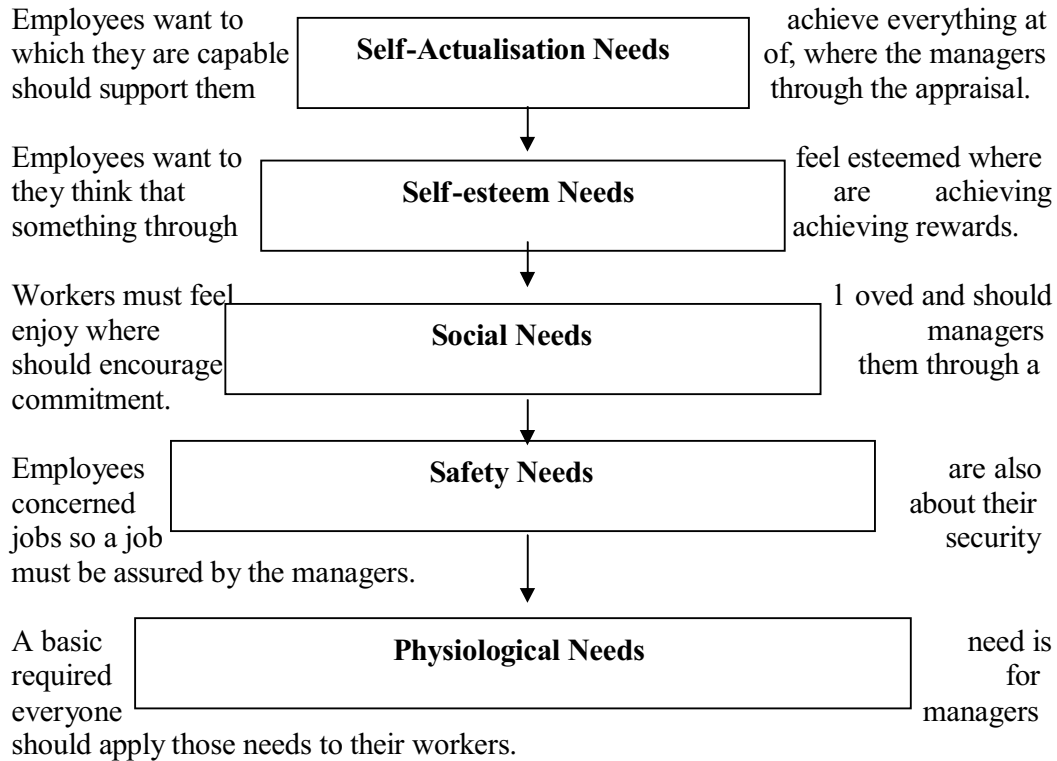
Responsibilities of Performance management:

Influence of Motivational Theory:

Motivation is a way for employees to commit themselves to perform to satisfactory levels at the workplace. Motivation theories look into explanations about what required for the managers to motivate their employees towards the business objectives and their targets.

Abraham Maslow's hierarchy of needs:

The theory of work design can make sense only when one understands the relationship between motivation, job satisfaction and job performance. Maslow thought that if a job is designed so that these needs can be fulfilled then the employee will perform to a high standard because he is satisfying personal as well as organisational requirements. Maslow suggested that human motivation was dependent on the desire to satisfy various levels of needs. Maslow's Hierarchy of Needs states that it must satisfy each need in turn, starting with the first, which deals with the most obvious needs for survival itself. Only when the lower order needs of physical and emotional well-being are satisfied are we concerned with the higher order needs of influence and personal development.



Influence on performance:

At Ford the relationship with its customers is been very casual, they have shown the level of commitment through fulfilling those basic needs up to Self-Actualisation needs, which makes their employees valued by giving rewards to encourage their service that has been provided for long time.

Influence on training and development:

With all those needs training could also be added as a special need. At a point employees may think that they need to improve their skills and the level of output. This is where training becomes a special want. Training could also motivate the employees to use their skills effectively.

Douglas McGregor’s Theory X and Theory Y:

D. McGregor proposed that management makes two kinds of statement about people, which he calls Theory X and Theory Y. Theory X is seen as a set of traditional beliefs that people are naturally lazy and will avoid responsibility. Management expects them to behave in this way and they fulfil the prediction. Therefore managers think most workers must be forced with the threat of punishment to work towards business objectives. Theory Y, on the other hand, takes a kindly view of human nature where Workers put high effort into work as naturally where they give their best in achieving those business objectives. This is where managers trust their workers and form a healthy relationship.

Both of the theories are used in Ford. Ford uses the theory Y mostly because it helps to maintain the relationship between the managers and the employees. It also encourages the employees to work even harder for those targets set by the managers.

Theory X is used by Ford for those who do not show their interest in working where Ford deducts their bonuses and it is also a way to improve the level of their input.

Advantages of Theory X on Training and Development Program and Performance Management Program:

- It enables the managers to judge and therefore no formal training needs to be provided to appraisers for tasks.
- This helps the organisation to identify good or bad performers, where strengths and weakness in performance of the employees can be identified for future actions. These also help to identify the needs for training and development where further work experience and suitability for advancement is required or not.

Advantages of Theory Y on Training and Development Programs and Performance Management Programs:

- There is development of positive relationships between managers and employees.
- There is a development of individuals' capacity for self-assessment and self-awareness for seeking ways to solve their own problems to find ways for self-improvement.
- More attention is paid to the development needs of employees and therefore employee understand the need of the organisation and try to give efforts in order to fulfil the needs of the organisation.

In long run all businesses are tend to adopt Theory Y because of the fact that once physical needs of the individual is fulfilled, they are not more attracted by money and basic needs but at later stage they ask for psychological satisfaction. Therefore the two functions of Human Resources should be designed to fulfil not only physical but also psychological needs of the employees.

Fredrick Taylor's Scientific Management

Taylor had a very simple view of what motivated people at work-money. He felt that workers should receive a 'fair day's pay for a fair day's work; and pay should be linked to output through piece rates. A worker who did not produce a 'fair day's work' would face a loss of earnings; beyond the target would lead to a bonus.

Taylor also viewed people at work more as machines, with financial needs, than as humans in social settings.

Ford is happy with giving bonuses to their employees which helps them motivate towards the targets. Although it increases expenses but is very effective. This theory also makes the workers think that if the effort that was inserted was not enough then they would be making their own loss by loosing some money.

There are many disadvantages of motivational theories. One of the major drawbacks is that these theories are very old which means today many people have changed, their behaviour towards their jobs has changed, where everybody is not the same. If the firm has to achieve those business objectives then it must apply theories like Theory Y from McGregor and use the correct treatment of the procedure to maintain the relationship with their employees.

E.2) External Labour Market:

The external labour market for Ford is made up of employees, available nationally who have the skills and experience that is required at a particular time. This is basically the number of people available for employment. It is termed 'labour market' because it works in the same market where there are the employers which work as the buyer and seller - the people seeking employment. Therefore the employer can select can recruit from the available organisations.

The National labour market:

Trends in the size/characteristics of the working population

UK has an ageing population, with fewer school leavers and young workers that available for employment. A change in the age distribution can affect the human resources planning. This indicates that if this happens then this means the working population is not enough to fulfil the needs of human resources and therefore business has to attract more women and employees from other sectors of the population.

Competition for labour:

It is important for businesses like Ford to take external labour market information into consideration what is happening in the country as a whole:

Is there plentiful supply of labour? If there isn't plentiful supply of labour then Ford will be competing with others for a limited number of workers this means that Ford may have to offer them higher wages, better social facilities better working hours etc.

Is this labour trained or would the business have to train them What kind of wages would they require if unemployment is high then business can usually offer lower wages and people will want to work and gain an income, however this is also dependant on the levels of government assistance - if job seekers allowance is higher than local wages then people generally will not want to work if they can get the same or more money for doing nothing. There is always a high demand for the high skilled people, especially for Ford as it is a large multinational business that requires professional and high skilled employees so it will be difficult for them to attract those high skilled people. There are other competitive pressures as well who also may want to attract those high skilled people.

But first they need to identify the total level of skilled workforce.

The National Statistics Office (NSO) figures tell us that the role of the people in London. The source of this information is:

<http://www.nomisweb.co.uk/reports/lmp/la/2038432032/report.aspx>

Unskilled: 20000

Semi-Skilled: 23000

High-Skilled: 43000

The overall level of economic activity:

The demand and supply of employees depends on the levels of the economy. When the economies are in a rumble period, people have generally more to spend and there is high demand for goods or services, which pushes the demand for labour. The demand for labour falls when there is decline, if this occurs then it will force the Ford Motor Company to boost their production and therefore this would increase demand. It is important for Ford to discover the right people with right skills when they are in this sort of situation. However, **Ford is able to discover where the most unemployment is by simply extracting the information from the National Statistics Office (NSO) of the particular location they can then use this information to match with the departments where high level skilled workers are needed e.g. Mechanics and also where low skilled are needed e.g. as Sales advisor.** By using that information they can target the specific high skilled group and then start to recruit.

Local Employment:

The state of local labour market is as significant as what is happening nationally. Firms like Ford need to know about the supply of labour on the locations, where firms are operating, they also need to know about local wage rates and income levels in order to fix an appropriate wage level to attract the right sort of employees.

First step would be to target a specific location, using the statistics Ford Motor Company has decided to target Hounslow to recruit people.

Total Population in Hounslow (Working Age): 145,000 where Males = 76,000 and Females = 69,000

Economically inactive: 12,000

Employee jobs (Ford is mainly looking for the production workers):
Production = 7665

It is important for the Human resources planning department to view these trends affectively. If the labour is short then it will affect the business itself as they would have to increase the rate of wages to get those employees. These trends tell us that there is enough labour supply to fulfil Ford needs, which means Ford has to recruit each relevant skilled employee in the relevant department where it is required. Ford has kept the level of wages and income levels at the right level; where the wages are at competitive rate. Ford would require keep detailed information about their competitors such as BMW, Mercedes Benz, and Jaguar etc, because to see if the employees are assignable. The employees also discard labour so it gives the competitors an opportunity. So the level of wages is also very important.

Competition for Employees:

The organisation should keep an eye on the expansion and contraction of their competitors. When competitors expand, the demand for labour rises, which leads to contraction in supply of labour, rising wage rates and lastly it increases difficulty in recruiting the right sort of employees. But on the other hand if the competitors

contract, the demand for labour falls which further leads to increase in supply of labour, falling wages rates and lastly easier to recruit the right sort of employees. All these information helps to recruit right person for job.

Availability of labour:

The availability of labour depends on the number of people available for work, age distribution of local population and the extent to which young people stay on at school, college or go on to higher education. The more people who are educated the more skills they obtain in future.

Labour Turnover for Ford:

The Labour turnover is the number of employees leaving, the reason could be retirements, dismissals etc. when the employees leave they need to be replaced quickly to avoid expenses. The formula for labour turnover is

$$\frac{\text{Number of employees leaving over a specified period of time}}{\text{Average number of staff employed over the period}} \times 100$$

This means that the number of employees leaving in one year divided by the number of employees employed in one year. It is usually converted in to a percentage, the higher labour turnover the higher the costs, wastage expense and also low productivity. In order to retain this business spend more money to hire new employees and to train them again.

2,058 employees left the job over the last 1 year
26,500 average numbers of staff employed over the last 1 year

$$\frac{2,058 \text{ employees leaving over 1 year}}{26,500} \times 100 = 7.7\%$$

The labour turn over of the Ford Motor Company over the last 1 year is **7.7%**

This means over the past 1 year only 7.7% employees have left the reason could be due to dismissals, retirement, or sickness. In Ford the labour turnover is not much but it is still a number of have to be replaced to fill the vacancy which means a lot more expenditure is to be done. However, the solution for this is to encourage employees to attend work, to put interest and effort by producing more funds for them such as extra bonus for attendance, which will psychologically force the employee to attend work.

Sickness and accident rates:

Ford Company keeps detailed reports on the following:

- Notified absences – where the employees will not be able to work and are going to be absent

- Absences due to sickness – In this situation the employers need to get a doctor's note so that they can get sickness benefit.
- Unauthorised absences – This is when the employees do not attend work without telling anyone.

These can be recorded where it can be needed for future developments and could be useful to compare it with other organisations.

E.3) Recruitment and Selection – The Documents

The procedure of the recruitment and selection is divided into many sections which have been described below.

1. Planning:

The first step for recruiting staff is to plan. It is important for the business to plan where in the organisation most of the people are needed. When planning a number of factors need to be considered such as the department where the most number of people are required, the skills and the type of experience. For Ford looking for the production area would be more useful and vital.

2. Documentation:

The next step is to design an accurate job description and a carefully designed personnel specification expressed as far as possible in terms of what you want the candidate to be able to do.

Preparing job descriptions and Person specification:

Job description:

To fulfil the businesses needs or to achieve businesses goals high skilled workforce is vital. To do this the first requirement is to define and set out what is involved in particular jobs. The procedure for this is to carry out the job analysis, basically a job description. The main job description in Ford would stand like this:

- Job title:
- Report to:
- Responsible for:
- Job location:
- Number employed in this position:
- Role of Job:
- Key and results:
- Key tasks:
- Standards of performance:
- Promotion prospects:

These are the basic guidelines for the job applicants.

Job Specification

The role of this procedure is to make sure that the job advertisement conveys the qualities prospective candidate should have. If any person does not include any qualities regarding teamwork or punctuality qualities then it can create problems. If Qualification and experience also plays a big part in Ford Motor Company because this displays the level of work is being done. It is vital in Ford because as it deals with a lot of production which means a lot of quality, so it is important that right level of effort and quality is being inserted.

3. Planning when and how to advertise:

The HRM department will need to write an advertisement for the job and to place it in variety of media, (newspapers, job centres, job agencies, the internet, radio etc.)

The advertisements are used to attract the employees for the jobs with not much detailed information. It is important for Ford to select the appropriate way of advertising and also to choose the most suitable place to advertise; Ford thinks that newspaper is the best way as it gives them a chance to give all the information where the location would be where most of the unemployed people are.

4. Job application and curriculum vitae:

Letter of Application:

Curriculum Vitae (CV):

The HRM department will then need to send out application forms and request CV from, all those people who write the business expressing a desire to apply for the job. A CV is a summary of your career to date, create a favourable impression, and omit negative statements. CV needs to be altered slightly for each job application so that it concentrates as closely as possible on the requirements of a particular job.

It is very important that the application form is adapted to the specific post being advertised, as well as asking questions are relevant and essential. Once these application forms have been completed and returned to the business (often with CV and a covering letter) then the short listing process will begin which involves analysing the CV's and the application forms and deciding which applicants appear to be most suitable for the post. An example of the CV is shown:

Advantages of CV

- It is well structured and frequently only applicable method.
- It is Direct.

Disadvantages of CV

- It gives less information to the user.
- The skills which the person has got are not shown fully.

Short-listing Candidates:

There is a specific criteria set for the candidates to meet that criteria. In Ford the criteria is where the candidate contains experience of working with a car industry, particular quality in the chosen job position and has a lot of knowledge about such position. They go through all of the applicants and say if only 10 applicants are left they then decide to reduce the number to a shortlist of eight by looking at the relative strength of the candidates. Then they take a more detailed look to reduce the number to four who then they call for the interview. This gives time to those four candidates to prepare for the interview.

5. Interview:

Interview is very important because it has a lot of benefits; it gives you opportunities to rehearse the key skill of communications. It is Important that the applicant make good first impression because interviewers are most influenced in decisions within the first few minutes of the interview. There are few steps to follow to have a good interview:

Do:

- Arrive 10 minutes early.
- Bring your CV along with portfolio.
- Dress smartly, formal clothes.
- Highlight positive things about yourself.
- Ask a few appropriate questions.
- Remain calm and alert to answer all questions.

Don't:

- Arrive late.
- Ask about the salary unless the interviewer brings it up.
- Look hesitant when asked tough questions - think before answering.
- Not lie, give honest answer.

6. Selecting an appointment:

After attending the interviews to meet the standards of the recruiting it is important to issue an appointment letter to the final person that was selected from the interview. The applicant then sends his or her decision, if the person is satisfied with the job then the contract is issued if not then the second final applicant is called for an appointment.

7. Confirming and issuing the contract:

Once the employee has been selected, there is a formality done by performing an agreement/contract. The contract is published into two ways either permanent contract or temporary contract, they are described briefly below:

Full-time employment and Part-time employment:

Full-time employment is workers who work the most hours in a day. They get paid for the number of hours they work in a week. Part-time employees are jobs who are not required more than few hours of work, such as the cleaners, supervisors these work on part-time basis.

Permanent and temporary employment:

Permanent employees are committed a contract when they join this can be either part-time or full-time. The length of contract depends on the length in which employed had worked there; this is also called open-contact. Temporary employment will be for

limited period only, where they can be employed full-time or part-time. Ford takes temporary employment season wise for example on Christmas where they receive more orders. It takes temporary employment to replace the individuals who are sick or are on holidays and also when there is large demand for cars.

Analysing the relationship between the Ford's training and development and performance management:

Training and development is important not only to the business, because it improves its skill resource, but its often seen these days as an important bonus for employees if a training budget is allocated to them as part of their employment package. Training leads to employees improving their skills, which in turn makes them more valuable as employees. If the Ford Motor Company is to achieve its objectives then it is essential to train and develop its people so they are best able to support the company in working towards the objectives.

As with all these things there are risks in getting the balance right if you spend too much on training as a business and your employees are not busy working but busy training and therefore it is unproductive. They also might get more skilled than it is required to be and it could lead them to quit and find a better paid job. So, as always in business, striking the right balance is important.

E.6) Appropriate Human Resource Function for Ford:

Ford's Human Resources objective is to maintain a dynamic partnership with Operating Management in valuing, developing and Authorised employees. Authorised, individually and in teams, magnifies the power of Ford to achieve its business goals. Ford Human Resources has traditionally been very successful in developing customer-focused human resources. Staffs are very important to a business like Ford, because the two primary assets a business has are the customers and the employees. The business exists to provide a service, to sell a product and so forth to a customer in order to make money; therefore the primary asset are the customers of that business, without the customers a business does not exist. To provide a particular service to their customers they require employees to transform materials into products, to sell the products and to find solutions to the problems, and so forth. People are vital because without people the business can not function.

Continuous improvement adds to their existing strengths and keeps Ford at the top of the list of companies that offer world class career opportunities in human resources. The human resources department supports and measures a business success through adapting various functions that are Human resources planning, recruitment and selecting, training and development and performance management. These functions have been described earlier in the report. These functions play a very important part in Ford's success. The most vital functions which adds value in the employee's performance is the **Training and Development**. Training and development in Ford Motor Company gives its employees a chance to adapt new and useful skills. It is very useful in terms of achieving business objectives and motivation. An example of a perfect training advantage is if for instance, one of the product line technician were

sent for a project management course, this could benefit the employee because he/she learned new skills, which gave him/her an opportunity to advance their career, by being made a project manager. This also benefited the company because they were now able to use this employee to manage his own projects, so Ford didn't need to hire a new person who would have taken many months to learn the business. The exercise was cost effective but it is always good for business and it also allowed the company to extend its business with a new project manager in a short time frame with little risk to its business. This creates more value for the business and the employees.

Training and development is an essential function than the others because these functions can cause possible conflicts in a business like:

Human Resource planning is the process of planning an organisation's future personnel requirements. It is needed so a firm can assess its current status with observing its employees and arranging its future strategy. It is not only used to consider the amount of employees but also the mix of skills that are required in the future so the organisation can meet its objectives. It has many conflicts with other function, it may have problems making the right decision problems.

Recruitment and selection is the process of filling job vacancies by hiring new employees. It usually involves replacing those leaving but sometimes due to the creation of a new job. This could cause conflict with the training and development process as new staff needs to be inducted where more planning and training would be needed leading, to high costs.

Performance Management is the procedure for developing and monitoring employees to ensure that they meet both employer and employee goals and objectives.

Performance management procedures may interfere with the intentions of the Training and development process which seeks to train within specific areas for the good of the organisation and not necessarily the individual.

Examples of how training and development is carried out:

Management development:

Management development is an activity that sets out to ensure that the organisation has the required managerial talent to face the present and future with confidence. It is concerned with improving the performance of existing managers, giving them the scope for personal growth and development, and makes appropriate provision for the future replacement of managers.

Career Management

This activity is complimentary to management development and it is concerned with planning and shaping the path which people take in their career progression within the organisation. It normally applies to managerial staff, but not necessarily so, and following an assessment of the needs of the organisation for managers and the preferences of employees for development.

Contribution of Training and Development function to the business:

Training, as a vehicle for human resource development, is concerned with improving the skills of employees and enhancing their capacity to cope with the ever changing demands of the work situation. It could also make a positive contribution to the business as well as to the employees:

- Training facilitates performs the requirements of a job quickly, and by improving the knowledge and skill of the worker it allows them to make few or no mistakes with better quantity and quality.
- When the outcome of training leads to greater capability in the execution of tasks by workers, this helps the managers to trust their workers.
- Training could have a favourable impact on the level of staff turnover and the cost of redundancy schemes and recruitment of staff could be reduced when, displaced staff is re-trained.
- The motivational impact of training is obvious when staff feel a sense of appreciation when sent on a training course, and after been trained they are motivated to acquire new skills, particularly when rewards follow the acquisition and use of skills

Training and development also gives a change to motivate their staff in a new way, if for example Ford is facing problems in one of the parts in the employment they can re-group their activities and skills by developing and performing through the training management.

Bibliography:

In order to extract information I required research about the chosen Company, Ford. I used the following websites to help me work through.

www.bized.ac.uk

www.ford.co.uk

www.mycareer.ford.com

<http://www.nomisweb.co.uk>

<http://www.nomisweb.co.uk/reports/lmp/la/2038432032/report.aspx>

Appendix:

To make sure that they were no errors in the following document a spelling grammar check was performed which stated a readability level of 9.2.