

Chapter 17

Human Resources Management

17.1 TERMINOLOGY

A well-run organisation will recognise people practices as the heart of its operation. People practices, or human resources, can be divided into these categories:

Recruiting: attracting candidates whose qualifications match what you need, and, perhaps more importantly, have a ‘culture add’;

Retention and engagement: having the correct programs in place to keep employees happy, engaged and productive;

Training and development: ensuring your employees are trained to do their current job safely and well, and are developed to be able to move into future roles and/or to meet the challenges of their current job as it changes over time;

Total rewards/compensation: having a sustainable and defensible total rewards mix in place that meets your company’s and employees’ needs;

Wellness: a system whereby employees are safe and well at work, and miss minimal amounts of work due to conflicts between work and home;

Employee relations: this refers to a company’s efforts to manage relationships between employers and employees. An organisation with a good employee relations programme provides fair and consistent treatment to all employees so they will be committed to their jobs and loyal to the company;

Culture: corporate culture refers to the beliefs and behaviours that determine how a company’s employees and management interact and handle outside business transactions. Often, corporate culture is implied, not expressly defined, and develops organically over time from the cumulative traits of the people the company hires;

Information technology (IT): the growing importance of using IT in leveraging human resource (HR) functions is now realised. The e-HRM revolution relies on cutting-edge IT, ranging from Internet-enabled human resources information systems (HRIS) to corporate intranets and portals.

17.2 HR STRATEGY

Before getting into the various elements of HR management, strategy and planning must be discussed. Just as any enterprise should have a financial strategy, corporate strategy, business strategy and operational strategy, it should have an HR strategy as well. The success of an enterprise without an appropriately formulated and skilfully implemented HR management strategy is at risk (Belcourt and McBey, 2010). The HR strategy should complement and reinforce the overall corporate strategy: enable it, in other words.

Human resources management (HRM) includes the following elements: specific HR practices (e.g., compensation, recruiting), HR policies, which direct the practices, and at the highest level, overall HR philosophies, which inform the policies and practices (Belcourt and McBey, 2010). HR programs must ‘fit’ the organisation both internally (in relation to other HR programs) and externally (to organisational strategy) (Belcourt and McBey, 2010).

The following enablers (see Fig. 17.1) all inform and enable a company in its HR programs.



FIGURE 17.1 Enablers in human resources management.

17.2.1 Workforce Planning

Workforce planning is part of strategic planning and is the process a company uses to analyse its current workforce vis-a-vis what is projected over the length of the strategic plan. In some cases, the workforce will grow, decrease or change skills composition. The process requires leadership, clear vision and the involvement of many stakeholders (Mitchell and Gamlem, 2012).

17.2.2 Recruiting

Recruiting new employees is one of the areas of HR in which technology has best been leveraged to date. There are innumerable off-the-shelf and customisable solutions to applicant sourcing and tracking. Candidates also have the ability to research the company, its employees and its social media interactions (Girouard, 2017).

Companies can use a variety of sources to find candidates and get the word out about open positions, including applicants from previous competitions, government agencies, job fairs, open houses, job postings on their own and outside websites, networking, professional associations, staffing firms, billboards, employee referrals, and campus recruiting; all have their advantages and disadvantages for cost, time, effort and candidate quality (Arthur, 2012).

Technology aside, some of the considerations for a company preparing to do hiring include: hiring for skills versus fit, how to attract a diverse pool of candidates, attractive compensation offers that still maintain internal equity, whether to backfill vacant positions as-is or update job descriptions based on current needs, and how to balance internal applications and promotion opportunities with the need for ‘new blood’ and fresh perspectives.

When conducting interviews, employers need to balance between speaking and listening – telling the candidate about the role, the company and the culture, and asking the candidate probing questions. Because past behaviour can be an indicator of future behaviour, many interviewers choose to use behaviour-based, also known as competency-based, interview questions. These questions draw from candidates’ past experience and behaviours, relating them to specific requirements or responsibilities of a given job-related situation (Arthur, 2001). An example of a behaviour-based question would be ‘tell me about a time you could not meet a deadline. What did you do?’ Interviewers can then probe in order to get the ideal ‘STAR’ response from the candidate, clearly setting the context of the Situation, identifying the relevant Task, describing the Action the candidate took, and what were the Results. Behaviour-based interviewing is not a perfect science, but it is relatively easy and productive, ultimately enabling organisations to make effective hiring decisions (Arthur, 2001).

Some employers specifically develop employee value propositions (EVPs) to attract and retain employees. Also sometimes called an employer brand, an EVP positions the company to employees and candidates, as a place worth working for through consistent and clear messaging. The most successful EVPs have been identified as those that brand the company as (Belcourt and McBey, 2010):

- Winning through growth and development;
- High risk–reward ratio with great compensation potential;
- Mission orientation to help ‘save the world’;
- Lifestyle of flexibility and good relationships

Interviewers can also assess candidates’ cultural compatibility by evaluating candidate energy levels, risk orientation, decision-making, values orientation and personal presentation against those expected in the company (Arthur, 2001).

Organisations must make every effort to conduct fair, ethical and legal recruiting. Inappropriate interview questions and selection criteria may vary between jurisdictions, but in all cases discriminatory hiring practices are not only illegal, but will result in a business disadvantage. A diverse workforce, in every sense of the word (age, sex, ethnic background, disability status, etc.) will by definition increase the degree of talent and extent of contributions from employees, can increase excitement and satisfaction at work, appeal to a diverse customer base, and significantly improve financial results. The benefits of diversity-driven workforces are powerful and many (Arthur, 2012).

The whole interview process is based on three rounds (Meyers, 2017) (see Fig. 17.2).

Top-grading: What you’ve done – is comprehensive round exploring work history and what the candidate has done.

Focus: What you can do – At this interview stage, it is determined what the candidate is capable of. The candidate is provided with a take-home question to design something.

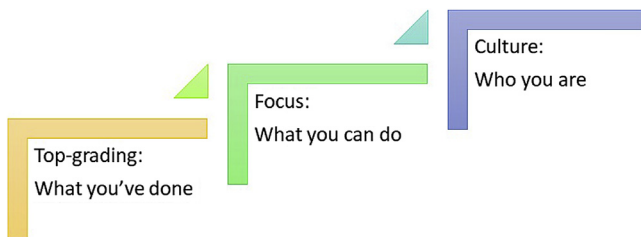


FIGURE 17.2 Hiring process.

Culture: Who you are – This is a final round of interviews led by someone from the executive team. It explores who the candidate is and also the candidate understands the corporate culture.

Finally, the candidates should have communication and business acumen, in addition to humbleness and high intelligence. They should share corporate values: always reinvent, be team first and coach others.

17.2.3 Training and Development

Training and development are often referred to interchangeably, but they are two quite different things. Training means the formal efforts to help employees acquire the skills to do their current jobs better and/or more safely, while development refers to formal efforts to help employees acquire the skills to become promotable, either to a different department, or into a high-level position. These efforts together are referred to as HR development (Saks and Haccoun, 2013).

Management development or internal leadership development programs are often found in larger organisations, and may be part of the HR and development offer, or considered part of succession planning. In these programs, current and developing leaders are given special training, mentorship opportunities, project work, stretch assignments and executive coaching. The goal of the programme might be to improve the ‘bench strength’ of an organisation, or may be more explicitly part of a succession planning programme.

The costs for training programs go well beyond direct costs such as facilitator costs, room booking, materials and catering. Indirect costs such as the organising time spent by employees, development costs such as purchasing a programme from a vendor or training the trainer, overhead costs, and the time spent by employees attending training all add to the total cost (Saks and Haccoun, 2013). Since these total costs can be high, most organisations seek to know and improve the return on investment (ROI) for training.

Calculating ROI is done by dividing the net benefit (which is benefit minus programme cost) by the programme cost. A higher ratio of results to costs indicates a greater financial benefit to the organisation. An ROI of less than 100% indicates the cost exceeds the benefit (Saks and Haccoun, 2013).

Training and development benefits organisations in achieving strategic objectives, improving individual and organisational effectiveness, and recruiting and retaining employees (Saks and Haccoun, 2013).

17.2.4 Retention, Leadership and Engagement

One hallmark of an innovative company is its retention programme – including customised training plans, frequent and relevant feedback to employees, continuous connectivity in a digital environment, and meaningful access to the leadership team (Girouard, 2017).

Employee satisfaction or engagement is top of the mind for many mines and leaders. Highly committed employees have been found to try harder, perform better and stay longer with their employer. Estimates for the distribution of engagement amongst employees are:

- 17% actively disengaged – even undermining the company’s work;
- 54% disengaged – sleepwalking through their workday;
- 29% engaged – working with passion and connected to the company.

Engagement is one of the four top areas of HR focus, along with talent management, leadership development and workforce planning (Mitchell and Gamlem, 2012). The drivers of employee engagement are many; a large survey found that happy employees identify the following as determinants of that happiness (Robert Half, 2016):

- Pride in their organisation;
- Feeling appreciated;
- A sense of fairness and respect;
- A sense of accomplishment;
- Interesting and meaningful work;
- Positive workplace relationships.

Employers often wish to survey their employees to assess their levels of engagement; these surveys are usually referred to as employee satisfaction surveys. Best practices for conducting employee surveys include using an outside surveyor to ensure confidentiality, being careful with the wording of questions, being consistent from survey to survey to allow for trend identification, and sharing the results with employees. One caution: do not ask questions (or do a survey at all) if you’re not prepared to hear the answers and/or to take action based on the results (Mitchell and Gamlem, 2012) (Fig. 17.3).

17.2.5 Compensation

Compensation, or total rewards, encompasses all that an employee can expect to receive in exchange for their labour. It includes tangibles like cash compensation, health and dental coverage, illness and life insurance, variable compensation schemes (such as bonus plans), and paid time off. It also includes intangibles such as work–life balance, flexible work arrangements, good company culture, education and training opportunities and visible career paths.

To move the focus away from strictly cash compensation, some employers provide annual or on-demand total rewards statements that assign monetary value to as many of these factors as possible, and list those without a measurable value.

Cash compensation is often referred to as a ‘hygiene factor’ in that it has to be high enough for the employee not to leave the job (or stay in the job

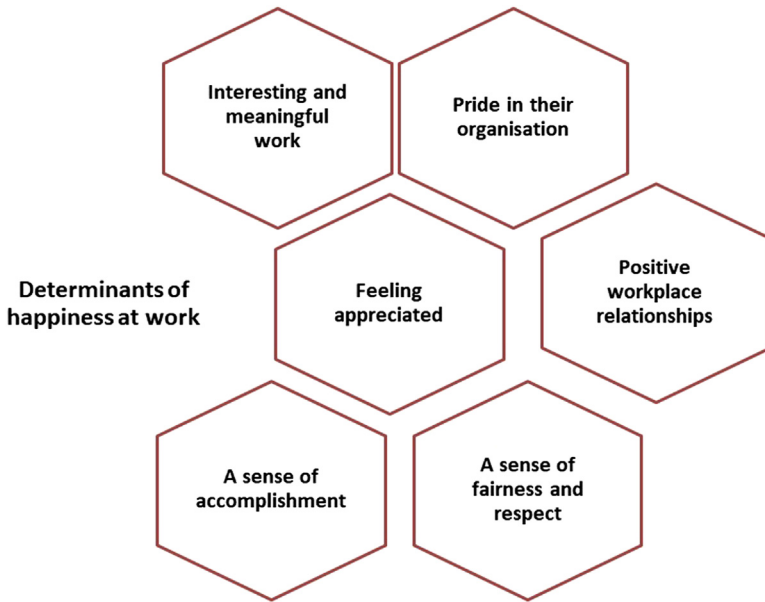


FIGURE 17.3 Employee's happiness at work.

and make little effort or even undermine the company), but that additional salary does not increase employee satisfaction for more than a brief time.

Frederick Herzberg set out his famous Two Factor theory on influence at work. Employee satisfaction results from motivation factors, and dissatisfaction from hygiene factors. Hygiene factors are required in order to avoid dissatisfaction, but do not themselves lead to higher levels of motivation. Motivation factors are required in order to motivate employees into higher performance. Hygiene factors, which must exist, include:

- Working conditions;
- Quality of supervision;
- Salary;
- Status;
- Security;
- Job;
- Policies and administration;
- Interpersonal relations.

Motivation factors – those that, when they do exist do drive employee satisfaction and engagement include:

- Achievement;
- Recognition for achievement;
- Responsibility for task;

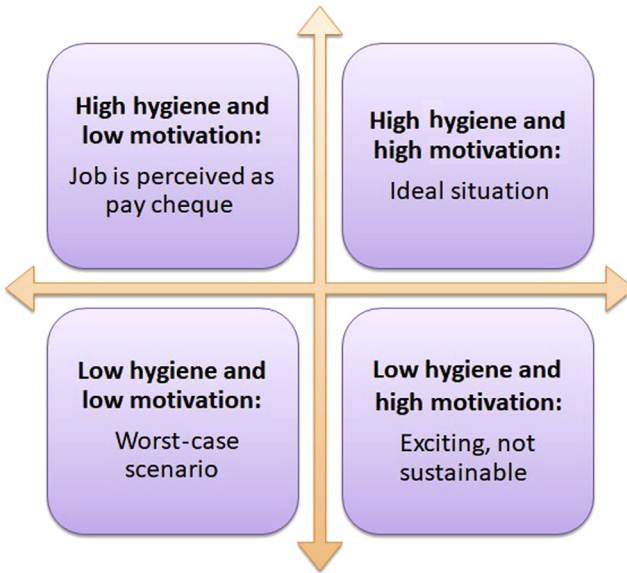


FIGURE 17.4 Combining the hygiene and motivation factors. Adapted from Herzberg: http://www.valuebasedmanagement.net/methods_herzberg_two_factor_theory.html.

- Interest in the job;
- Advancement to higher-level tasks;
- Growth.

Four scenarios can result from these factors as summarised in Fig. 17.4 (Value Based Management.net, 2016).

17.2.6 Wellness

Workplace wellness, which is also sometimes referred to as work-life balance, includes emotional and mental well-being, nutrition, physical activity and sleep, leadership support, and workplace culture. Employee wellness is one of the faster-growing areas of HR, and with good reason: besides being socially responsible, wellness initiatives can positively impact the bottom line. Organisations have collected metrics about how family-friendly policies, e.g., positively impact the bottom-line. Through employee engagement surveys, focus groups and pilot tests, senior management know that employees with lower work-family conflict have less stress and anxiety about ‘doing it all’ and are better able to focus on their jobs and their customers (HR Council). Good wellness initiatives by organisations can reduce absenteeism, increase productivity, improve morale and working relationships,

decrease stress, attract new employees, and retain current employees. Initiatives can focus in the following areas: dependent care, flexible work arrangements, leaves of absence and vacations, education and training opportunities, fitness and healthy living, religious observances, employee assistance programs, and supportive managers and management culture ([HR Council](#)).

17.2.7 Culture

Corporate culture is defined as the set of beliefs that members of an organisation share. These beliefs can be spoken or unspoken, are shaped by history, grow slowly over time, and can be difficult to describe. Employees can sometimes become acutely aware of corporate culture only when a merger or acquisition highlights the cultural differences from the new organisation ([Saks and Haccoun, 2013](#)).

HRs can have a great impact on corporate culture in several ways. HR keeps a pulse on corporate culture and educates organisational leaders on the impact of culture on their teams and performance. Most HR programs can act as ‘cultural levers’ and significantly impact corporate culture. Compensation systems can be designed to reward the desired behaviours. Performance management systems identify those desired behaviours for employees, as well as those behaviours which are not aligned with the corporate culture and hence need to be corrected. Talent acquisition involves seeking candidates who fit culturally into the organisation, not just possess the requisite skills, education and experience. Training and development programs can be focused on efforts that help employees think, act and behave in the desired ways ([HR.com, 2005](#)).

17.2.8 Employee Relations

Employee relations covers the management of employees at the workplace. Typically employee relations involves the setting and administration of workplace policies and practices, as well as performance management, and the handling of workplace conflicts or complaints.

Performance management includes all assessment of an employee’s work and behaviour. It is the process of establishing performance goals and designing interventions and programs to develop employees and improve their performance ([Saks and Haccoun, 2013](#)). While performance management lasts throughout the year, all employees should have at least an annual performance review. The purpose is to measure achievement of the previous year’s goals, assess the employee’s performance with respect to preset competencies suitable for the organisation or for employees in

that work group or at that level, test employee alignment with organisational values, set new goals for next year, and set an individual development plan. When done right, these reviews are simply the most formal step along a continuum of feedback and assessment done throughout the year.

Although as many as a third of companies are experimenting with discontinuing annual performance reviews, they are typically replacing them with a rigorous programme of year-round coaching, goal setting and feedback: 'regular conversations about performance and development change the focus to building the workforce your organisation needs to be competitive both today and years from now' (Cappelli and Tavis, 2016)

No matter whether annual or ongoing, reviews are important. In addition to formal reviews and ongoing check-ins and feedback, performance management can also include corrective action where employee performance and/or behaviour are not at the desired level. The best practice for corrective action is to follow a progressive discipline approach, in which employees are given multiple clear and escalating warnings about the performance issue, including the consequences for nonimprovement, the final step being termination of employment. Depending on the individual circumstances, some warning steps might be skipped; e.g., a case of workplace violence might result in immediate termination. Nondisciplinary approaches to performance deficiencies are also popular in progressive workplaces. There you will find letters of expectation or performance improvement plans, which are supportive of the employee, and explicit about employee success as the goal. This approach works well with high-value employees whose performance is seen to need only minor adjustment, but where less-formal coaching has not worked.

Mines in India are unionised; in such workplaces, employee relations is more correctly referred to as labour relations or industrial relations. Union workplaces have collective agreements bargained between employee and management representatives, and these agreements apply to all unionised employees in the bargaining unit (i.e., those employees not excluded from the union by virtue of being management). Collective agreements essentially limit the decision-making of the mine management; where an agreement is silent on an issue, management may make its own decisions regarding working conditions, safety promotions, disciplinary process, work assignments, etc., based on its own management practices and as long as no legislation is violated. Unions hold the power to withhold their members' labour as a bargaining chip or protest; the corresponding power for mine management is the lockout, in which union members are prevented from working and earning wages, and may be replaced by nonunion replacement labour.

17.2.9 Information Technology

IT is an important enabler of HR programs. Technology is a boon for confidentially storing employee data and making easier and faster work of tasks such as recruiting. Perhaps more importantly, the metrics that technology can facilitate should and do inform decision-making on HR programs and workforce planning. Five technologies serve HR and the workplace particularly well:

- Recruiting – through social recruiting and applicant tracking systems;
- Agile performance management – continuous performance monitoring and feedback;
- Learning management systems – which incorporate learning with talent and performance management;
- Cloud computing – access to innovation and regular programme releases and updates;
- Mobile apps – smartphone apps have become an HR platform in their own right (Priam, 2016).

17.3 THE BOTTOM LINE

An alarming issue for the coal preparation industry is the shortage of skilled labour, trained technicians and graduate engineers. As in other sectors of the mining community, it is increasingly difficult to hire suitable replacements for their rapidly ageing workforce. The summarised requirement of HRs in India for coal preparation plants by 2025 is indicated in [Table 17.1](#) and [Fig. 17.5](#).

TABLE 17.1 Manpower Requirement for Coal Preparation Plants

Particulars	Preparation Plant	
	Variant-I	Variant-II
Executive		
Technical	785	1600
Nontechnical	85	170
Subtotal (executive)	870	1770
Nonexecutive		
Technical	7130	14,400
Nontechnical	1260	2540
Subtotal (nonexecutive)	8390	16,940
Total	9260	18,710

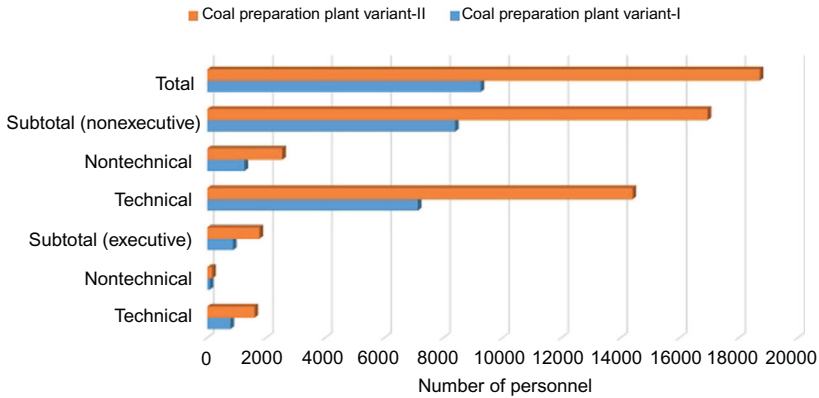


FIGURE 17.5 Manpower requirement for coal preparation plants.

17.3.1 Training and Skill Development in Coal Preparation

Besides being a challenging task, coal preparation is a highly specialised subject. It requires highly qualified trained manpower as executives, and skilled and semiskilled personnel. The salient points listed below are to be noted in this context (Suresh, 2013).

- Washeries should have well-equipped laboratories at their plant sites so that periodic sampling operations can be performed regularly. This will help check the performance of washeries.
- The washeries require highly skilled and able staff to handle, plan, control and maintain the sophisticated automated process control units, which are likely to be an integral part of the washing plants.
- Periodic performance analysis by qualified engineers will help in improving the efficiency of coal-washing plants by way of picking the suitable technology.
- Implementation or adaptation of the washing flow sheets on a rational basis.

For gaining skills, training can be imparted to the personnel at different stages under diverse areas. It is crucial that the quality of employees and their skills development through training and education are the major dynamics, which determine the productivity and profitability of coal-washing units in the long run. Therefore, training should be considered as savings and not as spending. Instructions to develop workers' skill can be offered either in proper or casual manners in different segments. The skill-based functions of

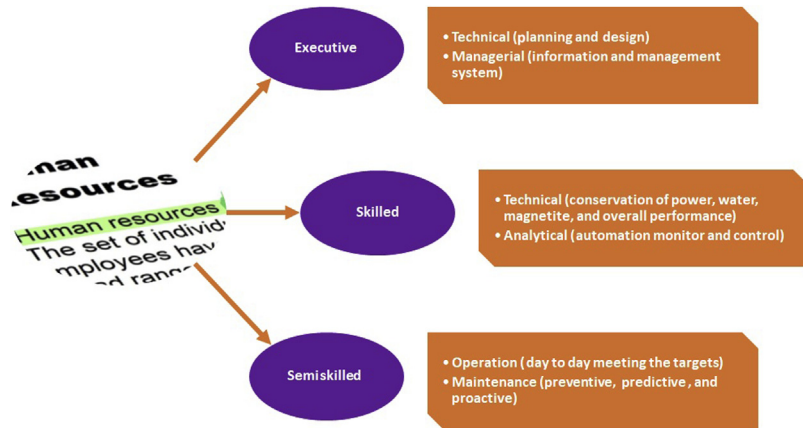


FIGURE 17.6 Skill-based functions of employees.

employees are shown in Fig. 17.6. In an Indian context, numerous coal preparation plants are expected to be commissioned along with increasing technologies. This requires detailed manpower planning and instructing to acquire the vital skills. Plant personnel should be encouraged to develop multiskills (Safvi, 1982).

Backing of programs in higher education is essential to warrant a supply of well-trained engineers that are needed to address new technical issues that face the industry. It is this alliance that often brings new technology to the forefront. These kinds of paired functions create a highly skilled environment for transferring knowledge between the universities and business.

17.3.2 Performance Management

There is a relationship between HR practices on employees' performance through job satisfaction. This is in line with Maslow's theory and Adam's equity theory that employees are satisfied when their needs are fulfilled (see Fig. 17.7). The HR practices (training and development, reward, job analysis, recruitment and selection, social support, employee relationship and employee empowerment) will have a positive effect on the performance of employees. Job satisfaction plays a significant role in the relationship between HR practices and employees' performance. It works as a mediator between the two (Mira et al., 2017).

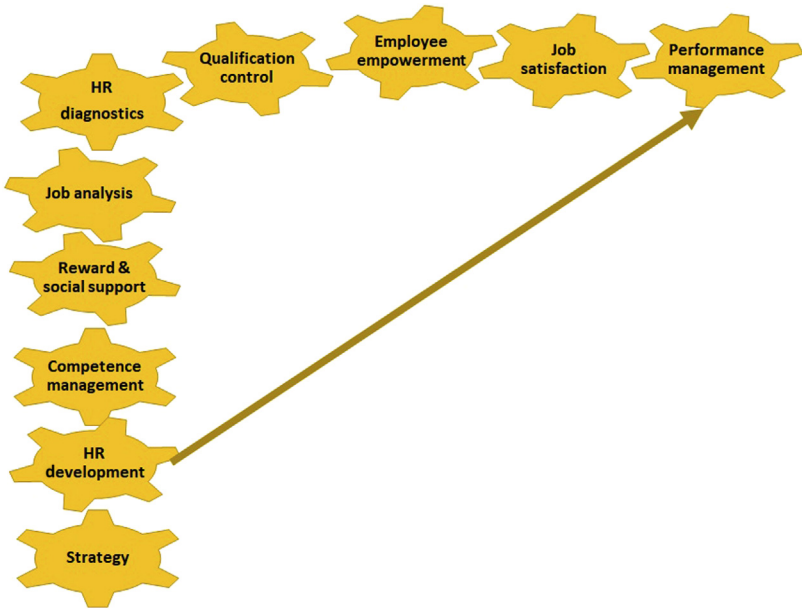


FIGURE 17.7 Linking HR strategy with performance management and other processes.

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FURTHER READING

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