Human resource management

Marianna Lizák Matiscsákné

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1. INTRODUCTION

1.1 OBJECTIVES, COMPETENCES, SUBJECT FULFILMENT CRITERIA

1.1.1 Objective

The main aim of the present subject is to familiarise students with the basic concepts and correlations related to human resource management, safety and health protection.

The course contains three modules:

MODULE 1: The defining factors of human resource management and their development. (Lessons 2-3) The module covers the following areas:

- global, macro-environmental factors impacting human resource management,
- micro-environmental and intra-organisational factors,
- basic concepts of the labour market,
- the evolution and main trends of separate personnel or human resource management departments.

MODULE 2: The main activities of human resource management (Lessons 4.-9.) The module covers the following areas:

- the concept,development,and structure of occupational responsibility
- Uniform classification system of occupations,
- the significance, phases and main devices of the job analysis process,
- the concept of job evaluation and the Hay method,
- form and content requirements of job descriptions
- the main concept and goals of the human resource or labour force planning process,
- the stages of human resource planning,
- anticipating work force demand and supply, the respective digressions, and human resource management activities aimed at eliminating such discrepancies,
- basic concepts and main aspects of career planning,

- the phases of labour force or human resource acquisition including the basic concepts, means and devices of recruitment, selection, hiring, and integration,
- the concept, technology, and means of the performance evaluation process,
- work-based, in service training and development
- basic concepts and role of motivation and rewarding, comprehensive or total rewarding

MODULE 3.: Safety and health protection (Lesson 10.-12.)The module covers the following areas:
- legal regulations related to safety and health protection,
- the role of work environment, ergonomics, and industrial safety,
- the basic concepts of occupational safety and health,
- categorizing or grouping of hazard sources, the components of the given groups,
- material requirements of work performance,
- safety-related signs at the work place,
- the importance and necessity of occupational safety instruction,
- safety and security technology, differences between work-related and on-the site accidents,
- basic concepts of occupational health protection,
- main concepts, objectives, and tasks of occupational hygiene and health,
- the occupational health service, the types of occupational aptitude tests, the functioning of the Occupational Protection and Employment Directorate and Inspectorate, the main components of the Occupational Health Protection and Safety Management System (MEBIR).

1.1.2 Competences

The fulfilment of the objectives of the *Human resource management, safety, and health protection* subject requires the acquisition of a variety of competences.

Students completing the course will be able to:

- identify the main factors influencing human resource management in addition to developing an overview of the respective subject,
- distinguish between impact factors at the global, macro, micro, and the intraorganisational level,
- interpet and comprehend basic labour market related terms and understand the respective correlations,
- distinguish between and describe traditional (typical) and non-traditional (non-typical) forms of employment
- identify and grasp the evolution of independent personnel and human resource functions
- interpreting and grasping the concept and objective of human resource management, recognizing the synonymous concepts
- distinguishing the main trends, periods of personnel activity, describing the Peretti periods and phases
- clarifying the changing role of personnel or human resource management and the respective competence requirements
- lear understanding of the concept of occupational responsibility and the Unified Job Classification System (FEOR),
- design, analysis, and evaluation of work areas,
- preparation of job descriptions.
- overview and scheduling of personnel (work force) planning,
- deciding which devices will be included in the action plan,
- career definining, determining the process of career planning,
- surveying, designing, and carrying out the various stages of worker acquisition both from the employer's and job seeker's point of view in a synthetic manner,
- familiarity and understanding of occupation-related legislation,
- distinguishing between different employment forms,
- designing and implementing the main steps of the performance evaluation process,
- defining the concept of competence along with the most frequently used on-the-job training schemes,
- determining the concept and devices of motivation, incentive, and rewarding,
- familiarity with and grasping the role of work environment, ergonomics, and occupational protection in job performance,

- distinguishing between the conceptual elements of occupational safety and health and providing the respective descriptions,
- overview of EU and domestic legislation pertaining to industrial or work safety,.
- distinguishing and understanding of safety signs and warnings found in the work place,
- understanding the importance of industrial safety training schemes, identifying the respective safety and security technologies and differentiating between work-related and on-the-job accidents,
- recognizing and interpreting the concept of work hygiene and occupational health, the recognition of synonymous terms,
- - understanding of the role of the Occupational Health Service and the Occupational Safety and Employment Directorate and Inspectorate.
- describing the main components of the Occupational Health and Safety Management System,
- applying the basic concepts of safety and health protection in a synthetic manner.

1.1.3   Course completion criteria

The criteria for the completion of the *Human resource management, safety, and health protection* course include the following elements:
- thorough familiarity with the global, macro, micro and intraorganisational factors influencing human resource management
- thorough familiarity with the basic concepts of the labour market and the respective correlations,
- an ability to distinguish between traditional (typical) and non-traditional (atypical) forms of employment,
- thorough familiarity with the evolution of the independent human resource management function, grasping the concept and main objectives of human resource management,
- thorough familiarity with the main trends and eras of personnel or human resource development including the Peretti phases and periods
- understanding the changing role of human resource management and the respective competence requirements,

- familiarity with the basic concepts of the work area, and with the Uniform Job Classification System,
- understanding and thorough familiarity with the concept of work areas, job descriptions, work force and career planning,
- designing and implementing the hiring process both from the angle of the employer and the prospective employee or job-seeker,
- familiarity with and understanding of occupation-related legislation
- familiarity with different forms of employment,
- basic knowledge related to performance evaluation,
- familiarity with the concept of competence and the most frequent forms of on-the-job training
- familiarity with devices promoting motivation, incentive, and rewarding
- familiarity with the role of work environment, ergonomics, and industrial safety in work performance,
- knowledge of the conceptual elements and main features of industrial safety and occupational health
- knowledge of safety markings and warnings applied at the work place, awareness of the importance and various types of industrial safety training
- familiarity with the basic concepts of work hygiene and occupational health,
- awareness of the operation of the Occupational Health Service and the Industrial Safety and Employment Directorate and Inspectorate along with the main components of the Occupational Health and Safety Management System.

1.2 COURSE CONTENT

The Human resource management, safety, and health protection subject contains three interrelated modules. Within the framework of the first module students will learn about the defining factors of human resource management and the development of the discipline. The second module introduces the main activities of human resource management, and the third section covers the basic terms of safety and health protection.

At the end of the text a summary is provided and in the supplement section the respective works consulted, along with the charts, tables, and media components are listed. The Tests segment includes self-test exercises checking the students' level of knowledge acquisition.

Chart 1: The logical structure of the Human resource management, safety and health protection subject Human resource management, safety, and health protection,

1.3   LEARNER SUPPORT

At the beginning of each lesson a conceptual map helps to understand the text and grasp its structure. Each chapter is concluded with self-check questions and practice tests promoting the effectiveness of knowledge acquisition and fulfilling the respective course requirements.

2. LESSON 2

2.1 OBJECTIVES AND COMPETENCES

This lesson will introduce the global, macro-environmental, micro-environmental and intraorganisational factors impacting human resource management. Special attention will be paid to basic labour market concepts as the external factors of human resource management.

Students will be able to:
− identify and survey the main factors influencing human resource management,
− differentiate between global, macro, micro, and intraorganisational influencing factors,
− comprehend and interpret the basic concepts and respective correlations pertaining to the labour market,
− differentiate and describe traditional (typical) and non-traditional (non-typical) forms of employment.

2.2 FACTORS DETERMIINING HUMAN RESOURCE MANAGEMENT

Chart 2 Conceptual map for Lesson 2

2.2.1 Grouping of factors determining human resource management

Similarly to factors influencing the functioning of enterprises[1] factors determining human resource management can be allocated into the following categories: global, macro-environmental, micro-environmental, and intraorganisational.

These groups are described on the next chart.

Chart 3: Factors influencing human resource management[2]

As the labels indicate the influencing factors progressing from the external toward the internal are grouped according to the width of the given scope ranging from a broad scope effect to a narrow one During the rest of the lesson these factors will be introduced in detail.

2.2.2 Global factors

The global factors can be divided into two main groups: globalization and the economic crises

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[1] CHIKÁN, Attila: *Vállalatgazdaságtan.* (Enterprise economics) Budapest, Aula Kiadó, 1995.

[2] Source: Author's own compilation.

Chart 4 Global factors[3]

The globalization is a complex social and economic process whose economic, political, and cultural aspects have become more and more relevant for an increasing number of countries. The term implying mutual interdependence is derived from Wallerstein's world system concept[4] referring to the asymmetrical economic and political relations between developed and less developed countries. Accordingly institutions, firms and other economic actors of a given country participate in the international division of labour by taking part in import and export, traveling, vacationing and spending money in other countries, or working abroad. Thus globalization is a rather complex process affecting all countries involved in the international division of labour.[5]

The globalization of the business sphere poses new requirements to international firms and the labour force as well. Consequently familiarity with different cultures and the intricacies of the multicultural process and the resulting ability to provide adequate answers to the respective challenges become highly appreciated. The transformation of the economic and employment structure results in new employment expectations and changing requirements for prospective employees implying the need for the modification of skills, aptitudes, and competences. Naturally, organisational units or experts involved in human resource management must address these issues as well.

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[3] Source: Author's own compilation.

[4] Further details in: Immanuel Wallerstein (2010): Bevezetés a világrendszer-elméletbe, (Introduction into the world system theory) L'Harmattan Kiadó, 2010.

[5] POÓR, József: *HR mozgásban. Nemzetköziesedés az emberi erőforrás menedzsmentben.* (HR in action. Internationalization in human resource management) Budapest, MMPC, 2006.

Economic crises are in the second category of global factors. The long tem economic downturn is not a new phenomenon suffice to refer to the Great Depression of 1929-33, the oil crisis of 1973-75 preceded by the 1973 oil price explosion, and the latest financial crisis in 2008. The crisis of 2008 originating from the global financial crisis is the most severe economic downturn since the Great Depression. It was caused among others by the mortgage crisis impacting the real estate and banking sector of the U.S from 2006. The after effects of the crisis are still felt worldwide as the fall or merger of major firms, or the decline of the banking sector in Western Europe had a far-reaching impact. The crisis of the American economy can negatively impact the global business world as well.

2.2.3 Macro-environmental factors

Macro-environmental factors include economic, social, demographic, geographic, political-legal and technological features.

Chart 5: Macro-environmental factors[6]

> ⌨ **The macro-environment includes all factors, conditions, and situations a given enterprise is incapable of influencing on its own while impacting the firm's operation and human resource management. Macro-environment is the external environment of a given company. Since the**

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[6] Source: Author's compilation.

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option of influencing the macro-environment is limited at best, most firms adapt to the respective changes.

Factors impacting human resource management include economic, social, demographic, geographical, political-legal and technological features. (Factors influencing the labour market will be discussed later) Let's see an example for each!

- an economic factor has significant impact on income conditions determining the labour market value of an activity. There is a great amount of variation between highly trained employees and those who are motivated by economic need even risking under-employment in return for a salary.
- the social environment determines employment-related customs, traditions, and motivations. i.e. certain people choose an occupation based on traditions, and even generations can be employed at the same company.
- the demographic environment indicates the size and composition of the section of the population capable of productive work
- the geographical environment determines the labour market and the employment options provided by a given region. Thus a region with high unemployment requires different human resource strategies than one with a limited supply of workers.
- the political and legal environment regulates employment and labour relations while its impact is felt on human resource management as a given firm has to meet the respective regulations including mandatory minimal wage, regulation of work time, industrial safety specifications.
- as far as employees are concerned the technological environment determines the desired competences and skills while for employers it identifies software-related requirements for maintaining connections with labour relation and taxation authorities.

2.2.4 icro-environmental factors

The following micro-environmental factors will be described below:

Chart 6 Micro-environmental factors [7]

☞ **The micro-environment of a given company includes all factors with a direct impact on its position on the market especially the other firms, suppliers, market intermediaries, buyers, competitors, and the public.**

The micro-environment of a given company entails the firm's ability to serve the needs of the market. Human resource management experts must ensure that the given production and service efforts are performed according to market demands. The arrangement of the respective work effort including the number of employees, the work schedule, and work time must be subordinated to this goal. At the same time in order to offer competitive work conditions and retain existing staff one should be familiar with the employment conditions of other firms as well.

2.2.5 Internal organisational factors

Following the external conditions impacting human resource management the intraorganisational factors will be surveyed.

Intraorganisational factors generally refer to all resources that are available to the given firm and can either influence their availabilty or create them.

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[7] Source: Author's own compilation.

Chart 7: Intraorganisational factors[8]

Internal or intraorganisational factors:
- internal stakeholders (owner(s), manager(s), employee(s)
- size and composition of capital
- business activity, the profile of the given company
- legal status and organisational form, (the chosen legal status determines capital requirements and size of staff, along with organisational form and structure).

Internal influencing factors could also include:
- Organisational characteristics:
  - organisational strategy and operative goals
  - financial condition and flexibility
  - applied technology
  - organisational structure
- Intraorganisational regulations
- Characteristics of work and work area (sphere)
- Characteristics of employees, employee relations
  - characteristics of individuals

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[8] Source: Author's compilation.

–   management style and practice

–   characteristics of work groups

The concept of **organisational culture**, if only, briefly has to be discussed. Several fields of human resource management including hiring, safety or health protection are dependent upon organisational culture in addition to the relevant legal expectations. How can the concept be defined? According to E. H. Schein it refers to a pattern of shared basic assumptions discovered and developed by a given group while it learned to cope with the problems of external adaptation and internal integration. Such basic assumptions are functional enough to be considered valid and disseminable to the new members of a given group as means of proper problem recognition, solution, and relevant attitudes. [9]

Organisational culture however does not only include the functioning of the given company along with the traditions, rites, habits, and values as it permeates deeper levels determining individual, group or collective behaviour, thought patterns, and values subconsciously. As a result of shared regular interaction organisation members develop a similar perspective system and the respective digressions imply consequences. Thus one of the crucial aspects of such human resource management activities as staff acquisition and hiring is ascertaining whether the future employee can be integrated or capable of "assimilation" into the the given organisational culture.

In sum the company or the entrepreneur elaborates the internal (intraorganisational) factors, it can develop familiarity with and even influence the micro and market environment while the macro and global environment are given attributes to which adaptation is the only choice.

2.2.6   Impact factors related to the labour market

In the next section labour market theory concepts defining and impacting human resource management will be described.

  From the macro-economical aspect the concept of the labour market can be defined as the aggregate labour force supply of individuals and households as potential employees, and the aggregate labour force demand of business organisations, enterprises, and institutions as

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[9] Source: E.H. Schein (1991): What is culture? In: Frost - Moore – Luis – Lundberg – Martin, eds: Reframing Organizational Culture. Sage Publications, London, 246.

potential employers along with the respective correlations and the balanced or unbalanced nature of the situation.[10]

👄 **The labour market is the sum of exchanges between two actors of formally identical status, the employer and the employee.**

Said exchange connects employees to and facilitates mobility among work places. The aggregate sum of work force mobility on the labour market is called the allocation or re-allocation of the work force. **Thus the labour market is the allocational and re-allocational institution of the work force.**[11]

The basic categories of the labour market are the following: wages, work force demand, and work force supply. Wage is basically the price of the given work force. Wage has a significant role in the labour market as it determines relations between seller or buyer, that is employer and employee respectively.

The analysis of the labour market starts with a work force supply and demand analysis as the mutual relation between the two defines the respective balance or imbalance.[12] The equilibrial state of the labour market has a fundamental impact on human resource management as a firm can freely select among candidates in case of excess supply, while in a labour market characterised by excess demand (lack of qualified labour force) the acquisition of appropriate workers is difficult. The contemporary status of the labour market influences salary expectations both for the employer and employee.

Factors shaping the labour market with an impact on human resource management include:

- **Population trends:** the quantity and quality of the potential work force is one of the main features of the labour market. The extent of worker supply and the respective qualifications depend on contemporary population trends.

[10] GÁBOR R, István: *A munkaerőpiac makroökonómiája.* (The macro-economy of the labour market) Budapest, Aula Kiadó, 1990.

[11] GALASI, Péter (szerk.): *A munkaerőpiac szerkezete Magyarországon.* (The structure of the labour market in Hungary) Budapest, Közgazdasági és Jogi Könyvkiadó, 1982. 18.

[12] This issue will not be discussed in detail, students have learned about it previously.

Chart 8: The components of the population trends[13]

The chart reveals that the birth rate (fertility), the mortality rate, and the mobility or migration figures play a significant role in shaping the work force supply.

Demographic examinations reveal that countries in the European Union experience a simultaneous aging and decline of the population. The respective population loss can be attributed to natural causes.[14] In developed countries the population decline is offset or compensated by immigration. Hungary, previously a sender country, has become a receiver and transit country by today.[15]

  − **The composition of the population:** the tracing of population according to age, gender, and qualification is indispensable to effective human resource management.[16]

2.2.7   Factors influencing transition trends in the work arena

The Europe 2020 strategy provides a response to the **changes at the labour market**.[17] The strategy has 5 main goals to be realized for all members of the EU by 2020.

1. Employment: Employment rate in the 20-64 age group has to reach 75%.

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[13] Original source: TÍMÁR János: *Munkaerő kínálat gazdaságtana.(*Economics of labour supply*)* Budapest, Aula Kiadó, 1991. 5.

[14] Difference between natural increase/decrease of the population.

[15] *Demográfiai portré* (Demographic portrait) *2009.* KSH Népességtudományi Kutató Intézet, Budapest, 2010. 124.

[16] TÓTHNÉ SIKORA, Gizella: *Az emberi erőforrás gazdálkodás környezeti tényezői.* In: (Environmental factors of human resource management) Emberi erőforrás gazdálkodás, 2. fejezet. Szerk.: Matiscsákné Lizák Marianna. Budapest, Complex Kiadó, 2012. 62.

[17] Source: http://ec.europa.eu/europe2020/targets/eu-targets/index_hu.htm. Letöltve: 2012.06.14.

2. Research and Development/Innovation: Three percent of the GDP raised from public and private sources has to be used for research/development and innovation.

3. Energy/climate change: Compared to the 1990 level, the release rate of gases responsible for the greenhouse effect should be reduced by 20%. (if the necessary conditions are present the decrease could be 30%). The rate of renewable resources has to be improved with 20% and the energy efficiency has to be increased with 20 % as well.

4. Education: the rate of attrition should be reduced under 10%

At least 40%of the 30-34 age group in the EU should have a higher education diploma or qualification.

5. Poverty/Social exclusion: Decreasing the number of people living in or facing a potential danger of poverty and social exclusion at least by 20 million.

Having taken into consideration the respective conditions and local attributes each country determined **national objectives**. Accordingly, Hungary aims at increasing the employment rate of the 20-64 age group to 75% by 2020. This implies full convergence with the respective Union objectives as well. The extent of the Hungarian goal indicates that the government assigns principal priority to the increasing of the employment rate along with creating 1 million tax producing jobs by 2020.[18] The realization of the aforementioned EU and national objectives requires the development of new competences, a more effective utilization of human resources, along with flexible forms of employment and time schedules.

Technological developments and the emergence of the information-based society resulted in fundamental changes in the **work arena** as well. In addition to changing work content and work load, the spatial and temporal unity of work is altered as well. The number of traditional (typical) jobs decreases calling for transformation and the differentiation of human resource management tools as well.[19] Consequently, in addition to career strategies aiming at the retention of highly trained professionals, several short term programs have been developed to provide employment to workers with average or lower level qualifications.These atypical employment schemes often utilize governmental support or various grants. At the same time **flexibility** and **safety** appear to be highly valued features for any job seeker.

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[18] Az Európa 2020 Stratégia *végrehajtását megalapozó előzetes Nemzeti Intézkedési Terv.* (Preliminary National Action Plan facilitating the execution of the Europe 2020 strategy)Budapest, 2010. november 12.

[19] Forrás: Munkácsy Ferenc (szerk.): *„Fókuszban: az atipikus HR".* (Focus on atypical HR) Budapest, Munkaügyi Szemle 53. évf. 2009. I. különszám.

Atypical or flexible forms of employment: such schemes have gained increasing popularity in the last three decades of the 20th century both in developed countries and in the European Union. **Atypical or flexible forms of employment** as compared to or differing in one or two aspects from full time employment for an unspecified period with 8 hour workday include the following patterns:

- employment for a definite period of time
- part time employment
- temporary employment on loan basis
- work based upon the civil code (contract for work and service, entrepreneurial, or contractual labour relations)
- collective self-employment
- outwork or homework (non-premise based piece meal work)
- tele work
- flexible forms of employment
- seasonal work, occasional employment
- employment for a definite period of time based on governmental support (public works).

The increasing prevalence of non-traditional labour has impacted human resource management as well. The lesson will describe two forms of employment steadily gaining popularity in Hungary, part time work and tele work.

Part-time work: The characteristics of typical forms of employment include indefinite period, full time work with determined work hours, usually evenly divided within a five day workweek. The changing conditions demand flexibility pertaining either to the length, scheduling, or distribution of the work day. Part time work refers to employment with a shorter term than the mandatory 8 hours, either a 4 or 6 hour scheme.[20].

Telework: This type of **work arrangement method** utilizes ICT, or information and communication technology, entailing work performed away from the work place, not on the premises of the company, while maintaining continuous bidirectional contact with the employer. Thus telework is a type of **labour arrangement** or employment form, which is performed away from the work place while connection between employer or client

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[20] FREY, Mária: *Atipikus foglalkoztatási formák terjedésének ösztönzése.* I(Promoting atypical forms of employment): Fazekas Károly (szerk.): Munkaerő-piaci tükör. Budapest, MTA Közgazdaságtudományi Intézet, 2004. 1008.

and employee is maintained by information and communication technology.

Requirement criteria for effective telework:

1. **Appropriately elaborated workplace.** Teleworkers perform work not at the premises of the given company (the traditional place of work), but at an alternative work place, either at home, at a different office, or a satellite employment facility.
2. **Information and communication technology devices** (computer, laptop, internet, ISDN connection)
3. **Special control and monitoring:** The manager or telework supervisor does not control the work process, rather assigns tasks, detemines objectives, and concentrates on the results.

Popular forms of telework:[21]

Telework performed at home: Work performed in a venue equipped with information and communication equipment. The proprotion of work fulfilled at home must exceed 80 % of the full work time.

Mobile telework: the site of employment varies according to the given work requirements. The worker maintains connection with the employer by mobile communication devices. The connection with buyers or clients is personal.

Work performed at a satellite office: work performed at locations close to potential buyers or customers, at decentralized company offices.

Shared-desk concept: a special form of telework, performed at a satellite office with a special combination of satellite and occasional telework. In this arrangement the number of employees exceeds the number of desks at the workplace.

Supplementary or occasional telework: the worker does not work outside the work place on a regular basis, but only occasionaly or on weekends.

Telecommuting: this type of employment involves the regular rotation of office, home, or on the road employment. Accordingly, it is not the worker who travels between his home and his employment, but the work does.

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[21] See previous source.

2.3 2.3 SUMMARY, QUESTIONS

2.3.1 Summary

This lesson has introduced the main factors influencing human resource management including the global, macro-environmental, micro-environmental, intraorganisational, and labour market features. The lesson was completed with an overview of factors promoting the change of the work arena, the objectives of the Europe 2020 strategy along with the atypical forms of employment including part-time work and telework.

2.3.2 Self-check questions

1. How can factors impacting human resource management be grouped?
2. Which are the global factors impacting human resource management?
3. Describe the macro-environmental factors influencing human reource management.
4. What micro-environmental factors affect human resource management?
5. Describe labor market features impacting human resource management.
6. Which factors promote changes in the work arena?
7. Define the concept of the labour market:
8. Which factors influence workforce supply and demand?
9. What are the main objectives of the Europe 2020 strategy?
10. What factors influence population trends?
11. What are the differences between typical and atypical employment forms?
12. Name some atypical employment forms, describe part-time and telework schemes.

2.3.3 Practice tests

1. Which is the correct answer? (more than one answer is possible). The main groups of factors influencing human resource management:

> a) economic factors
> b) global factors
> c) organisational factors
> d) social factors

2. Which is the correct answer? (more than one answer is possible).
Global factors impacting human resource management:
        a) population trends
        b) internationalization
        c) macro factors
        d) crises

3. Which is the correct answer? (only one correct answer is possible)
Internal factors of the organisation include:
        a) internal stake holders (owner/s, employee/s, manager/s)
        b) political legal factors
        c) economic and social factors
        d) globalization, domestic enterprises

4. Is the following statement true or false? Globalization or internationalization is a complex social and economic process with economic, political, and cultural aspects.
        a) true
        b) false

5. Which is the correct answer? (more than one answer is possible).).
The micro-environment includes factors
        a) directly impacting the company
        b) determining the company's direct presence on the market
        c) indirectly impacting the company
        d) that can be regarded as attributes

6. Which is the correct answer? (more than one answer is possible).Features of typical employment include:
        a) employment for an indefinite period
        b) flexible work schedule
        c) full time work
        d) part time employment

7. Is the following statement true or false? As far as micro-economic considerations are concerned the labour market reflects the aggregate supply of individuals and households as a workforce.
        a) true
        b) false

8. Which is the correct answer? (more than one answer is possible). The basic categories of the labour market include:

  a) wages
  b) workforce demand
  c) income
  d) workforce supply

9. Is the following statement true or false?   The Europe 2020 strategy calls for achieving an employment rate of 70% in the 20-64 age group by 2020.

  a) true
  b) false

10. Which is the correct answer? (more than one answer is correct) Effective telework requires the simultaneous fulfilment of these conditions:

  a) a specially prepared location
  b) availability of information and telecommunication devices
  c) data provision
  d) special management and control methods

3. LESSON THREE

3.1 OBJECTIVES AND COMPETENCES

The lesson introduces the development, main trends, and theoretical aspects of independent personnel or human resources functions. Personnel activities are also colled human resource management, abbreviated either as HR or HRM The respective tasks include the coordination of business, management, and individual goals within the given organisation.

Students will develop the following competences:

- understanding the development of the independent personnel or HR function,
- a full understanding of the HR concept and the related activities
- understanding the concept of human resource management and the respective synonymous concepts,
- differentiating the main trends and periods of personnel or human resource management with special attention to the Peretti periods and categories,
- understanding the changing role of human resource managers and the respective expected competences.

3.2 THE DEVELOPMENT AND MAIN TRENDS OF THE INDEPENDENT PERSONNEL FUNCTION

Chart 9: Conceptual map to lesson 3

3.2.1 The development of the independent personnel function and the respective concept

The radical economic and social changes between the end of the 19th century and today resulted in significant demands for business organisations and firms. Consequently the need arose for the establishment of an **independent, functional department** focusing on employee needs and the promotion of effective and successful work performance.

In case of successful companies personnel or human resource management goals have been given increasing priority. In addition to technological development the most important changes involve a focus on human resources as in the increasingly competitive business world only those companies can hope for a competitive edge, which are dedicated to the improvement of the quality of the available work force along with the full utilization of employee potential and a commitment to activity optimalization. Since the main components of human resources including knowledge, skill, and attitude have gained increasing prevalence the management of effective labour force became one of the criteria for competitiveness.[22]

Thus within business organizations **independent functional fields, work and activity areas** facilitating employee-orientedness emerge. This also implies personalized treatment of employees as the efficiency of employee performance must coincide with the achievement of company objectives. This independent functional task is performed by the personnel department.

The personnel function developed simultaneously with the changes of the business and economic environment. Hungarian and foreign researchers have defined this concept in a variety of ways. Miner views personnel as a general management function focusing on people as resources (1977), Ivancevich and Glueck define it as a means of achieving organisational and individual goals (1986), and Carell et al highlight its capability of firm and personal goal maximization(1989). Since the end of the 1980s the strategical importance of worker development has been emphasized (Storey, 1995). As more and more functions are integrated within the personnel activity, the respective definitions continue to vary. Amstrong (1996) asserts that the integration of the personnel concept into strategy and company management is crucial. While Hungarian researchers have offered a variety of definitions for the personnel concept, we utilize the work of Katalin Koncz in describing the respective term.

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[22] KONCZ KATALIN (1992): *Személyügyi tevékenység tartalma és funkciói.* (The main aspects and functions of personnel activity) Aula Kiadó, Budapest. p.7.

⚰ **Personnel activity is the sum of human operations related to labour force, and the various social, economic, cultural features and individual attributes.**[23]

The definition emphasizes two main features of the concept: complexity and the need for a personalized approach.

Recently, however, the term personnel has been superseded by such expressions as human resource management (HRM). Next we will describe the concept and main objectives of human resource management.

3.2.2 Human resource management and the related concepts

As Gizella Tóth-Sikora[24] argues the definition of human resource management is based on the definition published by the **Institute of Personnel Management** of London in 1980. Accordingly **human resource management focuses on all workers contributing to the company and the respective mutual relations.** It aims to forge an effective organisation facilitating company success by uniting the individual members while paying attention to both individual and group needs.[25] [26]

According to Armstrong human resource management is a strategy aiming at the acquisition, development, control, motivation, and securing of the commitment of the most important component of any enterprise or organisation, the human being dedicated to its success.[27]

The basic objective of human resource management is assuring the survival and growth of a given company.

According to the noted Hungarian researcher, György Kövári **the direct goal of human resource management** is the elaboration of such

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[23] Poór J. –M. Roberson (2003): *Globális fejlődés. Az emberi erőforrás-menedzsment (EEM) eredményessége a magyar vállalatoknál az új évezred elején. (*Global development. The efficiency of human resource management in the Hungarian enterprise sphere at the beginining of the new Millenium) Vezetéstudomány, 2003. 1. szám, pp. 13–19.

[24] She is a retired associate professor of the Faculty of Economics of Miskolc University, at the same time a noted researcher with numerous publications in the field of human resource management.

[25] The I.P.M definition is quoted by Molander, C.1989. 8.

[26] Tóthné Sikora, Gizella: *Emberi erőforrás szerepek, tevékenységi területek és szervezeti keretek* (Human resource management roles, activities and organisational frameworks) In:Emberi erőforrás gazdálkodás, 3.fejezet.Szerk.:Matiscsákné Lizák Marianna. Budapest, Complex Kiadó, 2012. 63.

[27] Armstrong, M. 1991. 33-34.

practically applicable management principles and methods, which take into consideration the needs of individuals and groups contributing to organisational success along with the objectives and requirements of the given organisation.[28]

3.2.3   The main trends and periods of personnel activity

The evolutionary scale established by **Peretti** (1990) contains **5 stages** ending up in the 1990s. The model of the French researcher tends to be accepted by the human resource management community.[29]

1. **Between the end of World War Two and the 1950s Personnel Administration (PA)** focuses on the legal and administrative tasks related to workers, work time and the respective wages. The personnel apparatus was subordinated to management and its executive role was supplemented with administrative duties.

2. **In the 1960s** personnel activities will be integrated into management responsibilities. In the **Personnel Management (PM)** stage the focus is on work force management ranging from hiring to firing or downsizing. In the given technological context wages or salaries are the most important component, thus wage management can lead to significant savings.The fields of personnel management are independent from each other, some are subordinated to the company chief executive, others are overseen by the finance director.

3. **In the 1970s personnel activity started to be superseded by Human Resource Management (HRM)** in the market economies of the developed world**.** The rise of human resource management resulted in a complex system oriented approach to all worker related activities and organisation units including work relations, personnel, social and well-being issues**.** The worker is not an expense item anymore, but one of the most important components of the given company. The personnel arsenal is further enriched as work sphere design and analysis and computer-assisted competence based work-sphere evaluation, along with motivation management systems and personnel information systems are introduced.

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[28] Kővári 1993, 48. quoted by Tóth-Sikora as well.

[29] PERETTI, J. M. (1990): *Fonction personnel et management des ressourrces humaines.* Vuilbert, Paris. p. 573.

4. **In the 1980s** human resource becomes a strategic resource and human resource management is integrated into strategic enterprise management. **Strategic Human Resource Management (SHRM)** focuses on organisation objectives, worker needs, the coordination of operative and strategic goals, and partnership based labour relations.

5. **During the 1990s** extending until the New Millenium the emergence of globalization coincided with the dominance of global or transnational companies. The rising uniform European labour market called for the internationalization of human resource management as well. This is the age of **international human resource management (IHRM)** or management of international human resources. Researchers recognize the increasing independence and separation of international human resource management and national human resource management. Accordingly the human resource activities of international companies depend on the international acceptance of the respective domestic human resource related practices or on the adaptation to local, regional, and global conditions.

hart 10 describes the chronolological order of the Peretti continuum. The name of the respective periods are abbreviated:

PA   PM   HRM   SHRM   IHRM

Chart 10: The stages of Peretti's human resource management continuum.

The stages within the evolution of personnel activity reflect the **chronological expansion** and development of the respective functions. While the scope of the given tasks and activities increases with time, **the spatial dimension** of particular phases **runs parallel** with the development of the business sphere of the given country. The respective firms vary according to profile, size, ownership and level of development.

3.2.4 The changing role of personnel managers

Personnel management both in Hungary and on the European continent **had to face new challenges** during the first decades of the 21st century. The changes of the organisational environments, the financial and economic crisis of recent years left their mark at the labour market as well. Consequently, human resource organisations had to adapt. The real time economy and the 24-7 structure of the global market require the maintenance of a technological and production chain with a continuously available labour force. The non-stop readiness of the labour force regardless of the given time zones necessitates different attitudes from personnel managers and departments as well.

Since the goal of any business organisation is survival, development, and growth on the market via profitable operation the **increasing of company productivity** is crucial. Consequently human resource organisations headed by capable managers should fulfil the following tasks: the development of management and human capital, the promotion of worker commitment, the recruitment and retention of talent, along with assessment and improvement of the respective performance. Thus the **competences** of human resource managers should function as guarantees for effective operation. Human resource managers according to Losey-Ulrich-Meisinger should possess the following skills, aptitudes, and competences:[30]

- − understanding the needs of employees, guidance of staff,
- − continuous development of professional skills,
- − fulfilment of new HR roles at the highest level,
- − the adaptation of the organisational culture to the respective business conditions,
- − the improvement of company skills instead of organisational changes
- − promoting the scholarly recognition of the HR field,
- − establishing a network of cooperating enterprises,
- − the formation of an appropriate business environment,
- − coordination of business, social, and ethical expectations.

As it was mentioned earlier in the new business environment the personnel function and activity have gained additional priority as a potential

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[30] LOSEY M. – ULRICH D. – MEISINGER S. (2006): *A HR jövője. Az emberi erőforrásmenedzsment perspektívái.* (The future of HR. Perspectives of human resource management) HVG Kiadói Rt., Budapest. p. 14-15..

guarantee of company success and productivity. If in addition to being appropriately motivated and possessing a positive attitude employees are satisfied with work conditions based on mutual trust, they are loyal to the given organisation and are willing to make extraordinary efforts for the success of the firm.

The evolution of personnel activity demonstrates the **increasing significance of human resources** underlying the competitiveness of nations and organisations. All in all the latest developments testify to a greater level appreciation of the work of human resource departments

3.3 SUMMARY, QUESTIONS

3.3.1 Summary

The lesson retraced the development of the independent personnel function and personnel departments along with providing explanations for the respective concept. Since personnel activity is often referred to as human resource management detailed definitions and concept descriptions were provided. The main stages of the development of the personnel or human resource function were illustrated by the Peretti continuum. The increasing significance of the human resource function posed new challenges for personnel managers. The chapter provided a brief look at the expected skills, aptitudes, and competences.

3.3.2 Self-test questions

1. Justify the necessity of the evolution of personnel activity into an independent and separate function within the business organisation.
2. Retrace the development of the human resource function and the respective changes of the concept.
3. Describe Katalin Koncz's definition of the personnel function and the components of the personnel activity.
4. How did György Kővári determine the direct objectives of the personnel function?
5. Desribe the components of the Peretti continuum.
6. Describe the PA stage of the Peretti continuum.
7. Describe the PM stage of the Peretti continuum.
8. Describe the HRM stage of the Peretti continuum.
9. Describe the SHRM stage of the Peretti continuum.
10. What developments resulted in the changes of competences expected from personnel managers?

11. What new skills, aptitudes, and competences are expected of personnel managers, list and describe some of them!

3.3.3 Practice tests

1. Is the following statement true or false? The increasingly significant changes of the business and social environments taking place since the end of the 20th century fundamentally altered the expectations pertaining to organisations and firms.
> a) true
> b) false

2. More than one answer is correct! The formation of the personnel function and the emergence of new economic and business conditions are related in the following way
> a.) took place simultaneously.
> b.) did not take place
> c.) is not regarded important
> d.) is regarded highly important

3. Is the following statement true or false? Personnel activity is the aggregate sum of activities related to the work force, and people with varying social, economic, and cultural characteristics and personal features.
> a) true
> b) false

4. The principal goal of human resource management is
> a.) assuring organisational efficiency,
> b.) guaranteeing the survival of the firm on the market
> c.) promoting cost effective operation
> d.) assuring employee satisfaction

5. Peretti's evolutionary scale of human resource management was introduced in:
> a.) 1980
> b.) 1990
> c.) 1993
> d.) 1998

6. The chronological order of the Peretti continuum starting with the earliest stage is the following:
> a.) PM, PA, HRM, IHRM, SHRM
> b.) HRM, SHRM, PA, PM, IHRM

c.) PA, PM, SHRM, IHRM, HRM
d.) PA, PM, HRM, SHRM, IHRM

7. Is the following statement true or false? In the 1980s personnel activity becomes integrated into management.

    a) true
    b) false

8. Which human resource management development stage is described by the following? The human being or resource becomes a strategic resource, and human resource management becomes part of strategic enterprise management.

    a.) PM
    b.) HRM
    c.) IHRM
    d.) SHRM

9. Which of the following is expected from human resource management by the real time economy? More than one answer is correct.

    a.) downsizing
    b.) flexibility
    c.) assuring the continuous availability of workers
    d.) wage increases

10. According to Losey-Ulrich-Meisinger the following skills, competences, and aptitudes are required from human resource managers: More than one answer is correct.

    a.) understanding worker need, staff guidance,
    b.) continuous improvement of professional background
    c.) adaptation of organisational culture to business conditions,
    d.) the elaboration of an appropriate business environment

4. LESSON 4

4.1 OBJECTIVES AND COMPETENCES

This lesson will introduce the concept, development and structure of the work area, the Unified Job Classification System, the work area analysis process and the related devices. Students will also become familiar with the methods and steps of work area design, the concept of work area assessment, the Hay method, and the formal and content based requirements of job descriptions.

Students will acquire the following competences:
− understanding and grasping the basic concepts related to the work area,
− understanding the functioning of the Unified Job Classification System
− designing, analysing, and assessing work areas,
− preparing job descriptions.

4.2 THE ELABORATION, ANALYSIS, DESIGN, AND EVALUATION OF WORK AREAS

Chart 11: Conceptual map to lesson 4

4.2.1 The concept of the work area

Each organisation or institution either in the business or public sphere performs its activity within a determined organisational structure or framework. This organogram or chart of organisational structure describes the relations between the given positions or work areas, the respective subordinated or supreme status in other words the division of labour within a given organisation.

Obviously not only large organisations, but micro, or even smaller enterprises operate in a given organisational framework. Chart 12 displays the organogram of an enterprise working with 6 people.

Chart 12: Organogram[31]

The chart clearly displays the subordinated or supervisory relations and the separations of the given positions.

> **Work area can be defined as a basic unit of a process or activity within a given organisation. Such unit is separated according to the division of labour within the organisation and determines the aggregate sum of tasks to be performed by a given employee. The work area includes a specified intraorganisational scope of authority, activity, and responsibility.**

The work area is the group of identical positions based on set work tasks and responsibilities. (Section 4.2.3 will provide a more detailed description)[32]. The **work area** (work line) or duty determines who has to do what with the respective responsibilities. Work area can also be called position, job, assignment, or post, and can be represented by a certain person.

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[31] Source: Author's own compilation.

[32] KŐVÁRI, György: Gazdálkodás az emberi erőforrásokkal.(Management of human resources) Budapest, Országos Munkaügyi Központ, 1991.

The elaboration of a given post is not governed by the personal characteristics of a given candidate, and the assignments differ according to the expected aptitudes and capabilities as well.

4.2.2 Questions related to the elaboration of work areas

The following chart describes the questions to be clarified during the elaboration of a given position.

Chart 13: Questions related to the elaboration of work areas or positions[33]

The abovementioned questions require carefully considered answers:

WHO? – the question refers to finding the appropriate candidate with the required competences. At the same time the expected qualifications criteria must be determined including education level, professional experience, professional practice, work experience, age, foreign language proficiency etc.

WHAT? – what type of tasks are allocated to the given position, what type of performance will be required?.

WHERE? – this is a complex issue regarding the venue of the respective performance (with the address if possible), along with the placement of the given position in the organisational hierarchy, namely is it a subordinate or co-ordinate position.

WHEN? – this question includes several elements as well. At first the given employment form (full time, part time) has to be determined, followed by the elaboration of the work schedule (single shift, many shifts) or the work time system (set or limited).

HOW? – the respective authority given to the person filling the given position (scope of action, signatory, opinion providing, decision making etc.) along with the conditions for effective performance (separate office, administrator, computer)

WHY? – how does the given position contribute to the operation and main functions of the organisation?

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[33] Source: Author's own compilation.

4.2.3 The basic components of work areas

A **work position** can be built from bottom to top and from top to bottom. The following chart illustrates the **bottom to top approach**:

Chart 14: The basic components of a position [34]

- **The work operation is a basic unit of the work area to be performed independently, and it can measured, analyzed, and evaluated.**

- **Work task: it includes more than one operation or the sum of operations[35]**

- **Work post: often named as a post. The work post is the sum of work tasks a given employee has to perform. The work post also includes a scope of tasks, authorizations, rights, and responsibilities.**

- **Work area: the work area is not identical with the job as it is separate from the individual or the position filled in. As György Kövári indicated work area includes the sum of identical workposts than can be grouped into occupations.**

- **The occupation is a set group of work areas implying similar qualifications, efforts, and responsibilities. The next chart illustrates the formation of occupations.**

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[34] Source: Own compilation .

[35] BAKACSI, Gyula– BOKOR, Attila – CSÁSZÁR, Csaba – GELEI, András – KOVÁTS, Klaudia: *Stratégiai emberi erőforrás menedzsment.* (Strategic human resource management) Budapest, KJK-KERSZÖV, 1999.

📄 *Describe the basic concepts of occupations in a chart!*

In the next section we explore the Unified Job Classification System.

4.2.4 Uniform Job Classification System

The work area is an organisational or enterprise related category determined by the former. Thus identical work areas can include differing responsibilities at different companies, or similar work areas of certain enterprises are given a variety of names.

Governments need reliable data concerning the labour market and occupational trends. Such information in Hungary is acquired among others from the Social Security Office, the Health Insurance and Retirement Benefit Association, the Revenue and Customs Service, and the Central Statistics Office).

📄 *Visit the web page of a few governmental organisations and download data related to the labour market or occupational trends. You should obtain data from the web page of the Central Statistics Office as well!*

The **Unified Job Classification System** provides a uniform framework for the taxonomy of occupations.

👝 **The Unified Job Classification System lists the occupations according to the reqired qualification and professional background.**

The web page of the Central Statistics Office provides a detailed description of the methodology of categorizations. The information is available via this hyperlink: (http://www.ksh.hu/osztalyozasok_feor_menu)):

"Methodological documents related to the categorization of occupations:

- [FEOR-08 nómenklatúra négyszámjegyes rendszere](#)
  The four digit decimal categorization system: The first digit represents the principal occupation group, the second the occupational group, the third the occupational sub group, the fourth stands for the occupation itself.
- [FEOR-08 nomenklatúra alkalmazásának módszertani útmutatója](#)
  This a link providing access to a methodological guide pertaining to the revision of the UJCS-93 categorization, the main aspects of the application of the EOR (UJCS)-08 system, the main aspects of the taxonomy of occupations and of special occupational categorizations..
- [FEOR-08 foglalkozásainak tartalmi ismertetése, jellemző munkakörök felsorolása (search program)](#)
  The UJCS-08 occupation lists include the respective descriptions, entailing the most important tasks, typical work areas, along with providing information on other non-

listed yet relevant occupations. Information related to the content and typical work areas is available via a search program facilitating detailed data search. On the left side of the window work area related terms appear, and after clicking at the appropriate one the relevant work related information becomes available.[36]

> 📖 *Visit the web page of the Central Statistics Office and study a specific categorization related to your college major or specialization. Thus if you study economics, or business administration, or management retrieve information related to the occupational structure of financial analyst and investment counsellor.*

The first digit of the four digit UJCS number indicates the main group, namely whether the given occupation is intellectual or physical, **white collar** or **blue collar**. White collar occupations are in groups 1-4, blue collar occupations are in groups 5-9. Upon hiring the UJCS number of the given occupation has to be determined as such information is entered into the employment contract and it has to be reported to the authorities (Revenue and Customs Service, Social Security Office.

4.2.5   The designing of work areas

Work area design is a crucial requirement for the realization of the company's strategic objectives. Each task should be performed within the organization and it should be clearly determined who does what, when, how and why within the given organisation. Consequently, the work areas and the given connections have to be examined, or in other words the work areas have to be designed.

The main aspects of work area design include process orientedness and a holistic approach. **The process oriented perspective** implies that the current tasks are not performed in isolation, but they are regarded as components of given activities. The **holistic approach** considers all activities within the organisation including not only the continuously and regularly performed ones, but some of the less frequently carried out functions as well. Companies should strive for flexibility and adaptation to changing external circumstances. Thus the given work areas are continuously expanded by the inclusion of new tasks underlining the need for additional design and even re-design activities.

There are two main categories of work area design:

Zero base design: In case of zero-base design work areas have to be established for a new firm or organisational unit. Accordingly the tasks to be performed have to be listed and allocated into work areas. One

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[36] Source: http://www.ksh.hu/osztalyozasok_feor_menu

possible method is the adaptation of existing work areas in firms of similar profile.

Work area design for firms with an established organisational structure. The main task is the assessment of existing situation and the planning of the steps to be realized, or moving from the status quo to the needed changes respectively. Reorganization could have many causes including downsizing, change of technology. Such changes lead to the establishment of new work areas with additional tasks and responsibilities.

However, many times firms do not hire new employees in case of increased task loads, but expand the work areas or job descriptions and take advantage of rotation options.

The expansion of work area indicates the addition of new tasks or activities heretofore not performed by the employee leading to a horizontal expansion

- **The enhancement of work areas means the vertical expansion of the heretofore performed activity. implying the addition of new tasks to the existing ones. The work area enhancement or vertical work load can facilitate the psychological growth of workers, unlike the expansion of the workarea, which leads to a structural extension.[37]**

- **The rotational approach implies the periodical movement of workers between the given work areas. In case of vertical rotation the given worker can be promoted, whle as a result of horizontal rotation the level (rank) of the work area remains unchanged, while its content is modified.**

4.2.6 Work area analysis

- **Work area analysis refers to a systematic human resource management process disclosing the content of various work areas in order to ascertain and evaluate the work load and the expectations and demands the respective employee has to fulfil.**

Work area analysis includes the gathering, processing, and evaluation of information and the process is divided into three clearly distinguishable stages:

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[37] GYÖKÉR, Irén - FINNA, Henrietta - KRAJCSÁK, Zoltán: *Emberi erőforrás menedzsment.* MSC oktatási segédanyag mesterképzés hallgatói számára. (Human resource management) Budapest, BME MVT, 2009.

Chart 15 The work area analysis process[38]

1. The main components of the preparation stage:

1.1. Defining the objectives of the work area analysis effort: the respective goals could include laying the foundations of reaching a strategic goal, providing a solution to a current problem,or realizing several objectives at the same time.

1.2. Identifying the work areas selected for analysis: selecting the respective work areas

1.3. Organizing the analyzing team: the inclusion of experts covering several fields is recommended.

1.4. Informing the relevant employees involved in the analysis: It is very important to provide information to the employees of the given work area scheduled for analysis. Employees must be made aware of the goals, methods, the respective tasks and staff of the analysis

2. The information collection phase

Information concerning the given work area can be obtained in a variety of ways and the wider the respective inquiry apparatus, the more reliable data are provided. We describe the most frequently applied methods and technologies.

The most frequently applied information collection methods and technologies:

- **Document analysis:** in itself a secondary source of information focusing on such available documents as job descriptions, procedural order, performance data, legal specifications, instructions, and registers.
- **Observation method,** a primary source of information, obtained by the respective staff. Activities can include photographic recording of the whole workday, recording all relevant events on a given day or days either by writing or by such **device** as a video camera.

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[38]Source: Author's own compilation

- **Question-based methods** a primary source of information including the questionnaire and the interview. Questionnaires should be short and focus on a given activity, while the interview should be convenient without causing undue difficulties.
- **DACUM (Development of a Curriculum) method***:* While this approach was elaborated for the determination of training needs, it is mostly used during work area analysis. Accordingly, the task groups, the respective specified tasks, the basic knowledge and skills and aptitudes required for the performance of the tasks, the expected behaviour and the relevant human resource and material resource conditions are determined. In the process the highest performing employees are involved as well

📖 *Find activity analysis questionnaires on the Internet, and take a look at the given structures. Relevant questions can include whether the questionnaire targets the output or input of a given activity, the causes of the given performance, or potential suggestions for improving efficiency.*

3. The analysis of information

Information analysis is the concluding phase of work area analysis. The process is concluded with a written document including two parts, a descriptive (work mirror) and analytical section.

3.1. The descriptive section is a summary of the respective results including the following components:

- The **type of the** respective **work result (output)**: what kind of output is produced: object, service, final product, semi-finished product etc.
- **The main features of the respective performance:** the r**ecording** of the procedural order, the implements, information and temporal aspects of performance**.**
- **The integration of the given work area into the organisational structure:** recording the distribution of tasks, the organisation of work phases, the management and control relationships, along with the scope of authority, and responsibilities pertaining to the given work area.
- **Methods of incentive promotion, motivation, salary provision and other forms of paying the employees:** This topic will be discussed in detail in Lesson 9.
- **Employee relations, the main features of knowledge and skill development:** relations of workers within and outside

the organisation, the main aspects of employee training and development.[39]

3.2. The analysis section should include the workload related to the given work area. The work load has to be broken down into physical, psychological and intellectual level on the one hand, and the health, experience, and skill–related requirements on the other. The **competence profile,** or the sum of competences needed for the effective fulfilment of a given task is determined here as well. (The concept of competence will be discussed in detail in Lesson 8)

4.2.7   Work area evaluation

🕮 **Work area evaluation is a process ascertaining the relative weight or importance of the work areas found within an organisation.**

During work area analysis the various work areas are compared according to their importance and ranked according to their ability of contributing to the realization of organisational goals. Based upon the respective work area allocation categories can be established in order to guarantee the internal homogeneity of the categories, that is work areas of similar value would be placed within one group. At the same time attention must be paid to the separation of work areas allocated into different groups.

In order to compare the respective work areas various evaluation procedures have to be designed. The evaluation procedure must be methodical, thorough, and objective, while the results should be unified and credible as well. Although several work area evaluation methods have been developed, we introduce the Hay point scale below.

The Hay method[40]

One of the best known point-based evaluation approaches is the Hay method developed at the Edward N. Hay Company after the end of World War Two. While the method was developed by professional experts, it was named after the firm. The precisely elaborated measuring number system is based on the three crucial factors determining the value of a given work area either as a product or service:

1. knowledge,

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[39] FEKETE, Iván – FRUTTUS, László – NEMESKÉRI, Gyula – PINTÉR, Zsolt – ZSOLDOS, Mariann: *A személyzeti osztály.* (The personnel department) Budapest, KJK, 1997.

[40] DABASI HALÁSZ, Zsuzsanna: A munkakör tervezése, elemzése és értékelése. (Design, analysis, and evaluation of work areas) In: Matiscsákné Lizák Marianna: Emberi erőforrás gazdálkodás, 4. fejezet, Budapest,
Complex Kiadó, 2012.

2. problem solving and
3. Responsibility.

In case of the evaluation of physical work the work conditions as the fourth factor are also included.

Based upon these three factors additional eight work area dimensions were elaborated.

Knowledge: the sum of information and experiences required for satisfactory performance. Knowledge can be measured with the following three dimensions: the scope and depth of professional information, the scope of management skills, and the skill of handling human relations

Problem solving: this factor indicates the need for definition, analysis, and solution of problems within a given work area. The two dimensions of problem solving are freedom of thought and task-related challenge.

Responsibility (accountability): this factor is the measure of the influence or impact a given work area exerts on the company or business activity. Its dimensions: freedom of action, the impact, the influence, and the magnitude.

The value of a given work area is indicated by the sum of the numbers allocated to the abovementioned three factors. The value of work areas belonging to an identical point category can be considered identical as well. Thus they are located horizontally in the organisational hierarchy.

The work area analysis is an important component of wage structures as the salary for identical work areas should be similar. At the same time the results can be utilized in career planning, in the determination of requirements, and during the elaboration of staff development programs.

4.2.8   The concept and preparation of job descriptions

Job descriptions can be prepared according to the results of the work area analysis and evaluation process. The purpose of making job descriptions is to record the conditions and regularly performed tasks of a given job in writing. The job description is to be prepared as part of the work contract during the hiring process. (The hiring process will be described in detail in Lesson 7). The job description records in a clear, systemised, written form the tasks, characteristics, requirements, and conditions of the work area within the given work organisation.

The goal of job description:
–   The recording and systematization of separable and repeated activities within a given work area.

    –   Establishing clear boundaries between the given work areas.
    –   The recording of the conditions and main characteristics of the work performance.

Job descriptions have to be prepared by a supervisor with the authority of an employer. In reality job descriptions are prepared in collaboration between an associate or head of the human resource management department and the leader of the respective organisational unit. Job descriptions are prepared according to particular legal regulations, the organisational policy and procedure, the administrative scheduling, and the data and results of work area analysis and evaluation.

It is possible that the employees themselves prepare their own job descriptions. In this case the job description has to be controlled and approved by a professional appointed within the given organisation.

Chart 16 Participants in the job description preparation process, and the respective influencing factors[41]

When should job descriptions be prepared?
    –   in case of the elaboration of a new work area
    –   before starting new job operations and tasks (expansion and enhancement) the job descriptions have to be updated .

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[41] Source: Author's own compilation.

In the first case the job descriptions as one of the basic documents of the work area creation process should be prepared simultaneously with the work area design process. Job descriptions are most frequently updated after the modification of the given job responsibilities. At this time the finalization of the job description should be preceded by a work area analysis and evaluation.

Basic principles of the job description process:
- the job description should be defined in a system-oriented perspective integrated into the overall organisational tasks
- clarity and intelligibility,
- shortness, conciseness, logical structure
- timeliness.

4.2.9 The formal and content-based components of job descriptions.

The form and content of job descriptions are not legally regulated.
Generally job descriptions contain the following segments:
1. General information
2. Description of the given work area
3. Circumstances of work
4. Requirements for fulfilling the job
5. Concluding information

Segment One: General information
- name and code of the given organisational unit
- name, UJCS number and code of the work area
- term of validity
- the purpose and function of the work area
- the place of the work area within the organisational framework

Segment Two: Description of the given work area. This segment should include the following:
- listing the tasks to be performed within the given work area
- scope of authority
- scope of responsibility
- contact persons
- substitutions
- performance criteria

Segment Three: Circumstances of work:

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- respective implements and devices
- special conditions related to performance
- work time

Segment Four: Requirements for fulfilling the job:
- qualifications
- professional background
- special requirements etc.

Segment Five: Concluding information:
- creator of the job description,
- date of effectiveness,
- term of validity,
- signature of the employer or manager with employer authority and the employee

Application and use of job descriptions:
- during recruitment, and the creation of job advertisements providing additional information about the given position
- during the selection process job descriptions can be used as a criteria for choosing the best candidate,
- determining the comparable factors for ascertaining the relative value of the work area,
- the respective duties, responsibilities, and conduct requirements can be taken into consideration during performance evaluation,
  - during the design of payment or compensation systems etc.

Find job description patterns on the Internet. Compare the respective elements with the information you have learned!

4.3 SUMMARY, QUESTIONS

4.3.1 Summary

The lesson familiarised students with the concept of job or work area, the respective structure and the six steps of job or work area formation along with such terms as work operation, work task, post, and occupation Information was provided on the Unified Job Classification System and the related legal and administrative requirements. The chapter also introduced the work area design process while highlighting the importance, main stages and tools of work area analysis and the respective fields of

application. The chapter also provided a detailed introduction of the Hay method, the uses of work area evaluation data, along with the formal and content-based requirements of the job description preparation process.

4.3.2   Self-check questions

1. Define the concept of work area!
2. Define the basic components of the work area concept (work operation, work task, post)
3. Explain the work area expansion process.
4. What are the main stages of work area analysis?
5. What are the fields of application for work area analysis?
6. Explain the concept of work mirror.
7. Explain the concept of work area evaluation.
8. Describe the three main factors and the respective dimensions of the Hay method.
9. What are the fields of application for work area evaluation?
10. Describe the form and content-based requirements of job descriptions.

4.3.3   Practice tests

1.True or false? Work area and occupation are synonymous terms.

  True   False

2. Match the respective content elements with the work area creation process.

Questions related to the work area creation process	Components related to the work area creation process
1. WHO?	a) qualification
2. WHAT?	b) the place of the work area in the organisation
3. WHERE?	c) work conditions
4. WHEN?	d) type of work
5. HOW?	e) work schedule
6. WHY?	f) contribution to the functioning of the organisation

1. a)   2. d)   3. b)   4. e)   5. c)   6. f)

3. Which of the following is correct? (more than one correct answer is possible)

      a) the work task is a group of work areas.

      b) the work task includes work operations

      c) a work post includes specific tasks, area of authority, and area of responsibility.

      d) occupation is an indication of an individual's place within a given organisation.

4. Fill in the right word, (numbers are indicated with letters!) The work area value number determined by the Hay-method is based on the sum of three factors: knowledge, problem solving, and responsibility. In case of work areas allocated to identical value categories the given work areas have identical significance as well.

5. Fill in the right word, (numbers are indicated with letters!) A Unified Job Classification System uses a four digit decimal system for the listing of occupations.

6. True or false? The Unified Job Classification System helps the establishment of the work area values.

      True   False

7. Which is the correct answer? (one correct answer is possible)

      a) horizontal expansion means the integration of new, heretofore unperformed task to a given work area.

      b) vertical extension means the addition of new work tasks.

      c) employees are moved or transferred within the given work areas.

8. True or false? Work area analysis entails the exploration of the content of various work areas in order to ascertain and evaluate the respective workloads and requirements.

      True   False

9. Which is the correct answer? (more than one correct answer is possible) The production or service related value of a given work area is determined by the following factors:

      a) knowledge

      b) problem solving

      c) responsibility

      d) status

10. Which is the correct answer? (one correct answer is possible) The bottom to top work area formation method follows this sequence

      a) work operation– work post– work task – work area

      b) work task– work operation– work post- work area

      c) work operation – work task – work post – work area

        d) work post– work task – work operation (manoeuvre) – work area

11.True or false? Job descriptions are always unified and identical as laws regulate their content..

      True   False

5. LESSON 5

5.1 OBJECTIVES AND COMPETENCES

The lesson will introduce the concept, objective, and process of work force planning, Detailed information will be provided on the stages of work force planning, the forecasting of work force demand and supply, along with an evaluation of the two sides, the respective discrepancies and the human resource management activities aimed at eliminating such differences. The second part of the lesson focuses on career planning. Accordingly students will be familiarised with the concept of career, the factors impacting a career and the place of career planning within human resource management in addition to describing the career path concept and the respective career options.

Students will obtain the following skills, aptitudes, and competences:
- understanding the role of workforce planning in human resource management,
- designing the workforce planning process,
- distinguishing between work area and work force planning,
- work force planning according to demand and supply on the labour market,
- determining which tools should be used in the action plan,
- career definition and planning,
- describing the process of career development and career planning.

5.2 WORKFORCE PLANNING AND CAREER DEVELOPMENT

Chart 17: Conceptual map for lesson 5

5.2.1 The concept and levels of work force planning

The perspective or vision of an enterprise is determined by its mission statement including the principles a given company must implement regarding its environment and staff. Work force planning must take the mission statement into consideration.

> 👜 **Work force planning or staff size planning aims to provide a staff with adequate number *and* composition facilitating the realization of organisational objectives in a desired time frame, quantity, and ability scale.**

Corresponding to general planning stages work force planning has three levels, namely the strategic, tactical, and operative levels. These three levels form a real hierarchy as the upper level provides a framework for the design of the one below, or in other words the lower levels have to conform to the upper levels.

Chart 18 The levels of work force planning[42]

The levels of work force planning must be complemented with specific plans and the anticipated terms of the fulfilment of tasks assigned to each level. Chart 18 provides a summary of these requirements:

Chart 18 The correlation between the plans, management levels and the respective tasks[43]

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[42] Source: Author's own compilation.
[43] Source: Author's own compilation.

The human resource strategy is prepared at the strategic level. The human resource strategy is part of the company, or institutional strategy, determining the content and main focus of personnel functions. It is a goal and device system facilitating long term survival. The human resource strategy takes into consideration all human attributes promoting increased market share and stability along with all weaknesses threatening survival and providing competitors with a point of attack. Specific human strategy objectives can be elaborated along the guidelines provided by the organisational mission statement.[44] The human strategy developed for a 3-5 year term is a functional strategy determining the quantity, and quality (composition) of workforce and the respective tasks required for the successful implementation of the business strategy

The human strategy elaboration process includes 4 stages as described on Chart 19.

Chart 19: Stages of the human strategy planning process[45]

The first step is the analysis of external and internal environmental factors impacting human resource conditions. (these factors were dealt with in detail in Lesson 2). The analysis results can facilitate the summarizing of the current human resource conditions along with assessing the expectations for the future.

In the second phase a human resource prognosis entailing relevant objectives can be prepared. Prognoses help in the preparation of human resource plans along with serving as standards facilitating the effectiveness of the human resource management process.

Step three includes the strategic action plans based upon the comparison of demands (prognosis) and options (attributes) along with the determination of discrepancies and the respective corrective measures. This is the beginning of the actual planning process resulting in alterna-

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[44] DABASI HALÁSZ, Zsuzsanna: Emberi erőforrások tervezése (Designing human resources). In: Matiscsákné Lizák Marianna (szerk.): Emberi erőforrás gazdálkodás, 5. fejezet, Budapest, Complex Kiadó, 2012. 144.

[45] Source: Author's own compilation.

tives for the elimination of discrepancies between anticipated demands and current attributes.

The last step is decision making based upon the evaluation of the alternatives in light of the objectives and criteria. The actual decision implies the selection of a given alternative.

Workforce planning on a tactical level implies mid-range planning. The term is between 1 and 3 years and the human strategic plan should be defined for this period as well.

Workforce planning on the operative level implies short term planning, usually 1 year. The daily practices, the responses to external and internal changes and challenges take place at this level. The most important aspects of operative activities include the design and monitoring of implementation. Conforming to the cyclical aspects of the given organisation workforce plans should be prepared either for a quarter or half year term. Depending on the cyclical aspects of the activity of the given company monthly, quarterly or half-year based plans have to be prepared.

Operative human resource planning attempts to reconcile human resource needs and supplies. Accordingly the human resource needs of the planned activities and the scheduled human resource supply must be balanced. The human resource need indicates the quantity and quality of human resources required for the implementation of organisational goals, while the human resource supply entails the quality of the currently available staff. A labour force not meeting quality and quantity requirements can endanger the realization of company goals, while the hiring of more people than necessary leads to the underutilization or excess employment of the given workforce. The main objective of operative planning is the achievement of a resource equilibrium.

Resource equilibrium

Human resource needs of planned activities

Human resource supply

Chart 20: The main aspects of operative planning[46]

Human resource planning implies the description of all human resource-related activity on an annual basis. The plan generally includes the following components.

- Workforce plan or staff size plan.
- Compensation plan, wage and wage-related expense plan.
- Training and management development plan.
- Performance management system plan.
- Labour relations, communication plan.

In the next section we are focusing on the workforce plan.

5.2.2 The concept of the work force plan and the main criteria for its elaboration

One of the planning tasks within human resource management is the determination of the size of a workforce required for the fulfilment of various tasks. The respective schedule is called work force or staff size plan. The main objective of work force planning is the provision of adequately qualified labour force in an appropriate number for the proper work area at the proper time.

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[46] Source: Author's own compilation.

Staff plans include both quality and quantity based elements. Staff quantity requirements entail the number of available people at a given time or interval. Quality aspects include the, qualifications and competence of the labour force, in other words its professional composition and structure.

The most important criteria for the elaboration of a staff plan are described by the 5A scheme:

- **adequate** people,
- at an **adequate time** and **location**,
- with an **adequate freedom of action**,
- **according to the needs** of the organisation,
- **appropriately** perform a given task.

5.2.3 The phases of the staff or work force planning process

The staff or work force planning process includes the following phases: forecasting labour force demand, forecasting labour force supply, and action plans for the elimination of respective discrepancies.

Chart 21: The phases of work force planning[47]

- **Work force demand (work force need)   forecasting is the ascertaining a staff size facilitating the implementation of the organisational strategic goals in a most effective manner.**

  Labour force demand can be influenced by several internal factors including the applied technology, the main features of the production process, technological developments, the prevalence of mass production, and the respective support service activities **Staff or**

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[47] Source: Author's own compilation.

work force forecast can be performed with the following methodology:

− objective approach (statistical analyses, trend analyses, proportion analysis, or time studies),
− subjective approach (expert assessment, managerial or consultancy opinions).

Labour force demand can take the form of:

− **supplementary needs** referring to filling vacant positions
− expansionary needs in case of new work areas created to offset an inadequate staff number, in other words increasing staff size.

Forecasting labour force supply

Following the establishment of the necessary staff size, the acquisition process for the appropriate labour force has to be planned. The planning process has two main aspects, internal and external labour force supply.

Chart 22: Sources of labour force supply[48]

 The internal work force supply analysis explores the quantity and quality of actual employee retention, while the external labour supply analysis focuses on the number, main characteristics and competences of potential employees.

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[48] Source: Author's own compilation.

If the labour force demands of a given organisation cannot be met by internal sources or a substantial quality-based change is scheduled, the organisation can acquire the desired workers from an **external source,** the labour market.

The following chart will summarize the tools of internal and external labour force supply analysis and forecasting.

Chart 23: Devices for the analysis and forecasting of internal and external labour force supply[49]

Action plan (for the elimination of discrepancies)

Labour force demand and supply are rarely balanced. The next chart illustrates the comparative examination of the labour force supply forecast with that of the respective demand.

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[49] Source: Author's own compilation.

Chart 24: The process and stages of work force planning [50]

Forecasting labour force demand, Forecasting labour force supply, Discrepancies, surplus, deficiency, end of the process, Action plans for the elimination of discrepancies.

The two forecasts can be identical or can show two types of discrepancies surplus or deficiency. In both cases action plans have to be developed for dealing with the problem. If there is no discrepancy, the given process can still be continued as quality exchange can take place within the work force or staff.

Following the comparison of work force demand and supply the **action plans aiming at reconciliation or harmonisation** can take the form of:

− **Action in case of balanced demand and supply:** Although both sides appear identical, **structural or geographical differences** can still occur. The respective actions could include transfers, re-training, or quality-based staff exchange.

− **Action in case of insufficient staff size:** hiring, employee recall, re-hiring, re-training, entrepreneur contracts, work force borrowing, increasing productivity, overtime, increasing part-time hours

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[50] Source: Author's compilation.

- **Action in case of surplus staff size:** hiring freeze, natural attrition, early retirement incentives, re-training, decreasing work hours, terminations, mass downsizing.

5.2.4 The career concept and its interpretations

While the concept is very hard to define, success tends to be its main element. The definitions offered by the great thinkers of the classic period: "a life without goals is not worth living" by Socrates and "those without knowing the way to the next harbour will not get good wind' by Seneca are certainly familiar today. Success is a basic human need and a general goal of mankind. Yet success is a subjective term and everybody has their own way of striving for it. Thus the concepts of career and success are interrelated and interdependent.

> ✍ **Career means fast advancement and success in one's work.**

In Hungary career is associated with achieving high positions either in business or within a given organisational structure. While career entails advancement on the organisational ladder, thorough consideration of future options is crucial.

How is the term **career** defined by the professional literature? The French *carriere* refers to a life path, life achievement,[51] the English *career* originating from the term carriageway indicates continuity.[52] According to **Greenhaus**[53] career as a value neutral concept includes all work experiences an individual amasses during his or her life. Since no value judgment or positive evaluation is connected with it, career does not pertain to position, advancement, or a given occupation within a particular organisation. Everybody who participates in any socially organised activity can become either a shaper or a passive subject of a certain career entailing both positive and negative aspects, or the variation of the two.

5.2.5 The concept of career planning and its benefits to employers and employees

Career planning is important both for the individual or the employee, and the organisation or the employer as well. While this section does not discuss career planning for employees, a person can only become successful in the world of work or in the given organisation if he or she has a definite career perspective. We have to accept that the workplace is not

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[51] Magyar Larousse Enciklopédia 2. 1992. 360.
[52] NICHOLSON, Nigel – WEST, Michael: *Managerial Job Change:* Men and Women in Transition. Cambridge, Cambridge University Press, 1989.
[53] GREENHAUS, Jeffrey H.: *Career Management.* Chicago, Dryden Press, 1987, 468.

the end but the means of self-actualization or the fulfilment of self-realization goals while the compatibility of employer and employee visions and the cooperation of the two are indispensable for the harmonisation of individual goals and interests with the objectives of the company

Regardless of the nature of career planning employees must be made to realize that career is not measured only by increased salaries and promotions. The earlier discussed work area expansion and enrichment process along with the reorganisation of tasks can promote professional development. Whereas career planning schemes generally have a vertical direction, as everyone is striving to step higher on the organisational ladder, horizontal solutions, namely increased decision making authority or responsibility within a work area of identical level can lead to professional growth.

What is the reason of the increased role of career planning within human resource management of a given organisation? A short answer is the benefits reaped:

- long term provision of staff fully suitable for management and other key positions
- decreasing the performance-related risks related to staff exchanges while providing for continuity of operation,
- reduction of work force acquisition (recruitment, selection) related expenses,
- work force acquisition from internal sources shortens training time, promotes employee integration
- and last but not least it increases employee commitment, loyalty thereby improving the efficiency of other human resource management activities and functions.

At the same time **employees** can enjoy the following **benefits** of career planning:

- predictability of employment developments in the future
- individual perspective within the organisation,
- planning and scheduling an employer supported self-actualization program

5.2.6 Career types and paths

Careers can be distinguished according to a variety of criteria including professional background, promotion, time horizon, options and opportunities etc.

Types of career path: [54]

Traditional career: following the completion of one's compulsory education the individual chooses a profession, or occupation and after career entry preceded by adequate preparation starts to progress on the career ladder. Thus the concept includes a vertical movement within a given profession or field of work.

Early career path fulfilment: the concept primarily connotes temporal aspects as a high position is achieved within a relatively short time after hiring.

Professional career: advancement is based upon professional expertise

Fluctuating career: The active career path includes a series of life paths with varying stages of success, limited success, or stagnation.

Situational or action-oriented career: advancement is based on opportunities presented by the organisation and the respective fast realization of such opportunities

"American dream" career: the individual achieves success due to luck, or a fortunate situation. the **slow rising career** is the opposite of this term.

Multicareer or swing career: success within a given field of work is followed by a stage of decline, a time for resting or regeneration. The work responsibilities are lowered, the challenges are limited as compared to the previous one. The next stage, however, could be another challenge. **The two stages tend to fluctuate throughout the career path.**

Conservative career: implies a steady and slow advancement on the career ladder .

Conventional administrative career: based upon continuous service and professional advancement and frequently coincides with geographical mobility.

Early rise and plateau career: after advancement to a high level within a short time, a longer period is spent in the respective position.

5.2.7 Career determining factors

The extent of one's career is dependent upon many factors and conditions.

Career determining factors can be allocated into three basic **groups**.:

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[54] Matiscsákné Lizák, Marianna: *Nők a munkaerőpiacon és a vezetésben*.   (Women on the labour market and in management) Miskolc, PhD. dolgozat, Kézirat, 2006.

- **Personal skills and family resources:** attributes, characteristics, skills, competences, knowledge, professional practice, and the financial status and connection network of the family as potential career promotion factors.
- **The social and economic environment**. The social and economic environment implies opportunities and limits impacting whether an individual can achieve the respective career goals.
- **Sum of intentions and ambitions**. Making the person aware of his own goals. This category includes the desires, dreams, and wishes of a person. Intentions play a major role in the outlining and establishment of goals on a daily basis.

According to Zsolt Pintér[55] a successful career has three basic components described by Chart 25:

Chart 25: The components of a successful career[56]

1. **Work content:** the sum of tasks and responsibilities related to the most attractive professional field.

2. **Work conditions:** the characteristics of the organisation, size, work order, time schedule, the circumstances of work in a narrower sense, the geographic location of the work place, the sum of prospective fellow workers.

3. **Wages and salaries: the sum of earnings and other supplements**.

Naturally on the individual level the importance of these factors can vary due to personal characteristics, features and situations.

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[55] PINTÉR, Zsolt: *Hogyan csináljunk karriert?* (How to make a career?)Horton Books, Budapest, 2001.

[56] Source: Author's own compilation.

5.2.8 The role of career planning in human resource management

The main priority of career planning from an organisational point of view is enabling someone to perform in work areas with increasing responsibility and complexity. Career planning is not only a special human resource development task as it includes all personalized and targeted human resource improvement efforts facilitating individual improvement and the successful functioning of the given organisation. Career development does not have a specific methodology as it involves the application of general personnel development approaches. (Such personnel development efforts will be discussed in detail in Lesson 8)

If career planning is considered one of the tools of human resource management it can be connected to the following methods:

Chart 26: The methods of career planning[57]

Career planning as an independent framework composed of interrelated and interactive components can only be effective if all components are deployed within the given organisation.

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[57] Source: Author's own compilation.

5.2.9 The steps of the career development process[58]

Steps of career planning:

1. Determining the staff to be involved in career planning: This step involves the selection of potentially promotable staff members in the form of a manager bank or talent bank. The cooperation of future promotees is crucial as inclusion in this group comes with additional tasks including mandatory participation in meetings, training sessions, and instruction programs.

2. Establishment of the career planning documentation system: This stage involves the compilation of documents used during the career development process**.**

3. Compilation of organisational and individual knowledge charts: The availability of such documentation is crucial for the harmonisation of individual and organisational goals.

4. Preparation of hierarchical and horizontal promotion plans: Work areas accommodating potential promotees should be established either vertically or horizontally. The respective action plans outline priorities and activities corresponding to the midterm vision and perspective of the organisation. Accordingly knowledge and skill improvement schedules along with attitude related training programs facilitating the realization of organisational goals should be arranged**.** The schedules should include deadlines as well.

5. Examining the individual plans aiming at meeting promotional requirements: Employees in line for promotion either in a vertical or horizontal manner should be aware of the conditions they are expected to fulfil, including qualification, skill development, character features**.**

6. Continuous support for individuals listed in career plans, the provision of respective circumstances: Prospective promotees should be supported either by inclusion into training schemes or personality development programs focusing on professional, methodological, social, and personal competences. Professional competences required for the new position include the practical application of theoretical knowledge and expertise, l development capability, commitment to quality, situation

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[58] Source:
http://ommik.hu/index.php/tudasbazis/hr-menedzsment/elmelet-hr-menedzsment/karriertervezes.html.

and problem recognition capability, information acquisition and forwarding abilities.[59]

7. Monitoring: continuous monitoring of the fulfilment of conditions and of individual progress. The process is assisted by documentation prepared in step 2**.**

8. The closure of the career development process on the individual level: This phase includes the documentation of personal career planning schedules, moreover, feedback has to be provided on the level of integration and performance in the new position along with the respective development and support efforts received in order to facilitate effective performance.

5.3 SUMMARY, QUESTIONS

5.3.1 Summary

In this lesson students became familiar with work force planning and the respective levels of the process along with the actual planning and the particular development criteria. The text also provided a detailed introduction of the career concept, its interpretation, career planning, the benefits of career planning from the point of view of the employer and the employee in addition to providing a few examples of career paths and types. A detailed introduction of career planning including the respective process and main steps was based on the recognition of the role of career shaping factors and the career planning effort in human resource management.

5.3.2 Self-check questions

1. Introduce the concept of work force planning.
2. What are the levels of work force planning?
3. Illustrate the connections of workforce planning to other human resource management processes!
4. Explain the correlation between the levels of work force planning, the time horizons of the planning process and respective tasks connected to the management levels!
5. Describe the concept of human strategy and its development!

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[59] GREENHAUS, Jeffrey H. - CALLANAN, Gerald A.: *Career Management.* Hartcourt College Publishers, 1993.

6. Describe the concept of operative human resource management and the phases of the respective development process!

7. What factors should be taken into consideration during the assessment of internal or external source of labour?

8. What are the results of the comparison of work force demand and work force source or supply?

9. How can discrepancies identified during the comparison of work force demand and supply be handled or reconciled?

10. What is the definition of the term, *career*?

11. Introduce the concept of career planning!

12. Describe the benefits of career planning for employers and employees!

13. What types of careers and paths are you familiar with?

14. Describe the various career determining factors!

15. Explain the role of career planning in human resource management!

16. Describe the process and main phases of career planning!

5.3.3 Practice tests

1. Match the planning terms with the respective work force planning levels!

Work force planning levels	Terms of work force planning
1. strategic level	a) 1-3 year
2. tactical level	b) 1 year
3. operative level	c) 3-5 years

1. c)   2. a)   3. b)

2. Which is the correct answer? (only one correct answer is possible). The elaboration of a human strategy includes four stages, which one is NOT part of it?

a) analysis of environmental factors
b) compilation of alternatives
c) prognosis preparation
d) strategic action plans
e) decision

3. Which concept is defined by the following description:"A functional strategy determining the quantity and quality (composition) of work

force and tasks required for the successful implementation of a business strategy?"

a) company strategy
b) human resource politics strategy
c) human strategy
d) human resource plan

4. Which one is the correct answer? (Only one correct answer is possible) The work force planning stages include the following:
a) forecasting work force demand - forecasting work force supply – action plan for the elimination discrepancies
b) forecasting work force supply – work force demand- action plan for the elimination of discrepancies
c) forecasting workforce coverage – forecasting workforce demand – action plan for the elimination of discrepancies
d) forecasting of workforce demand – forecasting workforce supply – action plan for the elimination of discrepancies

5. Which one is the correct answer (only one correct answer is possible) Which one of these is not the component of the 5A scheme for the development of work force?

a) appropriate people,
b) at an appropriate place and time,
c) with appropriate freedom of action
d) according to individual goals,
e) perform appropriate work.

6. Which one is the correct answer? (one correct answer is possible) How many outcomes does the comparison of work force demand and supply result in?
a) one
b) two
c) three

7. Which is the correct answer? (more than one correct answer is possible) Careers can be determined by three factor categories:
a) personal abilities and family resources
b) economic and geographic environment
c) options provided by the environment
d) combination of intentions and ambitions

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8. Is the following statement true or false? "Career planning as an independent system made up by interdependent and interactive components can only be successful if all of its elements are utilized within the given organisation."

True   False

9. How many steps does the career planning process include?
    a) four
    b) five
    c) seven
    d) eight

10. Which of the following is not a step in the career planning process? (only one answer is possible):
    a) establishment of a career planning documentation system
    b) compilation of organisational and individual skill maps,
    c) elaboration of a strategy promoting appropriate freedom of action
    d) preparation of hierarchical and horizontal promotion plans.

6. LESSON 6

6.1 OBJECTIVES AND COMPETENCES

The lesson will introduce the first two stages of work force acquisition: recruitment and selection, along with the respective basic concepts, methods, and devices.

The students will acquire the following competences:

−   understanding the recruitment and selection process both from the employer and the employee's point of view,
−   designing and application of the internal and external methodologies for the recruitment and selection process along with the most frequent devices
−   the application, evaluation, and comparison of the effectiveness of the given tools in a synthetic manner,
−   determining the use of the respective tools and devices based upon the knowledge of the relevant advantages and disadvantages.

6.2 WORK FORCE RECRUITMENT AND SELECTION

Chart 27: Conceptual map for lesson 6

Work force recruitment and selection, The concept, methodology, and stages of the work force acquisition process, The objective of work force recruitment, Internal workforce recruitment devices, External work force recruitment devices, The concept and benefits of career planning from employer and employee point of view, The concept and objective of workforce selection, The devices of the workforce selection process

6.2.1 The concept, methodology, and stages of the work force acquisition process

Firms with pre-planned human resource management strategies assign high priority to work force or personnel acquisition. As the previous chapter indicated the need for work force acquisition becomes necessary in the following cases:

- the company needs to increase the size of staff (work force demand is greater than work force supply, in other words more workers are needed than presently available),
- quality-based work force exchange (While the staff size is adequate, the work force of the given organisation needs to be improved both in quality and composition.)[60]

✍ **The concept of work force acquisition can be defined as the sum of activities aimed at filling vacancies with employees to be effectively integrated in the organisational structure of the given enterprise for the long term.**

Workers can be acquired both form internal and external sources. It is important to distinguish between these two acquisition methodologies because the respective sources determine the devices applied in the process.

✍ **Internal work force acquisition means that the organisation wants to fill in the vacancy with candidates from the internal labour market (existing labour force) in other words suitable candidates are sought within the organisation.**

Work force acquisition from **internal sources** has several **advantages:**

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[60] KŐVÁRI, György: *Gazdálkodás az emberi erőforrásokkal*, (Management of human resources)Országos Munkaügyi Központ, Budapest, 1991.

– lower costs and time needed as compared to external acquisition,
– since the candidate is already known, the integration process entails less difficulty
– lower risk of unsuccessful performance
– internal promotion options can increase the motivation of the company labour force,
– the maintenance of established wage and salary levels.

Work force acquisition from internal sources includes some disadvantages as well:
– limited selection opportunities,
– higher re- or further training costs,
– emergence of organisational blindness or bias on the part of the employee
– increased danger of cliquing based upon shared interests

☞ **In case of work force acquisition from external sources the organisation hires from the overall labour market. The reasons could include the lack of appropriate work force within the organisation, the need to change the respective workforce structure, along with the promotion of new attitudes and perspectives. In case of experiencing a sudden growth period a large work force has to be recruited within a short time.**

Work force acquisition from internal sources has several advantages:
– Wider range of selection options.
– Not as time consuming, hiring targeted to company needs solves employment related problems.
– No or limited need for training, re-training, and further training schemes.
– New hires can promote healthy competition within the organisation.
– External hires can promote new attitudes, skills, and aptitudes.

The disadvantages emerge in comparison to the advantages of internal labour force acquisition:
– Higher recruitment and hiring costs.
– Greater risk of non or unsatisfactory performance due to unfamiliarity with the candidate.

- Longer time of integration due to unfamiliarity with the candidate
- Decreased employee motivation since fulfilling top management positions from external sources implies a lack of internal promotion options.

Work force acquisition can be divided into four stages: recruitment, selection, hiring and integration as described by the next chart.[61]

Chart 28 The work force acquisition process[62]

The next section introduces the first two phases: recruitment and selection. These two stages can be easily separated as they follow one another in a logical sequence regardless of being performed by the organisation itself, or by an external service firm.

6.2.2   The concept and objective of work force recruitment

The principal objective of work force recruitment is seeking and attracting potential employees for a vacant position or work area within a given company. The organisation must inform candidates of the given employment option by announcing the respective vacancy.

📖 **The concept of work force recruitment entails the sum of all activities an organisation can perform to attract potential employees to a given job, work area, or position.**

Recruitment can have internal and external sources leading to internal and external recruitment methodologies.

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[61] MATISCSÁKNÉ LIZÁK, Marianna: *Álláskeresés* (Job search). In: Munkavállalás az Európai Unióban, BOKIK, EUMV-C-2003/3. NFI, Miskolc, 2003.

[62] Source: Author's own compilation.

6.2.3   Internal work force recruitment devices

Internal recruitment devices include all tools and instruments promoting intraorganisational employment opportunities for the existing labour force .

Internal work force recruitment devices can include:
1. Reorganisation, re-grouping of resources.
2. Re-call, re-hiring.
3. Intraorganisational applications.
4. Training schemes within the organisational framework.
5. Internal announcement of vacancies on wall boards or on the Internet.
6. Life-path or career planning.

Reorganisation, re-grouping of resources: The process implies the transfer of a given employee to a different work area either into a higher position (vertically) or to a position of similar value (horizontally).

Re-call, rehiring: The company wishes to attract a former employee or making a work contract with a retired colleague.

Internal application: Applications are announced for the given position within the organisation

Training schemes within the organisational framework: Retraining can lead to the suitability of a given employee for a different position.

Internal announcements: Recruitment announcements are placed on wall boards or on the intranet system.

6.2.4   External work force recruitment devices can include

As chapter 6. section 2.1. has shown a given organisation can acquire labour force from external sources as well. In this case the organisation recruits candidates from the labour market at large.

External work force recruitment devices:
1. Personal connections, word of mouth.
2. Internet, webpage, social networks.
3. Maintaining connections with educational institutions.
4. Cooperation with professional and interest groups.
5. Job fairs.

6. Open (recruitment) days.
7. Work force agencies, temporary work force on loan[63].
8. Interactive announcements.
9. Announcement in newspapers, other forms, applications.
10. Internal data bank – Talent banks
11. Walk-in hiring

Personal connections, word of mouth: this is one of the most frequently used methods, also called as reference-based recruitment as in this case someone's reliable and competent acquaintance is recommended for the job. This can qualify as an internal recruitment method in case a fellow worker recommends another associate. More and more firms, however, offer rewards for their workers if they recommend an employee successfully integrated into the organisational system. The amount of the bonus is usually 2 or 3 times the amount of the gross salary associated with the given work area. This way the quality of the new hire is vouched for by the company's employee.

Internet, web page, social networks: The achievements of the information and communication technology industry are often deployed in recruitment along with posting job announcements on social media. Most firms offer vacancy announcements at their own webpage, or on social networks. The **EURES network** includes the employment services of the European Union and the European Economic Area. The network encompassing 29 countries provides valuable help both for employees and employers. Said services are free of cost for both target groups.

📄 *Examine the content of job announcements placed on the internet by local firms.*

📄 *Briefly summarize the options and services provided by the webpage of the Eures network. Share the information with fellow students.*

Worker provision and lending is a frequently used device.

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[63] The 1991/IV Employment Promotion and Unemployment Compensation Act defines two types of worker providing organisations: private and public ones. (http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=99100004.TV)

Public worker provision activities and the respective support services are governed by the 30/2000 (IX.5) decree issued by the Ministry of Economic Development, http://www.complex.hu/jr/gen/hjegy_doc.cgi?docid=A0000030.GM

Worker provision can be done via **public** and **private** sources, governmental employment development centres and profit-oriented firms respectively. Private or profit-oriented firms charge for their work, but money cannot be collected from the job-seeker, as the potential employer will pay for the service.. (Varga 2001.) **Section** (LC.) 193/C. § a of the **Labour Code defines employment on loan basis** in the following way: an activity according to which the lender as an employer provides a worker to a given firm for the performance of specified tasks. Thus the process has three actors: the lender providing a worker for the borrower, the borrower or the potential employer, and the employee.

> 🖹 *Check out five private worker provision agencies, primarily in Heves County, and share the respective information on the forum found in the Moodle system.*

If enough candidates are attracted to a given position the recruitment process can be considered completed. The next stage is selection.

6.2.5 The concept and objectives of the work force selection process

The objective of the work force selection process is finding the most suitable candidate among the applicants.

> 👝 **Work force selection functions as a filter ranking suitable candidates for a given position by taking into consideration the following factors: the actual requirements and the main features and expectations of the applicants.**

Thus work force selection qualifies as a decision-making preparation process ascertaining the given candidates' ability to meet the relevant performance expectations.[64]

6.2.6 Devices of the work force selection process

The screening mechanisms ranging from application to hiring determine **work force selection**.[65] Chart 29 shows the general steps of the selection process. The frequency of the application of the given tools depends on specific demands of the firm, the contemporary labour market, the specific job-related expectations, the complexity of performance

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[64] Kővári, György: *Gazdálkodás az emberi erőforrásokkal.* (Management of human resources) Budapest, Országos Munkaügyi Központ, 1991.

[65] Will Harzing, Anne – Ruysseveldt, Joris Van: *International Human Resource Management.* Heerlen, Open Universiteit, 1995.

conditions, and the nature of the given position.Selection to top management positions takes longer than filling lower level posts.

1	Application documentation
2	References, recommendations
3	Tests
4	Job interview
5	Test day, trial work or performance
6	Graphological testing
7	Evaluation centre
8	Health status
9	Decision
10	Guarantees

Chart 29: The generally applied components of the selection process [66]

The next section provides detailed information on the most important components

1. The components of application documentation: cover letter, cv, and supplements (certifications, photograph of the candidate etc.).

As applications are primarily sent in via Internet or mail the applicant has no opportunity to present himself or herself in person. However, a cover letter can serve this purpose. The main objective of a cover letter is to recommend the candidate to the prospective employer. Consequently such information has to be provided, which would arise the interest of the employer in the potential employee. Since the cover letter is considered to be a business communication it has to include certain components.

   📄 *Check out cover letter patterns in the Internet, download one that you consider appropriate, and one that fails to meet your standards and evaluate them according to their ability to arise the interest of employers eventually leading to a personal interview.*

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[66] Source: Author's own compilation.

The most often used CV format is the Europass. However, for each job applied for a new and updated CV has to be submitted. The Europass used in a uniform manner in the EU includes 8 standard components:

1. Personal data
2. Position applied for
3. Professional experience
4. Education
5. Language proficiency
6. Personal skills and competences
7. Further information (references)
8. Appendix, supplements

The Europass CV available on the Internet can either be downloaded freely or filled in on-line according to the information provided.

   🖹 *Check out the Europass on the Internet and prepare a general purpose CV not related to any position.*

Attention must be paid so the supplements would be those documents which were requested by the employer during the job advertisement found either in a newspaper or on the Internet. Such documentation could include various certificates, proof of a lack of a criminal record, educational qualifications, proof of foreign language proficiency, or even a photograph showing a frontal image behind a clear background.

2. References
References can be either **work-based** or **personal** ones. The former describes a product the latter refers to recommendations from leading figures of the given field familiar with the candidate. References can be provided orally or in form of a letter of recommendation. On job applications at least 2-3 reference persons have to be named.

3. Tests
The selection process should be based on uniform procedures facilitating the comparison of candidates as the different results indicate discrepancies in expected behaviour. Thus tests are more than mere listing of questions and tasks, and the checking of the respective answers as such methods help in the objective examination of the skills, knowledge, or personality of the given candidate.[67]

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[67] Several web pages offer testing oportunities, the best known is : http://teszt.lap.hu/

4. Interview

Interviews provide an opportunity to create and shape personal impressions. **Interviews are carried out in four stages**:

Stage 1: greeting stage (introduction of the parties, expressing gratitude for the application process.)

Stage 2: discussion of personal circumstances (upbringing, parents, family, residence, etc.)

Stage 3 discussion of intellectual development (education, training, re-training, professional training goals.)

Stage 4: discussion of professional development

 (learned professions, respective professional changes, activities, and plans)

Stage 5: Information on the company

(business related data, company organisation, the respective departments, employment location)

Stage 6. Discussing potential contract terms

(previous salary, expected salary, benefits, additional activities)

Stage 7: Conclusion of the interview (reference to the continuation of the hiring process, terms of potential notification, thanking for the discussion)

The **interview** is the key component of the hiring process. Both parties aim at acquiring exact information. During the interview in addition to the professional, educational, and personal development, the candidate's motivation is examined as well. Personal face to face contact cannot be substituted by any other procedure.

Below we provide a few examples of questions frequently asked during interviews. Candidates should be prepared to answer the following inquiries:

1. What kind of career would you like to have in the future?
2. What position would you like to work in?
3. Why do you think you would be successful in your chosen profession?
4. What kind of activities were you involved in during your studies? Why did you choose the given activity and which one did you enjoy the most?
5. Why would you like to work at our company?
6. What do you know about our firm?

7. Where did you work before, how did you get that position, why did you leave?
8. What kind of supervisor or boss would you like to work under?
9. How much would you like to earn at age 30, or 35?
10. What did you learn in your previous jobs?
11. What kind of position would you like to fill in our company if you had the choice?
12. What kind of books have you read recently and why did you choose the given book?

The introductory interview is followed by an **evaluation process** including the following components:

–   Analysing the behaviour, movements, gesture, and negotiation capacity of the candidate revealing character or personality-related information.
–   Analysis of the candidate's motivational level based upon education, professional, and personal development.

5. Trial work day

The selection process of several firms includes a test or trial work day requirement. This can be advantageous for both parties as the prospective employee gains hands-on experience concerning the circumstances of the position sought, and the employer will be able to ascertain the professional skills and integration capability of the future employee. While the position-related expectations of the candidate appear to be fulfilled, test days or trial work days can help in finding out whether the given organisational climate and the work conditions are acceptable as well.

6. Graphological testing

Graphological tests are performed simultaneously with the overall testing and interview process. Graphologists evaluate the character of the candidates based upon the analysis of handwriting.

The Evaluation Centre will be discussed at a later part of our text, exploring performance evaluation. The next stage is a thorough health check usually performed by a private health provider. The last stage of the selection process is the decision. At the end of each selection process the candidates are ranked according to their ability of fulfilling the firm's expectations. At the same time this does not mean that the person listed first will be hired. The next chapter exploring the hiring process will provide further information.

6.3 SUMMARY, QUESTIONS

6.3.1 Summary

This lesson dealt with the first two stages of work force acquisition, recruitment and selection. Students became familiar with the concept and objectives of the recruitment and selection process, and the respective instruments and methods.

6.3.2 Self-test questions

1. Explain the concept of work force acquisition.

2. Introduce the methods of work force acquisition.

3. Describe the advantages and disadvantages of internal and external work force acquisition!

4. Describe the goals of the recruitment process!

5. Explain the recruitment concept!

6. What internal devices are used in the recruitment process?

7. List the external devices used in the recruitment process!

8. Describe the goals of the selection process!

9. Describe the concept of selection!

10. Describe the external selection process!

11. What are the main components of the application documentation?

12. What type of references are you familiar with?

13. What types of employment on loan (work force lending) forms are you familiar with?

14. What are the main features of work force lending?

15. Explain the term, decision.

6.3.3 Practice tests

1. Which is the correct answer? (one correct answer is possible) Work force acquisition can be divided into four stages (observe the sequence!):

    a) recruitment-selection-hiring-integration
    b) selection-recruitment-integration-hiring
    c) recruitment-selection-integration-hiring

d) hiring-selection-recruitment-integration

2. Is the following statement true or false? In case of external work force acquisition or acquiring work force from external sources the given organisation does not contact the labour market at large.

        a) true
        b) false

3. Match the recruitment devices according to whether their scope is external or internal. Internal sources should be marked with 1, while the digit 2 indicates external sources.

        a) wall board
        b) employment agencies
        c) hiring of walk-ins,
        d) promotion

     a) 1   b) 2   c) 2   d) 1

4. What concept is defined by the following statement: "a filter ranking suitable candidates for a given position by taking into consideration the following factors: the actual requirements and the main features and expectations of the applicants."

        a)recruitment
        b) selection
        c) performance evaluation
        d) none of the above

5. Which of the following statements is correct? The advantages of internal work force acquisition include :

        a) lower costs and time requirements as compared to candidates provided by external sources
        b) unfamiliarity of the candidate
        c) greater risk

6. Is the following statement true or false? During the selection process the person ranked first is hired:

        a) true
        b) false

7. Which is the correct answer? (more than one correct answer is possible) When does a given firm acquire a work force?

        a) If staff size need is higher than staff size coverage
        b) If staff size need is lower than staff size coverage

c) if the staff size is appropriate, but an exchange of labour force is necessary

d) in case of hiring freeze

8. Is the following statement true or false? Profit-oriented private firms can ask money for services performed for job seekers.

a) true
b) false

9. Is the following statement true or false? Employees perform job duties at the firm lending them to their employers.

a) true
b) false

10. Complete the sentence with the correct term ! Work force recruitment includes all activities helping to attract potential employees to a given position.

7. LESSON 7

7.1 OBJECTIVES AND COMPETENCES

The lesson focuses on the last two stages of staff or personnel acquisition: hiring and integration. The chapter introduces the legal regulation and legal background of the employment process, the types of employment contracts, the most important components of the employment contract. Students will become familiarised with the concept and the individual subjected to integration, along with the length, objective, main components, and attendant risks of the process.

Students will obtain the following competences:
−   understanding the full range and the four stages of the employee acquisition process both from the point of view of the employer and employee,
−   familiarity with and understanding of the legal background of the employment process,
−   distinguishing different types of employment,
−   understanding the main components of the work contract,
−   understanding, designing, and applying the main stages of integration programs,
−   recognizing integration-related risks.

7.2 THE LEGAL BACKGROUND OF THE EMPLOYMENT PROCESS: HIRING AND INTEGRATION

The legal background of the employment process, hiring and integration
Interpreting the legal background of the employment process
The concept of employment law
Rules and regulations related to employment
Legal aspects of work performance
The formation, parties and main features of employment relations
The main components of the employment contract
Employer obligation for providing employment related information in writing
The obligations and rights of employers and employees
The concept and objectives of the integration process
The individuals subjected to integration and the respective supervisors

The main stages and components of the integration process
Integration-related risks

Chart 30: Conceptual map to Lesson 7

7.2.1 Interpreting the legal background of the employment process

According to human resource management experts recruitment and selection should be followed by hiring as the main objective of employee acquisition is finding the most suitable candidate for the needs of the given organisation. Employment, however, is not a homogeneous concept as it entails workers both in the public and private sphere. While such terms as work contract, assignment contract etc. are often mentioned, such schemes are regulated by differing employment laws.

Both employment and hiring are highly regulated processes.

A legal system of a given country is the aggregate and uniform framework of all relevant laws and regulations, a contemporarily effective legal structure. Laws in general enforce basic legal norms.

A branch of a given law is a sum of homogeneous legal regulations forming a uniform system governing identical social relations Employment law recognizing the hierarchical relations between employer (supervisor) and employee (supervised) is such a branch.

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7.2.2 The concept of employment law

The scope of employment law is restricted to social and other relations pertaining to the employment process and no other legal relations are in its scope.

Employment law specifies rights and obligations associated with the employment process including conditions of, modifying, and terminating employment, basic rules of work performance, work time, salary related questions, fundamental aspects of labour disputes etc. Furthermore the relationship between employers and groups representing employee interests is regulated as well.

> 🖙 **Employment law refers to a sum of legal specifications pertaining to a contractual labour relationship established between employer and employee. Since the employee obliged to work for the employer is in a need for additional protection employment law regulates all relations resulting from such contexts.**

Contracts are crucial components of employment law. A contract is a declaration of intent on the part of two or more persons to perform a certain task or bring about a legally specified consequence.

Employment-related legal specifications regulate:
- establishment of contracts between employer and employee, the determination of work conditions, the legal aspects of work performance (individual employment law)
- the legal aspects governing employer and employee relations (collective employment law)
- various laws pertaining to finding and retaining employment including general and occupational safety related aspects.

7.2.3 Rules and regulations related to employment

While rules and regulations related to employment are primarily found in the Labour Code[68] (henceforth LC), employment relations are also governed by

a) Act 1992/XXII.
b) Act 1993/ XCIII. on occupational safety
c) Act 1991/IV. on employment
d) Act 1989./VII. on strikes
e) Government and ministry decrees pertaining to labour relations

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[68] Downloadable: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=99200022.tv

Act 1992/XXII regulates labour relations in the private area and employment in the public area is governed by Act 1992/XXXIII specifying the legal status of public employees[69] and Act 2011/CXCIX applies to civil servants.[70] While employment regulations can be within the scope of the Civil Code, the chapter focuses on the Labour Code.

7.2.4 Legal aspects related to work performance

The increasing of the employability of the population of employment age (16-65 years) has always been a crucial economic and social priority for the government. The performance of productive work generates income for the employee while the employer as a result of successful work performance can fulfil the conditions for growth eventually leading to the hiring of more employees. Employment relations cover a variety of work performance types:

Types of employment relations:[71]
1. general work relations,
2. assignment,
3. entrepreneurial work,
4. tele work,
5. distance work,
6. individual entrepreneur,
7. work performance by a member of a partnership,
8. self employment,
9. work performance by a family member,
10. cooperative employment types,
11. labour relations of athletes,
12. accounting activities,
13. independent commercial agents,
14. foster parents (professional and substitute foster parents),
15. unique features of public work or work performance for public interests,
16. civilian services in lieu of military services,
17. services performed for honoraria.

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[69] Downloadable: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=99200033.TV
[70] Downloadable: http://www.kozszolga.hu/kttv
[71] Further information:
http://vallalkozas.munka.hu/egyeb-jogviszonyok/-
/asset_publisher/9Enb/content/munkaviszonyra-iranyulo-egyeb-
jogviszonyok?redirect=%2Fegyeb-jogviszonyok

Due to such variety of employment relationships the selection of the appropriate framework is a challenge both for employer and employee. Joint ministry directive 7001/2005. (MK 170.) FMM-PM provides assistance regarding the respective criteria.[72] The directive clearly specifies a set of criteria determining the type of the respective labour relationship. Due to temporal and spatial limitations detailed information will be provided only on employment contracts in the private sphere.

7.2.5 The formation, parties, and main features of employment relations

While the Labour Code does not define the concept of employment relationship, it governs certain characteristic aspects of such relations.

> ✆ **According to the traditional interpretation of employment relationship a party obliges to perform regular work for the other party under the direction of the latter.**

Subjects of the employment relationship[73] [74]

The subjects of the employment relationship are the employer and the employee.

Only an individual or organisation recognised as a legal entity can function as an employer. Employer is obliged to inform employee on which organisation or person carries out or implements the rights and obligations related to employer status or has the authority as an employer.

Any person who has passed his or her 16th birthday can establish employment relations. However, during school holidays a person over 15 enrolled as a full time student in a secondary education institution can work as well.

The formation of an employment relationship[75]

In lieu of other legal regulations an employment relationship is based on a work contract. Work contracts have to be in writing and the preparation of the work contract is the responsibility of the employer.

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[72] The directive provides details on the relevant legal regulations, the type of agreements or contracts, the scope of control by authorities, the primary and secondary features of employment relations. The directive is available at :
http://mta.hu/fileadmin/2006/06/Ir_nyelv.doc

[73] Here only the main rules are mentioned, as naturally there are several exceptions.

[74] LC. 32-34§

[75] LC. 42-44.§

The main features of the employment relationship

One of the crucial aspects of an employment relationship is the hierarchical (supervisory, subordinate) arrangement of the parties. The employer has a broad authority to direct, govern, and control all aspects of the work performance, including the ways of carrying out the work instructions. The employee or individual is integrated into the organisational structure of the employer, a legal entity or person. Work can only be done by the given person, with the tools and devices of the employer at a location determined by the latter.

7.2.6   The components of the employment contract[76]

The content of an employment contract

While an employment contract[77] can specify and stipulate any work related issue, its content must adhere to the respective regulations and collective agreements unless the given terms are more favourable for the employee than those provided by the aforementioned documents.

Employment contracts must provide the names of the parties and all employment-related data. Employment contracts are based on agreement on three fundamental issues:

1. the basic wage of the employee (basic wage was called personal basic wage previously)
2. the work area of the employee,
3. the location of working.

During the determination of the basic wages[78] the parties take regional wages paid for similar jobs into consideration. The smallest mandatory basic wage is the minimum wage. Lesson 8 will provide detailed information of wage types.

The work area discussed earlier refers to the sum of all tasks and obligations to be performed by the employee. Work area definitions should be prepared in the form of job descriptions.

The venue of work performance is determined at the headquarters or premises of the employer.

In addition to the other three issues the parties can agree in several other questions concerning the term of the employment contract with an unlimited scope or with a set date, the date of starting work can be set,

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[76] LC. 45. §

[77] Employment contract samples can be downloaded from
http://munkaugyi-iratmintak.lapozz.hu/

[78] LC. 136-138. §

along with the scheduling of the work time or including a trial period clause in the contract. However as it was mentioned earlier a work contract or employment contract cannot contradict or violate any legal specifications or collective agreements unless it stipulates more favourable terms for employees than these regulations.[79] If the employment contract violates any of these regulations thus contains unfavourable terms for employees, it is declared null and void.

The employment contract has to specify the location of work. In lieu of such specifications the location of work is the place where the given work is customarily performed. According to a modification introduced in 2012 the location of work is a mandatory component of employment contracts but its omission does not invalidate the given agreement. In order for the employment contract to become legally binding agreement has to be reached both on the basic wage and the determination of the employee's work area. Nevertheless, if work is performed in spite of these omissions the activity falls within the jurisdiction of the Civil Code. Naturally, a work contract can be established retroactively as well.

Employment contracts must determine the term of the employment relation as the lack of a set date makes the employment relationships unlimited. Unless specified otherwise an employment relationship entails employment on a full day basis. The probationary period cannot exceed three months from the starting date of employment and it can be extended only once, but only for another three month term.

> 🗎 *Download an employment contract sample from http://munkaugyi-iratmintak.lapozz.hu/ and compare its content with what you have learned in the lesson.*

7.2.7 Employer obligation for providing employment related information in writing[80]

Employer has to inform employee in writing within 15 days of starting work about:
    a) the daily work time,
    b) wages exceeding basic wages and other benefits,
    c) means of calculating wages, frequency and date of payment
    d) tasks related to the given work area,
    e) the extent, means of calculation, and taking of vacation time

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[79] LC 76. § (4) paragraph
[80] LC. 46. §

f) rules for the establishment of quitting period both for employer and employee

g) whether the terms of the collective contract are applicable to the employer

h) who has the status of employer.

A variety of materials can be found on the Internet providing information to both parties. [81]

> 📄 *Down load a work area information brochure from http://munkaugyi-iratmintak.lapozz.hu/ and compare its content to what you have learned in the lesson.*

7.2.8 The obligations and rights of employers and employees

The content of the employment relationship is made up by the rights and obligations of both parties**.** Employment laws also specify the main obligations and rights of employees and employers. Accordingly we provide a brief description.

The main obligation of employees is to perform the given work according to relevant regulations, specifications, and instructions while co-operating with fellow workers. Furthermore, during the performance of the given task an employee should avoid jeopardizing one's health and physical integrity, while abstaining from disturbing others, or causing material damage along with harming one's reputation. Moreover employees becoming aware of confidential business related information should not reveal it to outsiders or third parties. At the same time employees cannot disclose any information obtained during work performance as such disclosure would be disadvantageous to the employer or any other person.

The main obligation of the employer is the provision of employment according to the work contract, the rules regulating employment relationships and other legal specifications. The obligation to pay wages entails the payment of wages according to the rules regulating employment and the work contract. Wage provision must meet the following criteria:

- provision of fair wages,
- the principle of wages providing adequate living standards,
- non-discriminatory wages
- equal pay for equal work.

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[81] Work contract samples can be downloaded from http://munkaugyi-iratmintak.lapozz.hu/

Employers are required to protect the life, health, and physical safety of employees. This topic related to occupational safety will be discussed in lessons 10-12. Moreover employers should arrange the work effort in a way that the employee can exercise his or her employment rights, fulfil his or her obligation, along with providing information and guidance necessary for successful work performance.

Apart from obligations laws make provisions for employment rights.

Employee rights: The rights of employees are usually the opposites of the employer obligations. Such rights include fundamental constitutional protections pertaining to employment, the free choice of occupation and work place, the right to appropriate work conditions, social protection, fair wages, and employment. Collective or employee representation rights include the participation in or influencing of representation efforts.

Employer rights: such rights under the scope of employer authority include the direction of workers along with a wide range of instructional rights.

In case of the establishment of an employment relationship between employer and employee the firm expects the employee to perform with 100% efficiency from the first day on. The last stage of the personnel acquisition process is the integration of the new employee into the organisational structure of the company.

7.2.9 The concept and objectives of the integration process.

The successful integration of a new employee is crucial for the organisation. The integration process, a consciously designed and arranged human resource management effort facilitates the realization of this goal. (Fekete et al 1997). According to a different definition:

 "Integration is an interactive process during which the new hire becomes a functional part of the work processes of the given organisation, develops positive social connections with his fellow workers and supervisors, along with forming a comprehensive perspective of the company in such fields as knowledge, professional networks, and expectations."[82]

The main objective of the integration process is to enable the new worker to become a useful member of the organisation in the shortest time possible. The realization of this goal depends on the new employ-

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[82] Csigás Zoltán: Five thoughts on integration in the work place.
http://www.hrportal.hu/hr/ot-gondolat-a-munkahelyi-beilleszkedesrol-20081112.html 2008.11.12.

ee's attitude as well. Consequently, if needed the worker should ask questions, work overtime, or prepare at home for the new tasks. Thus integration at the same time fulfils important work place socialization functions as well. (Tóthné Sikora 2002).

The objectives of the integration program:
– conscious promotion of the integration of newly hired workers,
– introduction to the work organisation, promoting familiarity with the main features of the new place of employment,
– promoting a harmonious supervisor-employee relationship,
– promoting independent and conscious work performance,
– establishing the conditions of high standard work arrangement design,
– guaranteeing continuous development and training.

7.2.10 The individuals subjected to integration and the respective immediate supervisors

As it was demonstrated earlier integration is a two-sided process, as the employer facilitates integration and the employee has to become integrated. The integration will be successful only if both parties make the respective necessary steps. Yet, due to the hierarchical nature of the employment relationship, the first step has to be made by the employer.

Participants in the integration process
– the new worker,
– the immediate supervisor,
– the closer environment (colleagues),
– the coordinator of the process, the human resource management department.

Basically there are four new fields the new employee has to perform effectively:
– business orientation,
– the coordination of expectations,
– connections,
– cultural adaptation. (Répáczki, 2011.)[83]

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[83] Detailed information will not be provided on these fields.

While the integration process is coordinated by the organisational unit responsible for human resources, the most significant task belongs to the **immediate supervisor** as he is **responsible** for:

– preparation of entry into the workplace
– information discussion with the newly hired worker
– Introducing the new employee to the staff.

Since immediate supervisors have several responsibilities and tasks, often a mentor is assigned to the new worker. In order to guarantee the efficiency of the mentoring process the appointment of the mentor should be done in writing and all the respective tasks should be clearly defined.

7.2.11 The main stages and components of the integration process

Integration programs not only provide help to entry level colleagues or people at the beginning of their career, but they supply general and specific information concerning the actual situation of the company. Accordingly we distinguish two stages of the integration process, the **general stage** providing general information applying to all new workers, and the **specific stage** supplying relevant information to a person fulfilling a specific work area.

Chart 31: The stages of the integration process[84]

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[84] Source: Author's own compilation.

Components of the general integration process:

- a general introduction of the work place (introduction of the firm and its organisational structure, informational materials, a walk on the premises, getting to know the customs and traditions),
- compulsory training (industrial safety rules),
- the clarification of roles at the work place, subordinate, supervisory, and horizontal connections,
- work time regulations   (starting and closing time, breaks, recording of work time, sign in sheets, asking for vacations, reporting sickness),
- introducing the legal regulations pertaining to the work area (laws, Policy and Procedure, collective agreement)
- formal and informal meetings, arrangements of meetings with managers providing information on the strategy, objectives, professional tasks and the importance of high quality work performance
- information on maintaining connection in the company (connection and communication with managers, colleagues, the operation of the intranet, the newsletter or other informational publication of the company),
- meetings with the immediate supervisor, clarifying worker expectations, assessing the progress of the integration program.

The individual or personal integration stage is more specific. bearing relevance to the work area and connected to the person's work, professional, or management experience. At this stage the worker is given an opportunity to become familiar with colleagues and the operation of organisational units relevant to the given work area. A rotational system enables the new worker to spend time at each organisational unit bearing relevance to his or her given work area. After the completion of the personal integration process the worker is introduced into its own work area and the attendant professional expectations. This stage is also called the professional integration stage. **The components of the personal or individual integration stage:**

- Designing and implementation of rotational phases
- The identification of the final work place and work area following the evaluation of the rotation process.
- Professional integration.

7.2.12 Integration-related risks

After the **integration period** (generally equalling the probationary period) decisions have to be made concerning the suitability of the new worker for the given work area. If the performance capacity is found adequate the employee can be put into permanent status. In case of a negative answer or the failure of the integration process the employee has to leave the organisation. The subsequent increase of the fluctuation rate (the proportion of those leaving the company) eventually leads to a new personnel acquisition process entailing additional costs in form of time and expenditure.

Several researchers confirm that the so-called psychological contract determines employee satisfaction, commitment and performance (Csigás 2008). The **psychological contract** entails what the employees think of the given work, the expected performance, the fairness of compensation, the anticipated company actions and the interrelation of all these factors. The fact that a psychological contract has no legal binding force implies its greatest danger, namely the worker should always be aware of requirements pertaining to him and others along with the positive and negative consequences of his work performance.

One of the greatest integration related risks is the inappropriate work load, either putting too much or too little on the shoulders of the new hire. Frequently the new worker only sits around idly in the first days as he is not informed of the given tasks and responsibilities either by his immediate supervisor or mentor. Also, at the other extreme the new worker is burdened with a heavy load and driven by a compulsion to fit in he is afraid or reluctant to ask questions leading to frustration and dissatisfaction, It is better for both parties if the new worker is aware of his tasks and contributes to the organisation from the beginning of his employment at the firm.

The entry of a new worker could mean other risks as it could result in additional tasks for the manager and close associates as more time has to be spent with the new hire. Time allocated for this purpose takes time away from other work tasks, however, neglecting the new worker can cause frustration on his part eventually leaving the organisation.

While personnel acquisition includes four stages recruitment, selection, hiring, and integration, Hungarian experience shows that not enough time is spent on integration. This process is crucial, however, as the first three months or the probationary period is definitive of the future performance and effectiveness of the newly hired worker.

7.3 SUMMARY, QUESTIONS

7.3.1 Summary

The lesson focused on the two stages of the personnel acquisition process, hiring and integration. At the beginning detailed information was provided on the legal background of the employment process, the concept and main aspects of employment law, the legal background of employment relations, the types of employment relations, the components of the employment contract, the rights and obligations of employers and employees. The chapter also dealt with the concept, goals and stakeholders of the integration process, the main aspects of the general and personal or individual integration stage and the risks related to the integration process.

7.3.2 Self-test questions

1. Describe the concept of employment law.
2. What types of employment relations are you familiar with?
3. What types of legal specifications pertaining to employment regulation are you familiar with?
4. Describe the content of the employment contract.
5. What are the obligations and rights of employers and employees within the framework of an employment relation?
6. What information should be provided to the employee by the employer?
7. Describe the integration process.
8. Describe the goals of the integration program.
9. List the stakeholders in the integration process and their main tasks!
10. What are the four fields a new employee has to prove himself in?
11. Introduce the general stage of the integration process!
12. Introduce the personal or individual stage of the integration process!
13. Which are the most frequent risks related to the integration process?

7.3.3 Practice tests

1.True or false? Employment law regulates rights and obligations derived from work relations.

      True   False

2. Which is the correct answer? (more than one answer is possible) Types of employment relations include:

    a) work relation

b) special assignment
c) entrepreneurial work
d) tele work

3. True or false? Employment law specifies that a worker has to perform a job in person, its duties cannot be passed to another person.

True   False

4. Which is the correct answer? (more than one correct answer is possible) Participants in the employment relationship include:
a) employer
b) union
c) employee
d) factory council

5. Which is the incorrect answer? (more than one answer is possible) The characteristics of employment relations include:
a) a hierarchical relation between employer and employee.
b) the employer has no right to control the employee.
c) only a natural person can be an employee.
d) the employee bears the costs of labour.

6.Which is the correct answer? (more than one correct answer is possible) the aims of the integration process include:
a) promotion of the integration of the newly hired worker into the organisational structure,
b) familiarisation with the work organisation and the respective features of the work place
c) promotion of a harmonious relationship between manager and employee,
d) promotion of conscious and independent, self-motivated work performance,
e) establishing the conditions for high standard work design and arrangement
f) guaranteeing continuous training and development.

7. In which of the following fields a new employee DOES NOT HAVE TO perform successfully?
a) business orientation
b) inquisitiveness,

c) reconciling, harmonisation of expectations,
d) connection networks
e) cultural adaptation.

8. Which is the correct answer? (more than one correct answer is possible) The stage of the integration program pertaining to all new employees and providing basic information:
a) general integration stage
b) initial integration stage
c) spontaneous integration stage
d) personal integration stage

9. What does the following definition refer to: The newly entered worker spends a pre-determined time at an organisational unit.
a) rotation
b) fluctuation
c) successful performance
d) integration

10. True or false? One example of integration related risk is the excess workload experienced by the closest associates of the newly hired worker.
True   False

8. LESSON 8

8.1 OBJECTIVES AND COMPETENCES

The lesson will introduce performance evaluation, as one of the increasingly important aspects of human resource management. The chapter will deal with the concept of performance evaluation, the basic principles, objectives and components of the performance evaluation process. In addition to introducing performance evaluation technologies we will focus on the interview concluding the performance evaluation process. At the same time performance evaluation errors will be discussed as well. The second part of the chapter deals with on the job training and development. The section will introduce the concept and objectives of personnel development, the role of on the job training programs, and the most frequent forms of training schemes provided by a given company.

Students will obtain the following competences:

− defining the performance evaluation process,
− understanding the need and benefits of performance evaluation,
− designing and implementing the steps of the performance evaluation process,
− Analysing and evaluation of the basic principles of performance assessment,
− introducing and applying performance evaluation technologies,
− designing and carrying out a performance evaluation interview
− recognizing, identifying, and avoiding typical performance evaluation errors,
− defining the concept of competence,
− familiarity with the most frequently offered on-the-job training schemes.

8.2 PERFORMANCE EVALUATION, ON-THE-JOB TRAINING AND DEVELOPMENT

Chart 32: Conceptual map for Lesson 8

8.2.1 The concept and interpretation of performance

The concept of performance, due to its subjective content is hard to explain. **Reznek's** definition highlights the complexity of the concept.

> 👝 **Performance is the utilization of knowledge, skill, and aptitude at a given quality level during the fulfilment of a work task[85].**

The key is utilization indicating the attitude of the employee toward the given work. Consequently this perspective emphasizes not only the absolute value of knowledge, skill, and aptitude, but the use of the given work performance. One of the most important factors behind utilization is motivation. Consequently, despite an existing ability to perform a task, without appropriate motivation the given performance level will be below the worker's potential. Utilization also depends on the compatibility of the employee's attributes (skill, ability) with the respective work area criteria. **Thus performance can defined as the level of implementation of a determined or expected requirement at a given work area**. Perfor-

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[85] REZNEK, György: *Értékeljünk, vagy ne értékeljünk?* (I-IV. rész) (Evaluate or not to evaluate?). Budapest, Humánpolitikai Szemle, 1998. 12. szám – 1999. 3. szám.

mance can be described by a function indicating if any performance elements are valued at zero, the final result is zero as well.[86]

$$Performance = knowledge * skill * aptitude$$

Chart 33 The components of the performance concept[87]

8.2.2   The concept of performance evaluation

While the concept of performance is not easy to define, performance evaluation is necessary to assess how the given tasks are fulfilled in the respective work areas.

> 📖 **Performance evaluation is a written assessment of employees according to a previously established schedule.**

Performance evaluation is based on three criteria described below:

Chart 34 Performance evaluation criteria[88]

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[86] CSORDÁS, Tamás: *Teljesítménymenedzsment, teljesítményértékelés (*Performance man-agement, performance evaluation*).* In: Matiscsákné Lizák Marianna: Emberi erő-forrás gazdálkodás, 8. fejezet, Budapest, Complex Kiadó, 2012.

[87] Source Author's own compilation.

[88] Source: Author's own compilation.

- **Written form**: a previously determined performance evaluation documentation helps to promote uniformity and a systematic approach facilitating traceability and accountability;
- **Systematic approach**: logical consideration of all performance influencing factors, appropriate emphasis on the respective factors;
- **Evaluation at regular intervals**: evaluations can be performed on a yearly, half-yearly, or even monthly basis, but after each evaluation phase an interview has to be conducted. Keeping the pre-established schedule is important for the comparison of the respective measurement and assessment data.

Performance evaluation is a process during which the work of the individual employee is:
- observed,
- assessed,
- recorded,
- reported
- and discussed in order to improve the quality and quantity of work performance for the purpose of maintaining and increasing work-related satisfaction.[89]

8.2.3   Basic principles of performance evaluation

Performance evaluation depends on basic principles that have to be taken into consideration on a permanent basis.

1. The principle of developmental intent: Evaluators have to keep in mind that employees prefer developmental evaluation to being taken to task. The evaluation should be the foundation of the awarding process and promotion. The reports could point out certain deficiencies helping the employee to address the problem areas and assisting managers in making decision regarding the particular employee. The overall goal is the identification of areas in need of development and improvement.

2. The principle of motivation: Employees perform better, work more and are more open to performance evaluation if they are informed of the given results, that is receive feedback. The respective objectives should be realistic and within the range of the given employee's achievement capacity. Moreover, the employees should have a part in the establish-

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[89] RANDELL, Gerry: *Performance Appraisal.* In: Molander, Christopher (szerk.): Human Resource Management. Chartwell-Bratt Ltd., 1989.

ment of goals as well. Consequently, the respective work performances have to be observed and compared to the expectations, customs, and norms.

3. The principle of interactive and multidirectional evaluation: Performance evaluation is not exclusively an employee and employer concern. The criteria for authentic evaluation include the opinion of persons with relevant information, external partners, or clients.

4. The principle of inclusion: In order to avoid the failure of the interview process partly by rejection, partly by a reluctance to accept innovations feedback is crucial. Employees subject to the evaluation process should be informed on the objective, details, methods, frequency, date, and expected time of performance evaluation along with the respective results and consequences.

5. The principle of feasibility: A given organisation has to elaborate an evaluation system which does not entail unbearable burdens. Consequently the evaluation system should be cost effective with a predictable resource need. The necessary resources include professional evaluators capable of objective un-biased or non-prejudiced assessment, and possessing appropriate communication skills in order to inform the given employee about the results of the evaluation process in a proper fashion.

6. The principle of free choice: A the fields and aspects of performance evaluation naturally differ in each organisation. While certain features are present in all evaluation schemes, the given organisation should develop its performance evaluation system in sync with its other systems including training and quality management.

8.2.4   The objectives of the performance evaluation process

The objectives of the performance evaluation process can be grouped into three categories:

Chart 35: The main categories of performance evaluation objectives[90]

The main groups of performance evaluation:
1. **Performance Review:** the purpose of evaluation is to facilitate performance improvement. This is justified by the assumption that successful and effective individual work performance promotes the development and efficiency of the organisation as well.
2. **Reward Review:** as a result of the review the material and other rewards, benefits, and promotions can be distributed in a fair manner.
3. **Potential Review:** the aim of the review is to ascertain what kind of tasks can be fulfilled by the given individual in the future, and how much time is needed to reach the desired quality. The review process can take into consideration previous achievements, present performance, and individual aspirations.[91]

After establishing the goals of performance evaluation, the components of the process have to determined.

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[90] Source: Author's own compilationSaját szerkesztés.

[91] CSORDÁS, Tamás: *Teljesítménymenedzsment, teljesítményértékelés.* (Performance management, performance evaluation)In: Matiscsákné Lizák Marianna: Emberi erőforrás gazdálkodás, 8. fejezet, Budapest, Complex Kiadó, 2012.

Chart 36 describes the three phases of **the performance evalua-tion process**:

Chart 36: The performance evaluation process[92]

Step 1: Compilation of an individual work plan

At the beginning of the business year the organisation objectives have to be translated into annual individual work plans. Employees must report whether they agree with the planned tasks, the outlined objectives and the respective performance criteria. The work plan should include the objectives, main components, and material resources of the respec-tive tasks. Individual employee objectives:

-   should be within the control of employees,
-   should be realistic in light of the knowledge and skills of the re-spective employee,
-   should be important and not easily measurable.

Step 2: Performance assessment

The second step calls for the review of the given performance in light of the individual work plan, the regular improvement and modifica-tion of the plan if needed. Reviews have to be performed at regular inter-vals, i.e. on a quarterly basis, but should be administered upon employee request as well. In case of each review a supervisory report has to be

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[92] Source: Author's own compilation.

prepared and the work plan can be modified according to the results of the supervisory opinion. Performance is observed, assessed, and recorded at this stage.

The most difficult aspect of the process is the assessment and analysis of annual performance as in addition to ascertaining the fulfilment of the annually scheduled tasks, the rate of professional development, the change of personal characteristics, and the overall achievement level must be identified. In order to avoid biased or subjective evaluation various technologies should be used. (Such approaches will be discussed later on).

Step 3: Report preparation and discussion (evaluation interview)

Performance evaluation is an important component of internal communication. This phase includes the preparation of annual performance reports and the discussion of the findings. Performance evaluation can lead to promotion or in case of a negative review demotion. After the completion of this stage the process returns to step one and the planning of the next business year takes the given performance evaluation data into consideration.

8.2.5   Performance evaluation technologies and systems[93]

Performance evaluation technologies can be grouped according to many aspects. One means of categorization is the target group, namely the given approach aims at the evaluation of **employees separately**, or comparing the achievement of **more people** at once.

Techniques evaluating individuals:

1. Written essay type reports: the evaluator prepares a written report on the performance, strengths and weaknesses, and potential development options of the given employee.

2.Critical cases (incidents): recording extremely positive or negative behavioural components impacting performance. It is a more effective developmental tool due to its more specific and targeted approach as it distinguishes behavioural patterns that should be improved or retained.

3.Grading/qualification scale: while this fast and economic approach evaluates the employees on a scale of 1 to 5, the depth of the respective information is lower than in the previous 2 cases. A simple example will illustrate the use of this technology:

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[93] Csordás, Tamás: *Teljesítménymenedzsment, teljesítményértékelés.* (Performance management, performance evaluation) In: Matiscsákné Lizák Marianna: Emberi erőforrás gazdálkodás, 8. fejezet, Budapest, Complex Kiadó, 2012.

Performance evaluation in the field of customer service on a scale of 1 to 5:

5 – Well above average
4 – Above average
3 - Average
2 – Below average
1 – Well below average

In this case the appropriate grades are marked by the evaluator.

📄 *Search the internet for individual performance evaluation tools and present a few examples!*

Techniques evaluating groups or persons:

1. Individual classification or ranking: a ranking of employees on a scale from best to worst is prepared

2.Group classification or categorization (forced distribution): according to performance levels employees can be ranked in the top 10% (excellent performance warranting retention in all cases) the upper 20% (above average), middle 40% (average performance) and lower 20% (below average performance) and the bottom 10% (marginal performance, potentially terminable) categories.

Table 1: an example of group classification[94]

Bottom 10%	Lower 20%	Middle 40%	Upper 20%	Top 10%
Evaluated 1	Evaluated 2 Evaluated 3	Evaluated 4 Evaluated 5 Evaluated 6 Evaluated 7	Evaluated 8 Evaluated 9	Evaluated 10

3. Pair based comparison: employees are placed in pairs and are qualified in reference to each other. After receiving the aggregate points the employee with a higher performance rate is identified.

📄 *Search the internet for pair based evaluation tools and present a few examples!*

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[94] Eredeti forrás: KAROLINY, Mártonné: *Teljesítményértékelés.* (Performance evaluation) In: Elbert – Karoliny – Farkas – Poór: Személyzeti/emberi erőforrás menedzsment. Budapest, 2001.

8.2.6   Performance evaluation systems[95]

Performance evaluation systems can be grouped in a variety of ways.. Accordingly evaluation can be target centred, (Management by Objectives) or competence based. Between these two extremes there are many other methods, including the 360 degree approach to be discussed later.[96]

Target centred approach (Management by Objectives – MbO): in Hungary MbO is one of the most frequently used methods. Accordingly the employee taking organisational goals into consideration sets individual goals promoting the realization of organisational objectives at the same time.This method requires the organisation to outline its goals on an annual basis. The objectives have to be specific and the fulfilment criteria should be clearly determined. The objectives and criteria should be known by all staff. Accordingly, the manager and the employee decide jointly upon the goals to be achieved in a given year. MbO is more than a performance evaluation program, it is also a management philosophy enabling both manager and employee to plan, control, communicate, or even discuss the aspects of the evaluation process.

360 degree evaluation: This type of evaluation is also known as the full circular assessment taking all directions into consideration. At first the employee evaluates himself, then his supervisor and colleagues at the same level prepare an evaluation and if employees work under his direction, they prepare an evaluation too. The anonymous test and evaluation forms allow the evaluators to provide honest opinions without bias. A significant advantage of this method is based on its multidirectional approach as the more aspects are taken into consideration, the more detailed and exact the evaluation becomes.

    📰 *Consider who should evaluate the work of an assistant professor in case of a 360 degree evaluation process. Name the work areas and positions of individuals participating in the evaluation process. Share your solution on the forum found on the Moodle surface.*

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[95] CSORDÁS, Tamás: *Teljesítménymenedzsment, teljesítményértékelés.* Performance management, Performance evaluation)In: Matiscsákné Lizák Marianna: Emberi erőforrás gazdálkodás, 8. fejezet, Budapest, Complex Kiadó, 2012.

[96] KAROLINY, Mártonné: *Teljesítményértékelés.* (Performance evaluation) In: Elbert – Karoliny – Farkas – Poór: Személyzeti/emberi erőforrás menedzsment. Budapest, 2001.

Competence based evaluation: The aim of the competence based evaluation is to ascertain whether the employee possesses the competences required for the performance of a given task. Employee competences and skills are measured with a variety of devices then compared with the organisational and work area competence expectations in order to make recommendations for development. The use of this method requires a clear definition of the required competences. The definition process can take into consideration:

- the organisational goals (based upon competences required for the performance of tasks and activities)
- precise description of work area requirements.

8.2.7 Performance evaluation interview and performance evaluation errors

After the completion of the evaluations the results should be shown to the employee. The evaluation interview provides an opportunity to inform the given worker.[97] The two stages of the interview process are shown on the following chart: *Chart 37: The evaluation interview process*

The tasks to be completed during the preparation stage are indicated on Chart 38:

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[97] CSORDÁS, Tamás: *Teljesítménymenedzsment, teljesítményértékelés.* (Performance management, performance evaluation) In: Matiscsákné Lizák Marianna: Emberi erőforrás gazdálkodás, 8. fejezet, Budapest, Complex Kiadó, 2012.

Chart 39: Tasks to be performed during the preparation stage

The evaluation interview begins with the **preparation stage**. The preparation stage includes the following tasks:

1. **Collection of information:** Information has to be collected on the extent of the fulfilment of goals outlined and approved during the last interview. Potential sources of information: documentation of previous evaluation, job description, evaluator notes, opinion of colleagues etc.

2. **Preparation of the written evaluation:** The evaluator has to establish a diagnosis (the description of the present situation) as a basis of the developmental recommendations. The sending of the evaluation documentation is not obligatory. The employee, however depending on organisational policy could receive it in order to prepare for the evaluationary interview.

3. **Compilation and rehearsing the main message:** The interview is crucial device in obtaining relevant information, influencing expected employee conduct, anticipating conflicts, and potential means or resolution. Consequently, the communication of the respective evaluation results requires significant preparation.

4. **Determination of the location and time of the interview:** In order to enable the employee to prepare for the interview information on the respective location and time has to be provided at least a week before the event.

5. **Communicating the aspects and objectives of the evaluation process:** If the employee is familiar with the evaluation criteria he or she can prepare effectively. The employee can consider the potential questions or complaints in writing.

It must be noted that the first 3 points are relevant to the employee as well since the preparation process can include information collection, the studying of the respective job description, looking over the previous evaluation documentation (the filled in and mutually signed evaluation sheet) and comparing the previously identified objectives and tasks with the respective implementation effort and potential results. The location of the interview **has to be arranged** in a neutral manner, reflecting the equal status of the parties. All factors presenting a potential psychological barrier must be eliminated and telephones should be turned off to guarantee adequate concentration and attention levels.

The communication stage of the evaluation interview includes the following steps:

Tasks of the communication stage of the evaluation interview:

1. Preparation, introduction

2. Components of the discussion stage:
2.1. Employee presents self-evaluation
2.2. Evaluator gathers information from employee
2.3. Evaluator presents own assessment
2.4. Discussion of the two versions
2.5. Determination of new performance objectives
2. 6. Closure, documentation, recording the results on the evaluation sheet

Chart 40: Tasks to be fulfilled during the communication stage of the evaluation interview

The communication stage of the evaluation interview: During this stage the actual interview takes place which can be divided into two additional phases:

1. Preparation, introduction: In order to release tensions the interview should be started with neutral topics. The person under evaluation should be gradually drawn into the interview as he or she has objectives related to the process.

2. The components of the **discussion stage**:

2.1. The person under evaluation presents the results of the self-evaluation. In case of written evaluation it should be sent to the manager.

2.2. The **evaluator** asks questions and **collects information** from the employee.

2.3. The evaluator presents his or her evaluation: this should be done in a positive and constructive manner, covering all evaluation aspects enabling the employee to asks questions during the process

2.4. Discussion of the evaluation. A real discussion is necessary

2.5. Determining new performance objectives, goals for the future: The goal setting process should involve the employee as well enabling him to make developmental recommendations. Goal setting includes performance objectives and personal development objectives.

2.6. Closure, documentation: In conclusion the main points of the evaluation interview have to be summarised along with a mutual confirmation of the new action plan. The evaluation sheet has to be signed both by the interviewer and the interviewee.

Performance evaluation errors

In order to guarantee objectivity and a realistic approach the process should avoid performance evaluation errors. The respective mistakes are grouped into three categories. (the lesson does not provide detailed information on the respective errors):

- **Mistakes related to the organisation:** performance evaluation problems at the organisational level including the malfunctioning of the given system or inadequate support form performance evaluating HR functions.
- **Mistakes by the evaluator:** this problem can occur if the evaluation is not objective in any aspect or the evaluator demonstrates bias toward the person under evaluation.
- **Communicational errors:** this problem can occur if the employee is not appropriately informed of the results of the evaluation.

Training and competence development is an important field for the utilization of the results of the performance evaluation process.

8.2.8 The concept, objectives, and basic questions of personnel development[98] [99]

> **Personnel development provides organised learning opportunities for employees to facilitate a work performance commensurate to the respective work area requirements.**

The developmental process promotes creative learning and motivates the members of the organisation to search for crucial knowledge and skills.[100]

Personnel development can be associated with numerous human resource management processes as it can function as a starting point for work area analysis, work area design, or performance evaluation. Staff or personnel development aims at the modification and improvement of employee competences facilitating the expansion of knowledge, development of skills and improvement of attitudes and employee motivation.

The goals of the staff development process:
1. Guaranteeing an appropriately trained work force: Organisational efficiency and productivity depends on the up to date knowledge of committed staff.

2. Improvement of competitiveness A trained and motivated labour force provides a competitive edge or advantage

3. Improvement of organisational flexibility: If the expectations toward a given organisation change, adaptation to new demands requires an appropriately trained and motivated labour force with a new outlook.

4. Modification of attitude and motivation: Organisational efficiency requires that a given employee knowledge be paired with adequate will, in other words the employees should be motivated and committed.

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[98] KÁDEK, István – JUHÁSZ, István: *Emberi erőforrás képzés és fejlesztés.* (Human resource training and development) In: Emberi erőforrás gazdálkodás. Szerk.: Matiscsákné Lizák Marianna. Budapest, Complex Kiadó. 2012. 301-302.
http://www.hrportal.hu/index.phtml?page=feature&id=34291

[99] http://www.hrportal.hu/index.phtml?page=feature&id=34291

[100] ZSOLDOS, Marianna: *Személyzetfejlesztés*. (Staff development) Miskolc, In: Humán erőforrások gazdaságtana. Szerk.: Tóthné Sikora Gizella. Bíbor Kiadó, Miskolc, 2004. 386.

Staff or personal development efforts can only be successful if the individual and organisation level goals are harmonised..

Basic questions of staff or personnel development:
1. What should be developed? (knowledge, skill, competence, conduct, attitude)
2. Who should be part of the development process? (employees, managers)
3. What method should be used? (training, situational exercise, combined methods.)
4. Who should deliver the development program? (internal or external expert)
5. What criteria should be used for evaluating the developmental program? (Controlling.)

These questions at the same time represent the components of the personnel development process.

8.2.9 The concept and types of on-the-job training programs[101]

Before a given program is designed and delivered the respective goals (training, development) have to be decided. Should the organisation strive for the development of the knowledge, skills, or competences of the employees, or rather focus on training programs?

- **The goal of the training process is to enable employees with lower position and skill level to perform better in their present jobs.**

- **Developmental programs considering future organisational objectives aim at the increasing and improvement of the skills of managers and expert professionals.**

Development as a future oriented and strategic objective motivated process promotes adaptation and in some cases establishes the foundation of promotions.

Training programs can be **grouped** according to many criteria including the location of learning:
- on the job

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[101] KÁDEK, István – JUHÁSZ, István: *Emberi erőforrás képzés és fejlesztés.* (Human resource training and development)In: Emberi erőforrás gazdálkodás. Szerk.: Matiscsákné Lizák Marianna. Budapest, Complex Kiadó. 2012. 301-302. http://www.hrportal.hu/index.phtml?page=feature&id=34291

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- off the job schemes

On the job training takes place on the premises of the employer in work time with the help of the devices provided by the organisation. As a result of the training workers can obtain practical knowledge or immediately deployable professional skills. Off the job schemes promote the learning of more abstract concepts and other theoretical knowledge on the longer term.

The training program

All training programs are based on clear definition and a clearly understandable requirement criteria supported by an adequate methodology. The training scheme has to be designed, programmed, and implemented.

The development of training programs includes the following steps:

1. determining training needs and demands,
2. establishing conduct-related objectives,
3. profiling instructors and learners,
4. elaborating an evaluation system reflecting the new skills, knowledge, and conduct.

1. Determining training needs: 1. Who needs training, or is there an actual need for such programs? 2. What kind of training is needed? Answering these questions requires organisational, work (area) and work force analyses addressing the following issues:

- determination of company policy,
- matching the work areas with the structure of the enterprise
- establishment of managerial responsibility for all the respective organisational units
- work load analysis, performance analysis,
- reliable and fair performance evaluation,
- assessment of training needs on various fields,
- establishment of permanent training objectives,
- identification of knowledge level required for the respective work areas, disclosure of supplementary training needs,
- development of career structures for professionals.

At this point a crucial concept, competence, has to be determined. In case of competence deficiency a given employee must participate in relevant training. How can the concept of competence be defined? While it's a term of Latin origin implying suitability or cleverness, the term has

several interpretations. On one hand it connotes the sum of skills and aptitudes promoting problem solving at a given field. At the same time it refers to the willingness of an individual to apply and put in practice the respective problem solving skills. The concept also entails knowledge, experience, and personal attributes. Thus competence can be regarded as a decision and implementation facilitating skill system composed of aptitudes, personal values, attitudes, personality features and motivation levels.

2. Establishment of conduct related objectives

Employers in our rapidly changing world require a number of competences and personality features:

- acceptance and understanding of instructions,
- sense of responsibility, independent working, problem solving and decision making capability,
- imagination
- maintaining connections with colleagues and managers,
- group communication ability promoting the realization of group goals,
- pride in one's work,
- quality awareness,
- computer literacy.

3. Profiling instructors and learners: This stage implying program design requires answers to the following questions: are the instructors provided from internal sources or external sources, what are the qualities of instructors developing the training program, what are the learning capabilities of the given employee participating at the training, can he or she acquire the desired competences, what methods guarantee the effectiveness of the training program? .

4. The evaluation system: Evaluation methods should take the following aspects into consideration:

- **Reactions of participants:** what are participant views on the text and the given instructor?.
- **Level of acquired knowledge and skills:** the respective knowledge levels can be ascertained by written or oral examination, or in some cases by skill demonstration or situational exercise.
- **Level of changed conduct:** the respective modifications imply a learning transfer, promoting long-term application of knowledge

acquired in a learning environment or situation. Conduct modifica-
tion requires information gathering from the participant of the
training process, the heads of the respective organisational units,
and other employees.

- **Performance levels and the required results:** at this stage two
aspects: a, performance change following completion of the train-
ing process, b, financial profitability or return of the training ex-
penses should be explored.

8.2.10 On the job training programs and the effectiveness of the process

The following chart summarises the steps of the on the job training pro-
grams: needs assessment, training design, implementation of the training
program, follow up.

Chart 41:

We provide detailed information on one aspect, namely training
program design.

**The training design process has to address the following is-
sues:**

1. **What is the goal of the training process?** Potential objec-
   tives include the promotion of effective and successful per-

formance, facilitation of effective communication with colleagues, clients, or limiting the production of defective goods.

2. **What kind of knowledge or skill should be developed:** Managers might aim at the expansion of management skills, employees want to enhance professional knowledge or hone their communication skills. .

3. **Which is the appropriate training method?** The term: method originating from the Greek methodos connotes path or procedure. We use the term as a road to achieve a goal, or a procedure facilitating the fulfilment of an objective. **Instructional methods** are permanent, repetitive components of the teaching or educational process entailing teacher and learner activities applied in the form of differing strategies. The respective methods can take the form of frontal lecture, interactive teaching, or personalized training tailored to employee needs...

> *Illustrate how can various training methods be applied. Download information from the Internet!*

4. **What kind of resources is needed for the training process?** The necessary material, personal, and financial resources must be identified. Additional issues to be determined: location of the training, instructors, course plans, texts, instruction schedules (class times and numbers), knowledge ascertaining methods etc.

5. **How should the training process be evaluated?** This issue was discussed earlier.

6. **How do we select the participants of the training program?**. Conditions for entry into training programs can be specified by legal regulations, or the employee's supervisor can make a joint decision with the training provider.

7. **Who should deliver the program?** Instructor eligibility can be regulated by law or requires certain qualifications, and experience.

8. **What type of instructional materials should be prepared?**. The text forms should meet the needs expressed by the subject descriptions and course plans.

Criteria for the efficiency of the training programs:
- program recognition and definition
- elaboration and establishment of objectives

- analysis of relevant factors
- collection and evaluation of relevant information
- independent learning
- process coordination
- consideration and justification of decisions
- applying appropriate methods for identifying ideas
- development of search and action strategies
- performance of problem, situation, and consequence analyses
- communication and interpretation ability
- resourcefulness

Training and staff development is a crucial human resource management activity promoting the improvement of organisational efficiency.

8.3 SUMMARY, QUESTIONS

8.3.1 Summary

The lesson offered a definition of the concept of performance and expressed it in function format. After the clarification of the performance evaluation concept the respective basic principles and objectives were introduced followed by the description of the process. The chapter treated technologies for the comparison of individual and group evaluation, along with the introduction of certain performance evaluation systems. The lesson also dealt with the two stages of performance evaluation interview and the errors of interviewing. The second segment focused on concept, objective, and processes of personnel or staff development and on the job training.

8.3.2 Self-check questions

1. Explain the concept of performance.
2. What factors determine performance?
3. Define the concept of performance evaluation!
4. Describe the basic principles of performance evaluation!
5. Describe the performance evaluation process!
6. How can performance evaluation objectives be grouped?
7. How can performance evaluation technologies and methods be categorized?

8. Which ones are the most frequently applied personal performance evaluation techniques, provide a specific illustration!

9. Describe the two stages of the performance evaluation interview process and the respective components!

10. Provide examples of the most frequent performance evaluation errors!

11. Explain the difference between training and development.

12. Introduce the basic principles and components of personnel or staff development programs!

13. Describe the content of an on the job training program!

14. Describe the components of an on the job training program!

8.3.3   Practice tests

2. Which concept is defined by the following description: "A systematic process promoting the continuous improvement of employee performance and the maximization of employee potential in order to facilitate the implementation of organisational goals?"

    a) performance evaluation
    b) performance management
    c) work area evaluation
    d) work area analysis

3. Which is the correct answer? (more than one correct answer can be given) The three components of the performance management process are:

    a) establishment of objectives
    b) prognosis preparation
    c) performance
    d) performance evaluation

4. Which is the correct answer? (more than one correct answer is possible) The basic principles of performance evaluation are:

    a) principle of continuity
    b) principle of developmental intent
    c) principle of motivation
    d) principle of uniqueness

5. Which is the correct answer? (only one correct answer can be given) The steps of the performance evaluation process include:

        a) performance management
        b) individual work plan
        c) performance asessment
        d) preparation of reports and discussion

6. Which is the correct answer? (more than one correct answer is possible) The individual work plan has to include:

        a) the goal of the given work
        b) key areas of the given work
        c) main activities
        d) material resources

7. Which is the correct answer? (more than one correct answer is possible) Comparative personal performance evaluation techniques include:

        a) BARS method
        b) group categorization
        c) pair based comparison
        d) individual categorization

8. Which is the correct answer? (more than one correct answer is possible) Performance evaluation criteria include the following:

        a) continuity
        b) written reports
        c) systematic approach
        d) evaluation at regulated intervals

9. What concept is defined by the following statement: "the employee establishes individual goals whose realization promotes the implementation of company objectives"

a) individual categorization
b) BOS
c) MbO
d) 260 degree evaluation

10. Which answer is correct? (one correct answer is possible) The main groups of performance evaluation errors:

        a) mistakes at organisational level
        b) definition-related errors
        c) interpretation errors

d) distortion related errors

11. Is the following statement true or false?
Training and development are synonymous concepts.
True   False

12. The steps of the training process are (more than one correct answer is possible)

a) survey of organisational errors
b) needs assessment
c) training program design
d) implementation of training program

13. Is the following statement true or false?
The main objective of the needs assessment process is identifying the instructors of the training program.
True   False

9. LESSON 9

9.1 OBJECTIVES AND COMPETENCES

This lesson will introduce the basic concept of motivating and rewarding, along with their role in human resource management. The chapter will provide a definition for motivation, external and internal motivation along with the clarification of the motivation and reward concept in addition to illustrating a comprehensive reward system.

Students will obtain the following competences:

− defining the concept of motivation,
− distinguishing between external and internal motivation,
− defining the concept of rewarding,
− understanding motivational theories,
− identifying and understanding the components of the full scale rewarding process
− distinguishing between financial and non-financial incentives.

9.2 MOTIVATION AND REWARDING

Chart 41: Conceptual map to Lesson 9

9.2.1 The concept of motivation and rewarding[102]

The term motivation is of Latin origin, it means move, moving. The question of motivation was investigated by researchers from different fields and the results vary accordingly.

Motivation can be defined from a psychological standpoint:

> 📖 **The psychological aspect of motivation refers to an internal state of consciousness compelling a certain, defined behaviour.[103]**

Psychologists insist on differentiating between **motivation** and **motivating.** The subject of the **motivation process** is the individual. The person feels an internal compulsion or motivation to maintain or control a certain behaviour. Internal motives can differ from person to person. The **motivator** is the person who exerts influence and supports the given individual to achieve his or her goals. Thus motivation is connected with incentive as a means of helping a person in realizing his objectives and desires. Motivation and incentive are devices triggering unsatisfied and new needs impacting the individual's internal motives.[104]

Thus motivation is internal compulsion, motivating is external incentive.

Motivation is not only interpreted in an everyday context influencing human behaviour and action, but motivation at the work place can be defined clearly as well.

Armstrong distinguishes two types of motivation at the work place:[105]

− **Internal motivation** – motivation derived from the work effort, connected to the content of the fulfilled work area. Factors impacting internal motivation include level of challenge, responsibility, independent work and decision making options, possibilities of skill and competence development, promotional options etc.

− **External motivation –** motivation used by management to promote worker incentive in the form of pay raise or reward.

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[102] TÓTHNÉ SIKORA, Gizella: *Motivációs és javadalmazási rendszerek.* (Motivation and reward systems) In: Emberi erőforrás gazdálkodás. Szerk.: Matiscsákné Lizák Marianna. Budapest, Complex Kiadó. 2012. 253.-255.

[103] BRANYICZKI, Imre: *Motivációs elméletek.* (Motivation theories) In: Vezetés-Szervezés II. Budapest, Aula Kiadó. 1991. 24.

[104] KLEIN, Sándor: *Vezetés- és szervezetpszichológia.* (Management and organisational psychology) Budapest, SHL Hungary. 2001. 289-295.

[105] ARMSTRONG, Michael – MURLIS, Helen: (Reward management) Budapest, KJK. KERSZÖV Kiadó, 2005. 72-73.

9.2.2 Motivation theories

The **theoretical background of motivation** investigates the reason why humans behave in a way they do. According to a focus on the given **causes** or the process behind the given conduct we distinguish between **content theories** and **process theories**.[106]

Since the motivational theories have been discussed within the framework of other subjects we just mention a few examples and terms.

Content theories focus on the causes behind certain behaviour and conduct. The best-known theories include:

- Maslow: hierarchy of needs
- Herzberg: two factor theory
- McClelland: connection - performance- power theory

We provide some details of Maslow's hierarchy of needs pyramid as it will be needed to solve some exercises later.

Chart 42: Maslow's hierarchy of needs

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[106] ARMSTRONG, Michael: *Handbook of Personnel Management Practice.* London, Kogan Page. 1991. 154.

The needs hierarchy levels are defined below:
- **Physiological needs:** basic physiological, physical, and biological needs (food, drink, and dwelling)
- **Safety and security needs:** Guarantees the sustainability of the first level. It is based on job security, fair wages, safe life and work conditions
- **Community needs:** man is a social animal, desiring the company of others (love, understanding, caring, desire for various interpersonal connections)
- **Appreciation and acknowledgment needs**: need for recognition by others (self-confidence, good reputation, prestige, rank within the organisation, importance for and within the organisation)
- **Self-actualization needs:** motivation for the development and maximization of internal attributes and skills

We provide a short animation as a review of the Maslow model.

Process theories focus on processes leading to the emergence of a certain behaviour:
1. Fairness theory (Adams: fair acknowledgement of individual effort as compared to others or its lack.)
2. Objective theory (Latham-Locke: contribution to the objective enhancement process can improve performance)
3. Reinforcement theory. (past action influences conduct in the future, positive, negative reinforcement)
4. Expectation theory (Vroom: effort, performance, consequence)

9.2.3 Incentive, incentive management, incentive system

As mentioned earlier incentive is considered an external motivation.

> 👝 **Incentive facilitates the sustaining, modification, or elimination of a certain conduct at the work place.**

Incentive influencing factors can be either external or internal**:**
- **External** factors**:** reconciliation systems, wage negotiation options, labour market conditions, benchmarking.
- **Internal** factors: organisational features, performance requirements, needs, expectation, and interests of employees.

Effective incentive requirements: incentive systems should be based on the business strategy and objectives of a given organisation,

the compensation should be proportional to the work conditions, and should reflect the judgment of the internal labour market (work area evaluation) and finally it should be commensurate with the conditions of the external labour market.

> ✍ **Incentive management as a business or company function aims at the elaboration and application of an organisational incentive, policy, strategy and system, which facilitate the realization of company objectives via the acquisition, retention, and motivation of qualified staff members.**[107]

Incentive management can be approached form another angle as well: if labour reconciliation and bargaining intentions correspond with the desired performance levels, employees can become stake holders (will have an interest) in the company's growth. Thus an effective incentive system attempts to create conditions promoting employee commitment to specified organisational objectives.

Incentive management objectives:
−   Implementation of organisational objectives, or of the business plan
−   Guaranteeing the availability of appropriate employees (acquisition, motivation, retention).

Other goals to be achieved within the organisation:
−   Productively spending the given work time.
−   Development of skills.
−   Autonomous work performance, innovation.
−   Flexible, task-centred working.
−   Career development
−   Contribution to the success of the company

Outline of the components of the incentive management process:
Incentive policies: Basic principles
Incentive strategy: According to the basic principles incentives are associated with a long term organisational strategy
Incentive practice: Specific realization of the incentive strategy, the sum of rules, procedures and methods determining the salaries of the staff.

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[107] TÓTHNÉ SIKORA, Gizella: *Motivációs és javadalmazási rendszerek.* (Motivational and reward systems) In: Emberi erőforrás gazdálkodás. Szerk.: Matiscsákné Lizák Marianna. Budapest, Complex Kiadó. 2012. 207.-246.

Incentive system: An organized set of incentive elements facilitating the realization of the goals of the incentive process.

The next section will deal with the question of comprehensive rewarding.

9.2.4 The concept and components of full scale or comprehensive rewarding[108]

- **Comprehensive reward policies take into consideration all rewarding options and methods facilitating employee satisfaction.** Chart 42 provides a summary of the components of the system.

- **Financial incentives and benefits: basic wage, condition-based wage (according to performance, demonstrated competence, or contribution level), changing wages (bonus, premium), shares, allowances**

- **Full scale salary**

- **Incentives in kind related to the work and the given work environment: acknowledgement, responsibility, sensible work, independence, skill application and development options. career opportunities, quality of social life at the workplace, balance between work and private life**

- **Full scale, comprehensive rewarding**

- **Transactional incentives, Relational incentives**

[108] TÓTHNÉ SIKORA, Gizella: *Motivációs és javadalmazási rendszerek.* (Motivation and reward systems) In: Emberi erőforrás gazdálkodás. Szerk.: Matiscsákné Lizák Marianna. Budapest, Complex Kiadó. 2012. 207.-246.

Chart 43: The components of the comprehensive rewarding process[109]

The model distinguishes between two groups of incentives:

- The first group includes tangible, financial, or **transactional incentives,** the basic pay, conditional pay, pay changes, employee shares and other allowances.

- The next group includes the non-material, **relational incentives** aimed at satisfying non-pecuniary needs. A section of these incentives are person and work related including professional acclaim, decision making authority, responsibility, and the content, meaning, and diversity of the given task. Another group of non-pecuniary incentives are connected with the given work environment This category includes the utilization of individual competences and skills, possibility of advancement and a career, employee-centred management, quality of social life at the work place, work atmosphere, the aspects of the given work culture, the balance between private life and the demands of the work place.

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[109] Source: original source: ARMSTRONG, Michael – MURLIS, Helen: *Javadalmazásmenedzsment.* (Reward management) Budapest, KJK. KERSZÖV Kiadó, 2005. 26.

📖 *What types of motivation techniques can be used for sales persons? Categorize your answer according to financial and non-pecuniary incentives!*

9.3 SUMMARY, QUESTIONS

9.3.1 Summary

The lesson provided the definition of the concepts of motivation, motivating, incentive along with the introduction of external and internal motivation. Students became familiar with motivational theories divided into content and process-based categories. The chapter also dealt with the concept, content, objectives, and main components of incentive management along with the two groups of incentives, the financial and non-pecuniary incentives.

9.3.2 Self-test questions

1. Explain the concept of motivation!
2. What is the difference between motivation and motivating?
3. Define the concepts of internal and external motivation!
4. What is the difference between the content and process theories of motivation?
5. Which motivational process theories are you familiar with?
6. Which motivational content theories are you familiar with?
7. Introduce the main groups and components of environmental factors impacting incentive!
8. Describe the features of efficient incentive systems!
9. Define the concept of incentive management!
10. List the objectives of the incentive management process!
11. Define the concept of full scale rewarding!
12. What are the main incentives behind full scale rewarding?
13. Describe the main features of the financial and non-pecuniary components of full scale rewarding!

9.3.3 Practice tests

1. Is the following statement true or false: Motivation and motivating are synonymous concepts.
   a.) true

b.) false

2. Which concept is defined by the following statement: "in a psychological sense the internal conscious state of an individual compelling a certain behaviour."
   - a) motivation
   - b) motivating
   - c) incentive
   - d) compensation

3. Is the following statement true or false: "Motivational content theories focus on the causes triggering a certain behaviour within an organisation."
   - a.) true
   - b.) false

4. The best known motivational theories include: More than one correct answer is possible!
   - a.) Maslow's hierarchy of needs
   - b.) Herzberg's dual factor theory
   - c.) McClelland's connection-performance-power theory
   - d.) Vroom's expectation theory

5. Which of the following is not considered a process theory of motivation? More than one answer is possible!
   - a) Maslow's hierarchy of needs theory
   - b) Latham-Locke's objective theory
   - c) Vroom's expectation theory
   - d) Herzberg's dual motivation theory

6. Which of the following are external environmental factors impacting incentive? More than one correct answer is possible!
   - a.) system of reconciliation
   - b.) labour market conditions
   - c.) performance requirements
   - d.) employee needs expectations, interests.

7. Is the following statement true or false? The incentive system is the organised set of components or sum of elements facilitating the incentive process.
   - true
   - false

8. Which concept is defined by the following statement: "The concrete implementation of the incentive strategy, the sum rules, procedures, and methods determining the pay of the workers."
   a.) Incentive policy
   b.) Incentive strategy
   c.) Incentive practice:
   d.) Incentive system

9. Is the following statement true or false? "Full scale rewarding does not take into consideration all options of employee rewarding and motivating."
   a.) true
   b.) false

10. Which of the following is not a pecuniary or financial incentive? More than one correct answer is possible!
    a) career options
    b) professional acclaim
    c) base pay
    d) employee share

10. LESSON 10

10.1 OBJECTIVES AND COMPETENCES

This lesson deals with the legal background of safety and health protection in addition to discussing the role of the work environment and health protection in work performance. Special emphasis will be placed on the concept, areas, and conditions of work safety. After clarifying the concept of work safety and health the legal regulation of work place safety and health both in the EU and Hungary will be introduced. At the same time the objectives and main section of the Work Safety Act will be treated as well.

Student will obtain the following competences:
- understanding the role of the work environment and ergonomics in the work performance,
- defining the concept of ergonomics,
- understanding the basic concept of work safety and the respective interrelations,
- distinguishing between work safety and occupational health,
- understanding EU and Hungarian regulations on work safety
- understanding the role of the Hungarian Work Safety Act, its main chapters, and components and integrating it into human resource management activities.

10.2 THE LEGAL REGULATION OF WORK SAFETY AND HEALTH PROTECTION

Chart 44: Conceptual map to Lesson 10.

10.2.1 The role of work environment and ergonomics in work performance

Workers have a natural need for an appropriate and safe work environment. The given **work environment** and **work conditions** tend to impact employee health, living circumstances, and the overall economy. A separate discipline, ergonomics is dedicated to the elaboration of a work environment meeting human needs.

> 🖮 **Egronomics (human factors) is a discipline studying the interaction between humans and other components of a system. Ergonomics is also a profession applying theoretical principles, data, and methods in design in order to optimise human wellness and the performance of the whole system.** (Hungarian Ergonomics Association)

Ergonomic experts contribute to the design and evaluation of work areas, products, work conditions, and systems in order to make the work environment compatible with human needs, competences, and limits. (Appropriate colour dynamics improve work performance leading to specific and clearly identifiable economic achievements)

Healthy and safe working conditions are indispensable to improved work performance. A hygienic work environment, an ordered and clean work place helps the protection of employee health and the promotion of creativity.

Employees **have a right** to work in a safe and healthy environment.

10.2.2 The concepts, main aspects, and conditions of work safety

The design and implementation of occupational safety laws and guidelines is the responsibility of the government.

- **Work safety agencies and authorities protect the health of workers and the preservation of work capacity.**

- **Work safety is also a system of safety and health requirements.**

Work safety includes the following fields:
  - The creation of healthy work places meeting technological and hygienic requirements
  - Work tools
  - Hazardous materials
  - Work arrangement and work time
  - Protection of high risk groups
  - The creation and operation of a work safety organisation

All these contribute to the implementation and maintenance of occupational health and safety. Work safety primarily means technological solutions and the preventions of work-related accidents, while occupational health informs workers of the harmful effects and diseases related to a given work in addition to preventive efforts.

Material requirements of work safety

The material requirements of work safety include work arrangements, work methods, technologies, and security measures minimising the danger of work-related accidents. .

Personal requirements of work safety

Work safety personnel must have adequate physical and psychological skills, appropriate qualifications, professional experience, in addition to a thorough familiarity with and the conscious practical application of safety and security specifications. The former can be realised with professional training and the hiring of an appropriately qualified expert, while the latter goal can be reached by regularly delivered first aid and other training programs.

10.2.3 The concept of work place safety and health

The discipline of work place safety is divided into two main sections: work safety and occupational health.

Chart 45: The fields of work safety

📖 **Work safety is the technical, technological and organisational criteria system for working in a healthy environment.**

Work safety determines work conditions and the rules of work performance. Its main objective is the prevention of work-related accidents and the investigation of actual incidents. It aims to identify and eliminate sources of hazard and to prepare employees to do the same as well.

- **Occupational health focuses on physical and/or chemical hazards and the respective hygienic requirements of a given work environment.**

Accidents resulting from work performed in inappropriate or inadequate material and/or personal conditions are not only disadvantageous for the respective employee, but the employer and society at large as well. The worker is not able to perform a given job, and the relevant health care is financed from public funds. Consequently, the success of work safety efforts requires the cooperation of the government, employers, and employees as only a specially strong commitment, a system oriented approach and the verifiability of performance can produce the desired results.

10.2.4 Legal regulation of work place safety and health in the EU[110]

The social dimensions of European integration are documented by the Social Policy segment of the founding treaty of the European Community, the Treaty of Rome (1957). The social policy chapter is one of the most comprehensive fields of EU regulations. It includes the improvement of work and living conditions, the elimination of the respective differences among the member states, the specifications for occupational health and safety, and rules and regulations of employment law, the employment process and professional training.

Standardised regulation of health protection and safety at the work place facilitated the realization of the basic objectives of European integration. The community regulations applicable to all member states promoted the social and material well-being of employees. Employees have a fundamental right of preserving their health and safety during working.

The Commission accepted **Directive 67/548 ECC** on the convergence of laws and regulations related to the categorization, packaging, and labelling of hazardous materials in 1967. This specification can be considered the first directive focusing on health protection at the work place. The improvement of work place-related health and safety has become a significant priority for the EU as of the 1980s. The introduction of European level regulations led to the establishment of minimum requirements of minimum safety while member states can regulate or heighten work safety at their discretion.

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[110] Source:
http://www.europarl.europa.eu/aboutparliament/hu/displayFtu.html?ftuId=FTU_5.10.5.html

The **European framework directive 89/391 EEC**[111] **on** work **place-related safety and health** ratified in 1989 functioned as an important milestone in guaranteeing worker safety. The directive guarantees the maintenance of minimum requirements and conditions for safety and health protection throughout Europe while allowing member states to issue even stricter regulations.

The framework directive introduced several innovations:

− The concept of "work environment" established in sync with International Labour Organisation Agreement No. 155 includes both technological safety and the prevention of diseases.
− The purpose of the directive is to provide an equal level of safety and health protection for all employees with the exception of household workers, and certain government and military service people.
− According to the directive employers are obliged to take preventive measures to promote work safety and health.
− One of the crucial components of the directive is risk evaluation including the identification of hazard, employee participation, the implementation of appropriate measures, the elimination of the given risk at its source, documentation and the regularly performed assessment of hazards at the workplace.
− The obligation of the implementation of preventive measures emphasizes the importance of novel forms of safety and health protection measures. [112]

The deadline for the inclusion of the framework directive into the national laws of the member states was 1992.

In 2004 the European Commission issued a statement (COM [2004] 62)[113] on the practical application of directives, namely 89/391/EEC (framework directive), 89/654/EEC (workplaces), 89/655/EEC (work tools), 89/656/EEC (individual protective devices), 90/269/EEC (manual movement of load) and 90/270/EEC (working with monitors). The statement declared that the EU regulations exerted a favourable impact on work place safety and health and the respective national guidelines for application in the business area.

The declaration concluded that the legal specifications of the European Union contributed to the elaboration of the culture of prevention and

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[111] Source: https://osha.europa.eu/hu/legislation/directives/the-osh-framework-directive/1
[112] Source: https://osha.europa.eu/hu/legislation/directives/the-osh-framework-directive/1
[113] Source: http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52004DC0062

the rationalization and simplification of relevant national laws. At the same time the report pointed out deficiencies preventing the realization of the full potential of the regulations and mentioned instances of violations of employee rights as well.

Additional reports pertaining to the implementation of the framework and individual directives for the 2007-2012 period were following the procedures specified by the 2007/30 EC directive aiming at the simplification and rationalization of application-related reports.

10.2.5 The legal regulation of work safety in Hungary

Workers have a right to safe and healthy work conditions. In Hungary the government is responsible for the arrangement and organisation of work safety policies and programs jointly with industry specific and other relevant authorities. While the government is cooperating with the representative employee and employer organisations, its main responsibility is the legal regulation of work safety.

The system of work safety related legal regulations:
- Basic Law of Hungary (2011. April 25.)[114]
- Work Safety Act (Act XCIII/1993. [115]
- Government decrees[116]
- Industry-specific ministry decrees
- Employer rules, instructions

Organisations responsible for the implementation of governmental tasks

Paragraph 17 or the Work Safety Act specifies the responsible organisations:

(1) Ministers and occupational safety authorities responsible for employment policy and mining issues can act in their own jurisdiction regarding the national level control of work safety.

(2) According to another legal specification the Mining Inspectorate regulates work safety as well.

(3) Governmental organisations authorized to regulate work safety cooperate with public administration organisations and worker unions.

(4) Industry specific work safety measures are taken by the ministers of the respective fields.

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[114] Source: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100425.ATV
[115] Source: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=99300093.TV
[116]One example: 51/2013. (VII. 15.) EMMI (Ministry of Human Resources) Decree
 Source: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1300051.EMM

The next section introduces the main components of the XCIII/1993 Work Safety Act.[117]

10.2.6 The objective and main components of the Work Safety Act

As directed by the Constitution the Parliament integrated the basic rules of work safety into the XCIII/1993 Work Safety Act. The objective of the Act is the provision of the personal, material, and organisational conditions for health and safety at the work-place. The Act aimed at the creation of a humanistic work environment, the protection of workers' health, the retention of the work capability of employees, the prevention of work-related accidents and occupational illnesses along with stipulating the responsibility, rights and obligations of the government, employers and employees.

In sum the main objective of the Work Safety Act is the regulation of working conditions via the stipulation of the personal, material, and organisational criteria for a healthy and safe work environment.

Next a brief overview will be provided on the content of **each chapter** of the Act:

Chapter One General Specifications

This chapter includes the basic principles, the jurisdiction of the law and the work safety related regulations.

The Act confirms that employees working in Hungary have a right to safe and healthy work conditions.

The basic principles of the Act:

- The requirements, direction and control institutions of work health and safety are determined by the government.
- Employers are required to provide healthy and safe work places. (Employees have obligations in this regard as well)
- The Act provides for work health and safety related reconciliation.

Chapter one includes the **jurisdiction of the** given **law.** Accordingly, the law regulates all types of labour performed in an organised context regardless of the ownership or organisational form. The respective measures have to be applied within the full scope of employment including visitors at the given workplace.

Work safety regulations: The general rules of work safety are stipulated by the present law, the detailed rules are specified by the Min-

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[117] Source : http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=99300093.TV

istry in charge of employment policies, and special regulations for hazardous activities are regulated by the Ministry responsible for the given field.

Chapter Two: Work safety-related tasks of the government and organisations in charge of implementation

The chapter focuses on two issues: the work safety-related tasks of the government and the authorities and organisations responsible for the implementation of governmental instructions.

The government is responsible for:
− The elaboration of a national program on work safety and safe working environments.
− Stipulation of the rights and obligations of employers and employees.
− Cooperation with representation groups for employers and employees.

Authorities and organisations responsible for the implementation of work safety guidelines and laws:

(1) Ministers and occupational safety authorities responsible for employment policy and mining issues can act in their own jurisdiction regarding the national level control of work safety.

(2) According to another legal specification the Mining Inspectorate regulates work safety as well.

(3) Governmental organisations authorized to regulate work safety cooperate with each other and with public administration organisations and worker unions.

(4) Industry specific work safety measures are taken by the ministers of the respective fields.

Chapter Three: Criteria for healthy and safe work environments

Chapter III focuses on the following themes: General requirements, Work safety conscious operation, Material conditions for work performance, Work-process, technology, and material-related criteria, Personal conditions for healthy and safe working environments, As the next two chapters will treat this issue in detail we only provide an outline of the respective prioritised content:
− requirements for the creation of work places and the related work devices or tools,

- material conditions of work including the safety of the machines, equipment, and technologies,
- criteria related to work processes, materials, with special attention to sources of hazards,
- individual requirements of work performance, health tests.

Chapter IV: The obligations and rights of employers and employees in the realization of healthy and safe work environments.

While in other sections more relevant information will be provided, the employer's obligation to take into consideration general requirements for healthy and safe work performance must be emphasized. Relevant criteria include: elimination of hazards, dealing with hazards at the site of origin, adhering to the human factor during the formation of workplaces and the selection of tools and processes with special attention to limiting monotonous work, the reduction of harmful influences and the limitation of pyscho-social risk factors along with providing employees with appropriate instructions.

Chapter V. Reporting, investigating, and recording work-related accidents and incidents of occupational illness. (more information will be provided later)

Chapter VI. Reconciliation and employee representation

The chapter is divided into three sections:
- Negotiations with employees,
- The work safety representative, work safety committee, and work safety body formed according to the principle of parity.
- Work Safety Committee.

Employers are obliged to discuss the conditions of healthy and safe work performance with the employees or their representatives, and enable them to voice their opinion before the implementation of employer measures aimed at promoting health and safety at the work-place. Employees are entitled to choose a **work safety representative** in organisations employing at least 50 people. If the given work place has three representatives, **work safety committee** can be established. The law specifies the respective election process, and the rights and obligations of committee members.

Chapter VII: Supervision of work safety by authorities.

Work safety authorities ensure the observation and the respective control of work safety rules. The jurisdiction of work safety authorities is

established by law. The work safety authority provides information and counselling for employers, employees, work safety representatives, and employee representation groups on work safety related rights while promoting the fulfilment of the respective obligations. Furthermore, the work safety authority performs regular monitoring and control and if needed issues fines and penalties with relevant information displayed at its web site.

Chapter VIII: Definition of concepts.

This chapter provides a detailed explanation or definition of concepts and terms used by the law.

CLOSING DECLARATIONS

This section states that the law becomes effective on January 1, 1994. At the same time authorizes the formation of decrees and the creation of an occupational health service.

The section lists community legal acts as requirement reference including Act 89/391 EEC directive on the improvement of health and safety protection of workers.

10.3 SUMMARY, QUESTIONS

10.3.1 Summary

The lesson focused on the legal regulation of work safety and health. Emphasis was placed on the fact that the work environment and work conditions determine the criteria for effective and successful work performance. Ergonomics promote effective performance and worker satisfaction. Employees have a right to safety and the preservation of health at the workplace. The chapter also dealt with the role, concept, and main criteria for work safety. After the clarification of work safety and occupational health protection students became familiar with the legal regulation of the given field both in the EU and in Hungary with special emphasis on the objectives and main components of the 1993 Work Safety Act.

10.3.2 Self-test questions

1. Describe the role of work environment and work conditions in work performance!
2. Define the concept of ergonomics!
3. Explain the significance of ergonomics in work performance!

4. Define the concept of work safety!
5. Introduce the main fields of work safety!
6. Describe the criteria and main components of work safety!
7. Define the concept of work-place safety!
8. Define the term of occupational health!
9. Describe the history of work-related health and safety regulations in the EU!
10. Describe the main components of the frame work directive 89/391 EEC on work safety and health protection!
11. Describe the system of work safety in Hungary!
12. List the governmental authorities responsible for the implementation of work safety policies!
13. Describe the content of the main chapters of the Work Safety Act!

10.3.3 Practice tests

1. Which one is the correct answer? (more than one correct answer is possible). Work environment and work conditions can impact …….

      a) economic results
      b) employee health
      c) employee living conditions
      d) society at large

2. Which one is the correct answer? (more than one correct answer is possible). The two main areas of work safety are:

      a) employers
      b) work-place safety
      c) employees
      d) occupational health

3. Is the following statement true or false? Ergonomics focuses on the worker, his or her health, and the retention or preservation of working capability.

      a) true
      b) false

4. Is the following statement true or false? Work safety is the technological and organisational criteria system for performing work in a healthy environment

a) true
b) false

5. Which is the correct answer? (more than one correct answer is possible). Personal background criteria of work safety include:
   a) psychological expertise
   b) appropriate professional background
   c) necessary equipment
   d) certain technology

6. Which is the correct answer? (more than one correct answer is possible). Work safety focuses on the following areas:
   a) the formation of healthy workplaces via the provision of appropriate technological and hygienic criteria
   b) work tools and devices
   c) hazardous materials
   d) protection of special, prioritised groups

7. Which is the correct answer? (only one correct answer is possible). Since when has been the improvement of work-related health and safety a major priority for the EU?

   a) since the 1960s
   b) since the 1970s
   c) since the 1980s
   d) since the 1990s

8. Is the following statement true or false? The **89/391/EEC** decree guarantees minimum requirements for work-related health and safety while member states have a right to issue stricter regulations.
   a) true
   b) false

9. Is the following statement true or false? The main objective of the Work Safety Act is to regulate the personal and organisational background of safe work performance and working in a hazardous environment.
   a) true
   b) false

10.

Is the following statement true or false? Employees in order to assure representation of their rights to healthy and safe work environments can elect a work safety representative where the number of workers in a given organisation is 25.

       a) true
       b) false

11. LESSON 11

11.1 OBJECTIVES AND COMPETENCES

The lecture focuses on the issue of work-place safety, the respective concepts and tasks. Special attention will be paid to various hazard categories, the particular elements, and material circumstances of work. In addition to a description of the safety warnings we provide actual pictograms as well. The chapter will discuss factors justifying instruction in work safety along with introducing the concept of security technology and differentiating between work-related and on-the-job accidents.

Students will obtain the following competences:
- defining the concept of work-place safety
- understanding work-place safety related tasks and responsibilities,
- identifying various hazard sources,
- distinguishing between the various sources of hazards,
- understanding the physical conditions of work performance and the respective correlations between the given factors,
- differentiating and understanding safety warnings found at the work place,
- understanding the need for work-safety instruction,
- identifying security technologies,
- distinguishing between work-related accidents and on the job accidents.

11.2 SAFETY

Chart 46: Conceptual map for Lesson 11

11.2.1 The concept and tasks related to work-place safety

As the previous lesson confirmed work safety can be divided into two main areas: safety at the work place and occupational health.

Safety at the work place: Its aim is the prevention of work-related accidents, while occupational health strives to eliminate the possibility of occupational illnesses.

The principal objective of work-place safety is the identification of hazard sources, the potential elimination, or preparation for fighting against such hazards.

> 🕮 **Hazard source refers to such occurrence which during the performance of work presents harm or danger for the worker or anyone in the worker's vicinity.**

Hazard sources can be grouped as:
- physical danger sources,
- hazardous materials,

– biological hazard sources,
– stress on the physiological and nervous system (psychological stress)

The components of the given groups will be discussed in detail in the next section.

11.2.2 Hazard groups and their components

A given work place can include one, a few, or even all hazard sources. Below we provide a few examples of danger sources. In order to help learners the hazards are listed according to the previously indicated order.

a.) **Sources of physical danger:** the most frequently occurring danger category including:
– potentially dangerous situations caused by work tools, transporting, loading devices, sports devices, movement of materials and products
– weakening of structural stability, movement of support structures, lack of physical support, tilting, change of position, shifting of the centre of gravity, etc.
– slippers surfaces, pavement, parquet
– sharp, jagged surfaces, edge and corners of tables, chairs paper, plastic covers
– temperature of objects (heated dishes and pans, electric heaters, lighting, candle, burning incense)
– height, depth
– air pressure, temperature, and flow
– noise and oscillation
– inappropriate lighting
– electric shock
– transport-related obstacles
– dusty air

b.) **The category of hazardous materials includes**:

– explosive substances and mixtures
– flammable substances
– poisonous substances
– caustic substances (acid or lye)
– infectious substances
– other harmful materials (radioactive materials)

c.) **The most important biological hazards include**:

- micro-organisms and their metabolic products (bacteria, fungi
- macro-organisms (plants, animals)

d) Physiological and psychological hazard sources

- monotonous work
- high workload
- various stress-inducing situations
-

The recognition of such hazard sources promotes conscious action aimed at avoiding accidents or reducing the related negative consequences.

11.2.3 Guaranteeing the physical or material conditions for work performance

Unfortunately despite all precautions functional problems or personal negligence can trigger accidents. Below we introduce a few key terms, tasks and obligations related to the above category.

Work safety requirements have to be fulfilled by the staff involved in the **establishment** of a work place. The establishment process requires the cooperation of all relevant employees..

During the elaboration and instalment of **tools** and the arrangement of the work process ergonomic needs have to be taken into consideration.

The respective hazard posing facility, work place, work tool or technology warrant the applicability of work safety and work-place safety guidelines to be confirmed by a work safety audit. During the audit the management or staff responsible for designing and implementing the given work aspect testifies to the availability of appropriate documentation related to measurement, and testing, in addition to statements of acceptance, certificates, permits, and respective instructions.

In order to maintain safety and security **hazardous technologies and work devices** have to be checked and reviewed at regular intervals by appropriately qualified work-place safety experts and employers have to assess the respective risks as well.

Work places have to observe the respective ergonomic specifications and standards determining appropriate ventilation conditions and heating options Warning signs have to be placed on translucent doors and windows. These and other warning signs will be discussed later.

The flooring and passage ways must meet the requirements of the given work, but it is crucial that they be no-slippery and even.

11.2.4 Safety warning signs at the workplace

As the previous chapter has shown Hungary has developed a comprehensive legal regulation system of work-related health and safety. In addition to the Work Safety Act industry specific Ministry decrees also govern this field. One of the significant industry specific decrees is the **2/1998. (I. 16.) decree issued by the** Minister of Labour on the safety and health protection warnings to be applied at the work place**.**[118]

The decree defines the following safety signs and respective features:

- **The main features of safety and health protection warnings (safety warning as described in the decree): determined geometric form, colour, sound, light or pictorial image (pictogram) or information provided via human movement, which subject to fulfilment of other occupational conditions enables workers and those in the vicinity of them to recognize hazard sources or risks in time.**

- **Safety sign: a fixed sign created by the combination of geometric forms, color or pictograms.**

- **Prohibition sign: A safety sign prohibiting dangerous behaviour.**

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- **Warning sign: a safety sign calling attention to a given hazard.**

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- **Prescriptive sign: a safety sign prescribing a certain behaviour.**

- **First aid or escape sign: a safety sign indicating the place of the emergency exit, the location of first aid place, or the placement of certain rescue device.**

- **Fire protection safety sign: a safety sign indicating the location of a fire protection device or a fire extinguisher.**

- **Informational sign: a mark providing information different from those listed above, i.e. directional signs.**

- **Sign: a board equipped with a properly recognizable safety sign in appropriate lighting conditions.**

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[118] Source: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=99800002.MUM

- **Complementary sign: a board used in combination with the sign to provide additional information.**

- **Safety colour: a colour with a special security-related meaning.**

- **Pictogram: a schematic image visible on a sign or lit up board.**

- **Light sign: a safety sign carrying device either made from reflective materials, or lit up both in the front and the back.**

- **Audio mark: an acoustic sign with a previously determined meaning which is produced without natural or artificial voice by a relevant device.**

Employers are required to install and maintain warning signs and change them or ascertain their presence in case of the modification of working conditions or decay impacting the signs.

The colour, sound, and shape of safety signs draw attention to present risks and the set form, shape, and colour determine their application.

The form of the safety signs can be: circle, triangle, square and rectangle.

The colour of the signs can be red, yellow, blue, and green.

The chart below illustrates the shape and colour of safety warning signs.

Chart 47: The form and colour of safety signs.

The four colours	Meaning, objective	Example
Red	Prohibition Fire warning	Stop sign, Emergency switch sign, Rescue, Fire extinguisher, Hazardous conduct, Emergency sign,
Yellow or amber colour	Warning sign	Watch out, warning, control
Green	Emergency First aid sign	Doors, exits, passage ways, devices, No danger.
Blue	Prescriptive sign	Specified behaviour or activity. Protective equipment is needed.

Table one: Safety signs, colour, meaning, examples

Prohibition sign: Diagonal line in a red circle. Its meaning: SOMETHING IS NOT PERMITTED OR PROHIBITED.! Form: circle, a black pictogram on a white background at the edge and athwart, (from left to right in a 45 degree angle). The red colour makes up at least 35% of the sign, the colour of the pictogram is black
An example:

Chart 48: Photography is prohibited, NO cameras!

Warning sign: The sign shaped as a yellow triangle indicates a health hazard. Form: triangle, A black pictogram with a yellow back-

ground and a black edge. The yellow colour is at least 50% of the given sign.

Chart 49:

Prescriptive sign: A pictogram placed in a blue circle warns of the use of a specific work safety equipment or device. Form: circle: White pictogram on a blue background, at least 50% of the sign is blue.

Chart 50:

First aid or emergency signs: Form: White pictogram on a green background. At least 50% of the sign is green.

EM1   Em2

Escape route or emergency exit   Escape route or emergency exit

Chart 51:

Pictograms can also include warning texts in other languages, i.e. English

☛ Check out the warning signs in your institutions and discuss them on the Moodle surface!

11.2.5 Work safety instruction

Employers have to provide employees with instruction related to the meaning of safety signs and the related duties and responsibilities.

Work safety instruction has to be implemented in the following circumstances:

- at the start of work
- when the work place or work area changes
- at the time of changing work conditions
- when the tools are changed or new devices are introduced
- when new technologies are introduced

Work safety instruction should provide employees with the theoretical and practical background of work performance in a healthy and safe environment and familiarise them with the respective rules, instruction, and information.

Work safety instruction has to be held in regular work time and should be repeated if needed. The program has to be designed, its delivery has to be registered and the respective document should be signed by the instructor. The employer has to ascertain the level of the employee's acquisition of work safety knowledge, possibly in the form of work safety examination.

Employers have to make sure that only those employees could work at a hazardous workplace, who were given work safety instruction. Until the completion of work safety programs an employee cannot work on its own independently.

Employees at hazardous work circumstances should be provided with protective devices and equipment. Special work safety related activities including preliminary work safety tests and designing rescue plans can only be performed with appropriately qualified work safety experts.

11.2.6 Safety technology

While employees have to be provided work safety instruction before starting work, security technologies must be discussed as well.

> **Security technology is a set level of safety providing an adequate and acceptable level of protection in a given social and technological context.**

The objective of security technology is the reduction of danger and the **prevention of accidents**.

Accidents can be prevented with the following measures and devices:

1. **arrangements:** reduced work hours, breaks.
2. **organisational devices:** work safety instruction, information provision.
3. **technological steps:** handling information.
4. **technological devices:** safe and task oriented formation of machinery and work environment, protective devices

11.2.7 Work-related accident, on the job accident

Despite all precautions on the part of employers and employees accidents can happen. Paragraph 87 of the Work Safety Act makes a distinction between work-related accident and on the job accident:

> *Accident:* **a single external impact occurring independently from the will of the injured person in a sudden manner**

causing injury, poisoning, physiological or psychological damage, or death. [119]

- **Work-related accident: an accident taking place during performing work or related to work performance regardless of the place, time, or the extent of employee contribution to its occurrence.** [120]

According to Paragraph 87 of the Work Safety Act accidents can be regarded as work-related if they occur during transportation, material purchase, movement of material, self-cleaning, organised catering, occupational safety and health, and other services provided by the employer. i.

Accidents, however, occurring during transportation to work and back home again cannot be regarded as work-related unless the accident involved a vehicle owned or leased by the employer.

Paragraph 87 also offers a definition of mining accidents:

- **Mining accidents include all work-related accidents occurring during the performance of activities regulated by the Mining Inspectorate regardless of the identity of the given employer..**

As far as occupational accidents are concerned it is important to note that only an appropriately hired employee can claim compensation for them, thus assignees, sub-contractors or unreported employees are ineligible for any compensation.

- **On the job accident is an incident taking place during or related to the performance of work in one's occupation. This category also includes accidents taking place during travel to and back from the place of employment (on the road accident), or during working for public interest and using social welfare services.**

The on-the-job accident is a concept belonging to the category of social services. In addition to accidents suffered at the work place, accidents taking place to and back from work and the so-called occupational diseases belong to this category.

However, if the given accident takes place due to the injured person being under the influence of alcohol or is a result of work performed

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[119] Source: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=99300093.TV
[120] Source: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=99300093.TV

illegally or of intentional harm, the victim is not eligible for compensation. In all on-the-job accidents the relevant social service authorities determine whether the injured party is eligible for compensation. Having examined the above terms, we can make the following conclusion:

Not all accidents taking place during working are qualified as on-the-job accidents and not all on-the-job accidents are qualified as work related accidents.

Each employer is required to have all work accidents fully investigated, the results have to be recorded and registered, and decision has to be made concerning the recognition of the given incident as a work accident. In case of the employer refusing to acknowledge the accident as work-related the injured party, or in case of death, the next to kin has to be notified along with being informed on the potential legal remedies (Employment Supervision Authority).

Unfortunately in addition to work accidents occupational illnesses can occur. This topic will be discussed in the next chapter. Summary, questions

11.2.8 Summary

The lesson focused on the basic concepts of work-place safety, and the related tasks. Students became familiar with the grouping of hazards taking place during work, the physical conditions of work, the main features of safety warning signs demonstrated by examples. The chapter also dealt with the importance of work safety instruction, the concepts of security measures, work accidents and on-the-job accidents.

11.2.9 Self-check questions

1. Define the concept of work-place safety!
2. List tasks related to work-place safety!
3. Which are the groups of work hazards!
4. Provide at least three examples from each hazard group!
5. Introduce the physical conditions of work performance!
6. Define the concept of safety and security marking!
7. Describe the main features of safety signs (form, shape, colour) found at the work place!
8. Provide examples of safety signs and explain their appearance!
9. What requirements does an employer have concerning work safety instruction!
10. Define the concept of security technology!

11. What steps and measures can be taken to prevent accidents?

12. What is the definition of work-related accident according to the Work Safety Act?

13. What is the definition of on-the-job accident by the Occupational Safety Act?

14. Explain the difference between work-related accident and on-the-job accident!

11.2.10   Practice tests

1. Which is the correct answer (more than one correct answer is possible). The main fields of work safety are:
   a) work-place safety
   b) work accident
   c) organisational features
   d) occupational health

2. Is the following statement true or false? Work-place safety is a factor occurring during or related to the performance of work presenting harm or danger to the worker or the person in his or her surroundings.
   a) true
   b) false

3. Is the following statement true or false? Work-place safety aims at the prevention of work accidents
   a) true
   b) false

4. Is the following statement true or false? Occupational health aims at the prevention of occupational diseases.
   a) true
   b) false

5. Which is the correct answer? (more than one correct answer is possible). Sources of hazards can be grouped as:
   a) physical sources
   b) stressors
   c) biological sources
   d) physiological and psychological hazards

6. Which is the correct answer? (more than one correct answer is possible). The forms of safety signs at the work place can be:

 a) circle
 b) rhomboid
 c) triangle
 d) star

7. Which is the correct answer? (more than one correct answer is possible). Accidents can be prevented with the following measures and devices:

 a) arrangements
 b) work safety instruction
 c) handling instructions
 d) protective devices

8. Is the following statement true or false? Not all work related accidents are on-the-job accidents and all on-the-job accidents are work accidents at the same time.

 a) true
 b) false

9. Which is the correct answer (more than one correct answer is possible). What steps do employers have to follow in case of work accidents?
 a) a full investigation of the given accident
 b) preparation of records
 c) decision concerning the acknowledgment of the accident as work-related accident
 d) payment of compensation immediately

10. Which is the correct answer? (only one correct answer is possible). Accidents suffered only by the following people qualify as work-related accidents:
 a) only appropriately hired employees

 b) all workers

 c) workers, assignees

 d) employees, assignees, (subcontractors)

12. LESSON 12

12.1 OBJECTIVES AND COMPETENCES

The lesson familiarises students with the basic terms related to health protection at the work place. The chapter introduces the 2014-2020 strategic Information framework program for health protection and safety. Information will be provided on the objectives and tasks of occupational health and work hygiene. Students will also learn about the functions of the occupational health service, the forms of employment suitability tests, basic concept of work hygiene. Further issues to be discussed include the activity of the Occupational Safety and Employment Directorate and Inspectorate and the functioning of and best practices provided by the Occupational Health and Safety Management System. (MEBIR).

Students will obtain the following competences:
- understanding the health protection and occupational safety strategies for the 2014-2020 period,
- understanding and interpreting the concept of occupational health,
- understanding the basic objectives of work hygiene and occupational health and related synonymous concepts,
- understanding the need and distinguishing the forms of work area suitability tests,
- understanding the functioning of the Occupational Health Service,
- examining the main activities of the Occupational Safety and Employment Directorate and Inspectorate,
- familiarity with the main elements of the Occupational Health and Safety Management System,
- application and synthetized knowledge of the basic concepts of safety and health protection.

12.2 HEALTH PROTECTION

Chart 52: Conceptual map to Lesson 12.

12.2.1 Strategic framework pertaining to occupational (workplace) health and safety for the 2014-2020 period

As it was pointed out in Lesson 10, the European Union introduced basic rules for the protection of the health and safety of employees. Directive **89/391/EEC** [121] stipulates employer obligations for the limitations of the number of work place accidents and occupational illnesses.

☞ Check the link below on the regulation of occupational health and safety and identify the most important task, then discuss your findings on the Moodle forum. http://europa.eu/legislation_summaries/employment_and_social_policy/health_hygiene_safety_at_work/index_hu.htm.

Instead of describing the present regulations on occupational health, hygiene, and safety we take look at the future, namely the 2014-2020 EU strategy on occupational health and safety.

The document titled COM (2014) 332 final was issued by the European Commission, the European Parliament, the European Economic and Social Commission and the Commission of Regions described the

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[121] Source: https://osha.europa.eu/hu/legislation/directives/the-osh-framework-directive/1

respective strategies on occupational safety and health protection. The strategy identifies principal priorities in the field of occupational safety for the given period.

The basic strategic objectives:

Further consolidation of national strategies: As of 2014 emphasis should be placed on reviewing national occupational safety and health protection strategies in light of the new European strategy in addition to establishing a data base for the respective national strategies.

Reducing occupational safety and health requirements especially for small and medium size enterprises: Meeting relevant occupational health and safety requirements is a challenge for small and medium size enterprises throughout the European Union. Certain measures, including financial and technological assistance for the instalment of informatics devices, the compilation of guidelines and the identification of best practices can be helpful in this regard.

Increased enforcement of occupational safety and health related rules in the given member states: This goal can be realised with appropriately trained worker protection inspectors specializing in occupational health and safety. Inspectors should perform risk-based analyses pertaining to new risks and technologies.

Simplification of existing rules: Consultations and discussions with stakeholders could lead to the evaluation of occupational safety and health related rules and regulations eventually resulting in simplifications and/or the reduction of the respective administrative workload.

The aging of the workforce, managing newly emerging risks along with work-related and occupational illnesses: Radically changing technologies, new products and chemicals call for the gathering and evaluation of reliable scientific data in order to give effective answers to the new risks and challenges including the needs of various age groups, disabled workers, and risks pertaining to female employees. Tailoring occupational safety and health measures to older employees promotes the physical and psychological health of aged workers. The main task is the implementation of steps facilitating rehabilitation and re-integration via the European Parliament pilot project aimed at older employees and the 2016-17 Healthy workplace campaign. Additional tasks include the identification and dissemination of best practices in occupational mental health protection.

Improvement of statistical data collection effort and the elaboration of an information data base: The collection of reliable, current, and comparable statistical data regarding work-related accidents and occupational illnesses along with the analysis of expenditures and bene-

fits related to occupational safety and health protection is indispensable to fact-based and policy specific decision making.

Improved coordination of EU and national efforts related to occupational safety and health, membership in international organizations: The promotion and global application of more rigorous work safety norms via a multilateral cooperation with relevant international organisations and bilateral collaboration with third countries is a crucial priority for the EU.

☞ Check the following website and identify the most important tasks and discuss your findings on the Moodle forum. http://ec.europa.eu/social/BlobServlet?docId=11828&langId=hu.

12.2.2 The objective and tasks of occupational health programs

Technological development requires the application of comprehensive scholarly results, and the field of work safety is no exception. The establishment of modern, healthy work conditions promotes the quality of life and work along with furthering the goal of accident prevention.

The previously mentioned and discussed Work Safety Act defines **work safety** as the system and observation of work-related safety and health requirements, legal, organisational, and institutional specifications and the respective implementation process. **Work-related health** entails work hygiene and occupational health. [122]

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[122] Source: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=99300093.TV in 1. §. (1

Chart 53: The fields of work-related health programs

- ⌨ **Work hygiene is a discipline focusing on the prediction, recognition, evaluation, and treating of health hazards emerging in the work environment aiming at the protection of the health and well-being of employees, and the community at large.** Source: 27/1995. (VII. 25.) NM decree on occupational health services[123])

- ⌨ **Occupational health is a health-related service or activity performed by the occupational health service (Source: 27/1995. (VII. 25.) NM decree on occupational health services**[124]**)**

The main objective of **work-related health programs** entailing both occupational health and work hygiene is the protection of workers from harmful effects occurring during work performance.

The realization of this goal is based on close cooperation between work hygiene and occupational health experts.

Work-health related tasks: the creation of the conditions for healthy and safe work during the work environment design process.

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[123] Source: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=99500027.NM
[124] Source: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=99500027.NM

The most important tasks:
- managing work place related influences (aeration, lighting, noise),
- improving work performance,
- improving the condition of work tools,
- prevention and elimination of occupational harm,
- regular health checks for employees

12.2.3 The objective and task of work hygiene programs

Utilization of the achievements of medical science is important both for employers and employees. Prevention of harmful effects and the establishment of healthier work conditions are especially important at the work place.

In order to promote health at the work place and the studying and elimination of occupational harm work hygiene experts have to work closely with occupational health professionals.

The tasks of work hygiene:
- identifying threshold values for harmful effects,
- elaboration of methods for the identification of bacteria in the work place,
- the assessment of expected health risks during the work facility design stage,
- quality and quantity based descriptions of changes effecting the work environment,
- development of prevention strategies,
- functioning as an official authority promoting the realisation of the goals of work hygiene.

12.2.4 The objective and tasks of occupational health

During work performance the worker's physical body more or less adapts to a work environment entailing potentially dangerous tasks or exposure to harmful effects.

Pursuant to Paragraph 58 section 1 of the XCIII/1993 Occupational Safety Act decree 27/1995. (VII. 25.) NM on occupational health regulates the legal background of this field.

The decree specifies that only occupational health services can fulfil occupational health related tasks. Occupational health is primarily a preventive service with three activity levels.

Primary prevention: It is mainly the responsibility of the employer, but the occupational health service can provide expert consultation. The

effectiveness of the given service can be controlled via risk estimate, environmental and biological monitoring.

Secondary prevention: This exclusively occupational health-related task is performed via medical screening facilitating the recognition of occupational illnesses.

Tertiary prevention: Entails care and rehabilitation indispensable to assuring employability

Occupational health can interfere in the respective processes and develop recommendations based upon work hygiene data. Occupational health assesses and monitors stress load caused by the given work environment and the respective work process. Other responsibilities include the assessment and ascertaining of the health-related capabilities of the given worker.

Occupational health taking work environment, the given task, and the employee's psychological state into consideration focuses on work physiological concerns, work conditions, work structures and cultures, and the individual's work capability.

The tasks of occupational health:
−   analysing of the influence of the workplace on humans,
−   recognition of occupational illnesses
−   defining the aggregate workload of the given worker,
−   determining the conditions of employability,
−   scheduling medical eligibility tests,
−   special attention to young workers and those with altered work capacities.

12.2.5 Occupational Health Service

Employers regulated by the Work Safety Act should provide occupational health services performed by the **Occupational Health Service**.

The Service can function as an occupational health centre or as a provider of special occupational health related services.

Work activities have to be allocated to occupational health classes (categories):

Class A: mining, foundry work, or dealing with radioactive or unknown substances;

Class B: construction, food production, leather preparation, producing rubber and plastic products;

Class C: industrial jobs, physical aspects of service provision, research, and computer-related activities;

Class D: research arrangement, cultural, education, administrative work

Employers are required to report the staff size and the respective activities to the relevant local branch of the National Public Health and Surgeon General Service**.**[125] If the employer does not provide occupational health service then a service fee corresponding to the given occupational health class has to be paid to the respective provider.

Only individuals meeting relevant ministry issued requirements can perform medical tasks within the context of occupational health services.

The tasks and responsibilities of the Occupational Health Service:
– the **exploration**, identification and continuous **control** of work-related demands (physical, intellectual, psychological) and **causes of occupational illness** (physical, chemical, biological, psychosocial, ergonomics, accident-related factors),
– making recommendations for keeping the harmful factors at an acceptable level,
– adapting the work requirements to the physical, intellectual, and mental health of employees,
– work-related health checks of employees.

Basic occupational health services:
– Testing for work area suitability.
– Reporting and investigating occupational illnesses and intensive exposure to harmful agents
– Preparing a written documentation of the assessment of work conditions and of the harmful impact of work performance.
– Consultation regarding individual protective devices.
– Assuring the chemical security of work places according the special regulations.
– Information provision concerning work conditions impacting health and security.
– Administering protective inoculations required by a given work area according to special regulations
– Preventive care for workers suffering from chronic illnesses.

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[125] Website: https://www.antsz.hu/

- Health tests for drivers belonging to suitability class 2 as required by special regulations.
- Preparation of expert opinions on work-area related, professional, or personal hygiene-based suitability examinations (in case of students etc.).
- Professional suitability or eligibility testing of employment seekers including public purpose workers for training or employment development.

While occupational health services have a number of tasks we provide a brief description of **work area suitability examinations**.

12.2.6 Testing for work area suitability

Pursuant to the CLIV/1997 Occupational protection and health Act the **33/1998.** (VI. 24.) **NM Decree regulates medical testing and providing expert opinions on meeting professional and personal hygiene requirements for the given work area.**[126]
The decree determines the following concepts:

- 🖙 **Suitability testing for a given work area: ascertaining the demand criteria of a given work place or work area, and the respective ability to meet such requirements.**

- 🖙 **Professional suitability testing: medical examinations performed before starting and during the acquisition of a given profession or trade, or during the retraining process in order to ascertain the person's capability to meet the respective requirements.**

- 🖙 **Personal hygiene suitablility testing: medical examinations of workers employed in areas of high epidemic exposure. The testing has two objectives: to identify whether the given person is infected, or carries contaminants threatening public health.**

Before starting work at a given company all prospective employees must undergo a thorough medical examination process related to the given work area. Such testing is required in the following cases as well**:**

- change of work area or work place
- performing work abroad for more than a two week term
- persons employed in the production, serving, and sale of foods and beverages along with work areas of **high epidemic exposure** have to undergo **chest X-ray** as well. During the

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[126] Source: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=99800033.NM

examination the **employer provided** booklet titled **Declaration of health conditions and examination data** must be filled out as well.

While the frequency of medical testing is determined by the supplements of the 33/1998. (VI. 24.) NM decree, if several intervals are applicable to an employee, the given examination must take place with the shortest possible schedule.

12.2.7 Occupational Safety and Employment Directorate and Inspectorate

Government Decree 323/2011. (XII. 28.) appoints the **Occupational Protection and Employment Directorate of the National Employment Administration** for regulating and controlling the field of work safety as of 2012 January 1. The authority in charge of **work hygiene and occupational safety is the Occupational Safety and Employment Directorate.**

The National Employment Administration as a central authority is under the supervision of the Minister of Labour, while the Occupational Safety and Employment Directorate is a separate organisational unit of the National Employment Administration. The **occupational safety and employment inspectorates** of the occupational safety and employment centres functioning within the framework of the governmental offices in Budapest and at county seats fulfil employment regulation authority at first level. [127]

☛ Study the structure and main tasks of this organisation http://www.ommf.gov.hu/ and discuss your findings ont the Moodle forum .

12.2.8 Occupational Health Protection and Safety Management System (MEBIR)

Organisations strive to incorporate their various functional processes into standardised systems.

The main objective of the Occupational Health Protection and Safety Management System meeting the MSZ 28001:2008 standard is the full disclosure, evaluation and systematic reduction of work safety and health related threats, since the protection of employee life and health is a crucial component of enterprise development both on the mid and long term.

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[127] Source: http://www.ommf.gov.hu/ click Introduction on the right side

> ☛ Find information on the structure and tasks of the abovementioned system on the Internet and discuss your findings on the Moodle forum.

12.2.9 Protection of safety and health at the work place: good examples and best practices

Businesses and enterprises often show good examples and best practices that can be followed in observing work safety and health protection guidelines.

> ☛ Study and summarise the occupational safety and health protection report of the MOL group. http://www.mol.hu/evesjelentes2012/fenntarthatosag/teljesitmeny-a-6-fenntarthatosagi-fokuszteruleten/biztonsag-es-egeszsegvedelem and discuss your findings on the Moodle surface.

12.3 SUMMARY, QUESTIONS

12.3.1 Summary

The lesson provided an introduction to basic concepts related to occupational health protection including the 2014-2020 EU strategy on occupational health protection and safety along with discussing the objectives of occupational health and work hygiene programs, the functions of occupational health organisations, the need for work-area eligibility, and work-hygiene related testing. Students were familiarised with the structure and function of the Occupational Safety and Employment Directorate and Inspectorate and the importance of the Occupational Health Protection and Safety Management System. Also as an individual assignment students could learn about a specific example of best practice on the field of occupational safety and health.

12.3.2 Self-check questions

12. Describe the basic objectives of the EU Commission-issued *COM (2014) 332 final* document!
13. Define the concept of work-related health!
14. Describe the objectives and tasks of work-related health programs!
15. Describe the concept of work hygiene!
16. Describe the objectives and tasks of work hygiene programs!
17. Define the concept of occupational health!

18. Describe the objective and tasks of occupational health!

19. What are the tasks of the Occupational Health Service!

20. Define the concepts of work area suitability testing, professional suitability (eligibility) testing, and work hygiene suitability testing!

21. Describe the work of the Occupational Safety and Employment Directorate and Inspectorate!

22. Describe the main components of the Occupational Health Protection and Management System!

12. Describe work safety and health protection related best practices at a Hungarian firm!

12.3.3 Practice tests

1. Is the following statement true or false? The European Union has elaborated a strategy on occupational safety and health protection for the 2014-2020 period.

a) true
b) false

2. Is the following statement true or false? The main objective of work-related health programs focusing on work hygiene and occupational health is the protection of employee health from potentially harmful influences at the work place

a) true
b) false

3. Occupational health services performed by occupational safety organisations and authorities can be characterised as:

a) effective
b) health-related
c) company provided
d) government provided

4. Is the following statement true or false? The Occupational Health Service can function as an occupational health centre or as a provider of special services in the field of occupational health.

a) true
b) false

5. The scope of work-related health programs include (more than one answer is possible)

a.) hygienic suitability
b.) on-the-job training
c.) work hygiene

d.) occupational health

6. Work activities have to be ranked into occupational health categories. Which is the correct category?
    a.) A,B,C,D occupational health category
    b.) I.,II.,III.,IV. occupational health category
    c.) 1.,2.,3.,4. occupational health category
    d.) PA, PM, HRM, SHRM, IHRM occupational health category

7. What type of suitability or eligibility examinations are specified by the NM decree? More than one correct answer is possible!
    a.) work area suitability
    b.) professional eligibility
    c.) personal suitability
    d.) personal hygiene suitability

8. Is the following statement true or false? The preliminary work area suitability tests and examinations are not applicable to all employees.
    a) true
    b) false

9. As of what date is the Occupational Safety and Health Directorate of the National Employment Administration can function as an occupational protection and employment authority? Only one correct answer is possible)!
    a.) 2011. January 1
    b.) 2012. January 1
    c.) 2013. January 1
    d.) 2014. January 1

10. What is the meaning of the acronym O H P S M S?

    a.) Appropriate Health Protection and Safety Management System
    b.) Human Health Protection System
    c.) Occupational Health Protection and Safety Management System
    d.) Appropriate Uniform Health Protection System

13. SUMMARY

13.1 TEXT CONTENT SUMMARY

The text presented in this book is divided into three modules:
MODULE ONE: The defining features and the development of human resource management (lessons 2-3)
MODULE TWO: The main activities of human resource management (Lessons 4-9)
MODULE THREE: Safety and health protection
(Lessons 10-12)

Module One introduced the main concepts and activities of human resource management and the respective correlations. The section dealt with the external and internal factors influencing human resource management, the key labour market terms and presented an overview of the formation, development and main steps of the independent personnel function.

Module Two focused on the formation of work areas, the Uniform Jobs Classification System, the work area analysis, work area design, and career planning. Students became familiar with the stages of work force acquisition including recruitment, selection, and integration. Information was provided on performance evaluation, on the job training, and development in addition to motivating, rewarding, and the comprehensive rewarding system.

Module Three focused on the following issues and concepts: the legal background of safety and health protection, the appropriate work environment, the role of ergonomics and occupational safety, and occupational health. Students became familiar with the categorization of hazard sources, the physical aspects of performance, and the details of safety warnings at the work place. The module emphasized the importance of work safety instruction, and provided information on safety technologies, and the distinction between on the job and occupational accidents. Students learned about the basic concepts of occupational health protection, the functioning of the various occupational health authorities including the Occupational Safety and Employment Directorate and Inspectorate and received knowledge on the Occupational Health Protection and Safety Management System while becoming familiar with the types of work area suitability tests and best practices of occupational health and safety.

14. SUPPLEMENT

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14.2 LIST OF MEDIA UNITS

14.2.1 List of tables

14.2.2 List of charts

14.2.3 External electronic references (can be generated only in the electronic version)

14.3 GLOSSARY, DEFINITION OF KEY CONCEPTS (OPTIONAL)

15. TESTS (ONLY FOR THE ELECTRONIC VERSION)
   (During the design process the 90 question rule has to be adhered)

PRACTICE TESTS

The tests are arranged according to the respective professional content. Those highlighted with yellow are included in the pilot test and in the A and B final examination questions

Practice tests from Lesson 2：

1. Which is the correct answer? (more than one answer is possible). The main groups of factors influencing human resource management:
   a) economic factors
   b) global factors
   c) organisational factors
   d) social factors

2. Which is the correct answer? (more than one answer is possible). Global factors impacting human resource management:
   a) population trends
   b) internationalization
   c) macro factors
   d) crises

3. Which is the correct answer? (only one correct answer) Internal factors of the organisation?
   a) internal stake holders (owner/s, employee/s, manager/s)
   b) political legal factors
   c) economic and social factors
   d) globalization, domestic enterprises

4. Is the following statement true or false? Globalization or internationalization is a complex social and economic process with economic, political, and cultural aspects.
   a) true
   b) false

5. Which is the correct answer? (more than one answer is possible).).
The micro-environment includes all factors
      a) directly impacting the company
      b) determining the company's direct presence on the market
      c) indirectly impacting the company
      d) that can be regarded as attributes

6. Which is the correct answer? (more than one answer is possible).Features of typical employment include:
      a) unlimited, non-defined term
      b) flexible work schedule
      c) full time work
      d) part time employment

7. Is the following statement true or false? As far as micro-economic considerations are concerned the labour market reflects the aggregate supply of individuals and households as a workforce.
      a) true
      b) false

8. Which is the correct answer? (more than one answer is possible). The basic categories of the labour market include:
      a) wages
      b) workforce demand
      c) income
      d) workforce supply

9. Is the following statement true or false? The Europe 2020 strategy calls for achieving an employment rate of 70% in the 20-64 age group by 2020.
      a) true
      b) false

10. Which is the correct answer? (more than one answer is correct) Effective telework requires the simultaneous fulfilment of these conditions:
      a) a specially prepared location
      b) information and telecommunication devices
      c) data provision
      d) special management and control methods

Lesson 3 Practice tests:

1.Is the following statement true or false? The increasingly significant changes of the business and social environments taking place since the end of the 20th century resulted in significant changes in the expectations pertaining to organisations and firms.

    a) true
    b) false

2. More than one answer is correct! The formation of the personnel function and the emergence of new economic and business conditions are related in the following way

    a.) took place simultaneously.
    b.) did not take place
    c.) is not regarded important
    d.) is regarded highly important

3. Is the following statement true or false? Personnel activity is the aggregate sum of activities related to the work force, and people with varying social, economic, and cultural characteristics and personal features.

    a) true
    b) false

4. The principal goal of human resource management is

    a.) assuring organisational efficiency,
    b.) guaranteeing the survival of the firm on the market
    c.) promoting cost effective operation
    d.) assuring employee satisfaction

5. Peretti's evolutionary scale of human resource management was introduced in:

    a.) 1980
    b.) 1990
    c.) 1993
    d.) 1998

6. The chronological order of the Peretti continuum starting with the earliest stage is the following:

    a.) PM, PA, HRM, IHRM, SHRM

b.) HRM, SHRM, PA, PM, IHRM
c.) PA, PM, SHRM, IHRM, HRM
d.) PA, PM, HRM, SHRM, IHRM

7. Is the following statement true or false? In the 1980s personnel activity becomes integrated into management.

        a) true
        b) false

8. Which human resource management development state is described by the following? The human being or resource becomes a strategic resource, and human resource management becomes part of strategic enterprise management.

        a.) PM
        b.) HRM
        c.) IHRM
        d.) SHRM

9. Which of the following is expected by the real time economy from human resource management? More than one answer is correct.

        a.) downsizing
        b.) flexibility
        c.) assuring the continuous availability of workers
        d.) wage increases

10. According to Losey-Ulrich-Meisinger the following skills, competences, and aptitudes are required from human resource managers: More than one answer is correct.

        a.) understanding worker need, staff guidance,
        b.) continuous improvement of professional background
        c.) adaptation of organisational culture to business conditions,
        d.) the elaboration of an appropriate business environment

Lesson 4 Practice tests:

1.True or false? Work area and occupation are synonymous terms.

        True   False

2. Match the respective content elements with the work area creation process.

Questions related to the work area creation process	Components related to the work area creation process
1. WHO?	a) qualification
2. WHAT?	b) the place of the work area in the organisation
3. WHERE?	c) work conditions
4. WHEN?	d) type of work
5. HOW?	e) work schedule
6. WHY?	f) contribution to the functioning of the organisation

1. a)   2. d)   3. b)   4. e)   5. c)   6. f)

3. Which of the following is correct? (more than one correct answer is possible)
   a) the work tasks is a group of work areas.
   b) the work task includes work operations
   c) a work post includes specific tasks, area of authority, and area of responsibility.
   d) occupation is an indication of an individual's place within a given organisation.

4. Fill in the right word, (numbers are indicated with letters!) The work area value number determined by the Hay-method is based on the sum of three factors: knowledge, problem solving, and responsibility. In case of work areas allocated to identical value categories the given work areas have identical significance as well.

5. Fill in the right word, (numbers are indicated with letters!) A The Unform Jobs Classification System (FEOR) uses a four digit decimal system for the listing of occupations.

6. True or false? The (UCSO) FEOR helps the establishment of the work area values.
          True   False

7. Which is the correct answer (one correct answer is possible)

a) horizontal expansion means the integration of new, heretofore unperformed task into a given work area.
b) vertical expansion means the addition of new work tasks.
c) employees are moved or transferred within the given work areas.

8. True or false? Work area analysis entails the exploration of the content of various work areas in order to ascertain and evaluate the respective work loads and requirements.

       True   False

9. Which is the correct answer? (more than one correct answer is possible) The production or service related value of a given work area is determined by the following factors:
a) knowledge
b) problem solving
c) responsibility
d) status

10. Which is the correct answer? (one correct answer is possible) The bottom to top work area formation method follows this sequence
a) work operation– work post– work task – work area
b) work task– work operation– work post- work area
c) work operation – work task – work post – work area
   d) work post– work task – work operation (manoeuvre) – work area

11.True of false? Job descriptions are always unified and identical as laws regulate their content.

       True   False

Lesson 5 Practice tests:

1. Match the planning terms with the respective work force planning levels!

Work force planning levels	Terms of work force planning
1. strategic level	a) 1-3 years
2. tactical level	b) 1 year
3. operative level	c) 3-5 years

1. c)   2. a)   3. b)

2. Which is the correct answer? (only one correct answer is possible). The elaboration of a human strategy includes four stages, which one is NOT part of it?
- a) analysis of environmental factors
- b) compilation of alternatives
- c) prognosis preparation
- d) strategic action plans
- e) decision

3. Which concept is defined by the following description: "A functional strategy determining the quantity and quality (composition) of work force and tasks required for the successful implementation of a business strategy."

a) company strategy
b) human resource politics strategy
c) human strategy
d) human resource plan

4. Which one is the correct answer? (Only one correct answer is possible) The work force planning stages include the following:
- a) forecasting work force demand - forecasting work force supply – action plan for the elimination discrepancies
- b) forecasting work force supply – work force demand- action plan for the elimination of discrepancies
- c) forecasting workforce coverage – forecasting workforce demand – action plan for the elimination of discrepancies
- d) forecasting of workforce demand – forecasting workforce supply – action plan for the elimination of discrepancies

5. Which one is the correct answer (only one correct answer is possible) Which one of these is not the component of the 5A scheme for the development of the work force?

        a) appropriate people,
        b) at an appropriate place and time,
        c) with appropriate freedom of action
        d) according to individual goals,
        e) perform appropriate work.

6. Which one is the correct answer? (one correct answer is possible) How many outcomes does the comparison of work force demand and supply result in?
        a) one
        b) two
        c) three

7. Which is the correct answer? (more than one correct answer is possible) Careers can be determined by three factor categories:
        a) personal abilities and family resources
        b) economic and geographic environment
        c) options provided by the environment
        d) combination of intentions and ambitions

8. Is the following statement true or false? "Career planning as an independent system made up by interdependent and interactive components can only be successful if all of its elements are utilized within the given organisation".

    True   False

9. How many steps does the career planning process include?
        a) four
        b) five
        c) seven
        d) eight

10. Which is not a step in the career planning process? (only one answer is possible):
        a) establishment of a career planning documentation system
        b) compilation of organisational and individual skill maps,

c) elaboration of a strategy promoting appropriate freedom of action

d) preparation of hierarchical and horizontal promotion plans.

Lesson 6 Practice tests:

1. Which is the correct answer? (one correct answer is possible) Work force acquisition can be divided into four stages (observe the sequence!):
    a) recruitment-selection-hiring-integration
    b) selection-recruitment-integration-hiring
    c) recruitment-selection-integration-hiring
    d) hiring-selection-recruitment-integration

2. Is the following statement true or false? In case of external work force acquisition or acquiring work force from external sources the given organisation does not contact the labour market at large.
    a) true
    b) false

3. Match the recruitment devices according to whether their scope external or internal. Internal sources should be marked with 1, while the digit 2 indicates external sources.
    a) wall board
    b) employment agencies
    c) hiring of walk-ins,
    d) promotion

    a) 1   b) 2   c) 2   d) 1

4. What concept is defined by the following statement: "A filter capable of reliable ranking of candidates suitable for fulfilling the respective position via the examination of the respective job requirements along with the main characteristics and expectations of the given candidate."
    a)recruitment
    b) selection
    c) performance evaluation
    d) none of the above

5. Which of the following statements is correct? The advantages of internal work force acquisition include:
    a) lower costs and time requirements as compared to candidates provided by external sources
    b) unfamiliarity of the candidate

c) greater risk

6. Is the following statement true or false? During the selection process the person ranked first is hired:
        a) true
        b) false

7. Which is the correct answer? (more than one correct answer is possible) When does a given firm acquire a work force?
        a) If staff size need is higher than staff size coverage.
        b) If staff size need is lower than staff size coverage.
        c) if the staff size is appropriate, but an exchange of labour force is necessary.
        d) in case of hiring freeze.

8. Is the following statement true or false? Profit-oriented private firms can ask money for services performed for job seekers.
        a) true
        b) false

9. Is the following statement true or false? Employees perform job duties at the firm lending them to their employers.
        a) true
        b) false

10. Complete the sentence with the correct term ! Work force recruitment includes all activities helping to attract potential employees to a given position.

Lesson 7 Practice tests:

1. 1.True or false? Employment law regulates rights and obligations derived from work relations.
        True   False

2. Which is the correct answer? (more than one answer is possible) Types of employment relations include:
        a) work relation
        b) special assignment

c) entrepreneurial work
d) tele work

3. True or false? Employment law specifies tha a worker has to perform a job in person, its duties cannot be passed to another person.

      True   False

5. Which is the correct answer? (more than one correct answer is possible) Participants in the employment relation:
  a) employer
  b) union
  c) employee
  d) factory council

5. Which is the incorrect answer? (more than one correct answer is possible) The characteristics of employment relations include:
  a) a hierarchical relation between employer and employee.
  b) the employer has no right to control the employee.
  c) Only a natural person can be an employee.
  d) Employee bears the costs of labour.

6.Which is the correct answer? (more than one correct answer is possible) the aims of the integration process include:
  a) promotion of the integration of the newly hired worker into the organisational structure,
  b) familiarisation with the work organisation and the respective features of the work place
  c) promotion of a harmonious relationship between manager and employee,
  d) promotion of conscious and independent, self-motivated work performance,
  e) establishing the conditions for high standard work design and arrangement
  f) guaranteeing continuous training and development.

7. In which of the following fields a new employee DOES NOT HAVE TO perform successfully?
a) business orientation
b) inquisitiveness,
c) reconciling, harmonisation of expectations,

d) connection networks

e) cultural adaptation.

8. Which is the correct answer? (more than one correct answer is possible) The stage of the integration program pertaining to all new employees and providing basic information:

a) general integration stage

b) initial integration stage

c) spontaneous integration stage

d) personal integration stage

9. What does the following definition refer to: The newly entered worker spends a pre-determined time at an organisational unit

a) rotation

b) fluctuation

c) successful performance

d) integration

10. True or false? One example of integration related risk is the excess workload experienced by the closest associates of the newly hired worker.

True   False

Lesson 8 Practice tests:

1. Which concept is defined by the following description: "A systematic process promoting the continuous improvement of employee performance and the maximization of employee potential in order to facilitate the implementation of organisational goals"

a) performance evaluation

b) performance management

c) work area evaluation

d) work area analysis

2. Which is the correct answer? (more than one correct answer can be given) The three components of the performance management process are:

a) establishment of objectives

b) prognosis preparation

c) performance

d) performance evaluation

3. Which is the correct answer? (more than one correct answer is possible) The basic principles of performance evaluation are:
 a) principle of continuity
 b) principle of developmental intent
 c) principle of motivation
 d) principle of uniqueness

4. Which is the correct answer? (only one correct answer can be given) The steps of the performance evaluation process include:
 a) performance management
 b) individual work plan
 c) performance asessment
 d) preparation of reports and discussion

5. Which is the correct answer? (more than one correct answer is possible) The individual work plan has to include:
 a) the goal of the given work
 b) key areas of the given work
 c) main activities
 d) material resources

6. Which is the correct answer? (more than one correct answer is possible) Comparative personal performance evaluation techniques include:
 a) BARS method
 b) group categorization
 c) pair based comparison
 d) individual categorization

7. Which is the correct answer? (more than one correct answer is possible) Performance evaluation criteria include the following:
 a) continuity
 b) written reports
 c) systematic approach
 d) evaluation at regulated intervals

8. What concept is defined by the following statement: "the employee establishes individual goals whose realization promotes the implementation of company objectives"
 a) individual categorization

b) BOS
c) MbO
d) 260 degree evaluation

9. Which answer is correct? (one correct answer is possible) The main groups of performance evaluation errors:
a) mistakes at organisational level
b) definition-related errors
c) interpretation errors
d) distortion related errors

10. Is the following statement true or false?
Training and development are synonymous concepts.
True   False

11. The steps of the training process are (more than one correct answer is possible)
a) survey of organisational errors
b) needs assessment
c) training program design
d) implementation of training program

12. Is the following statement true or false?
The main objective of the needs assessment process is identifying the instructors of the training program.
True   False

Lesson 9 Practice tests :

1.Is the following statement true or false: Motivation and motivating are synonymous concepts
c.) true
d.) false

2. Which concept is defined by the following statement: "in a psychological sense the internal conscious state of an individual compelling a certain behaviour."
e) motivation
f) motivating
g) incentive
h) compensation

3.Is the following statement true or false: "Motivational content theories focus on the causes triggering a certain behaviour within an organisation."
   e.) true
   f.) false

4.The best known motivational theories include: More than one correct answer is possible!
   e.) Maslow's hierarchy of needs
   f.) Herzberg's dual factor theory
   g.) McClelland's connection-performance-power theory
   h.) Vroom's expectation theory

5.Which of the following is not considered a process theory of motivation? More than one answer is possible!
   e) Maslow's hierarchy of needs theory
   f) Latham-Locke objective theory
   g) Vroom's expectation theory
   h) Herzberg's dual motivation theory

6.Which of the following are external environmental factors impacting incentive. More than one correct answer is possible!
   b.) system of reconciliation
   b.) labour market conditions
   g.) performance requirements
   h.) employee needs expectations, interests.

7.Is the following statement true or false? The incentive system is the organised set of components or sum of elements facilitating the incentive process
            true
            false
8.Which concept is defined by the following statement: "The concrete implementation of the incentive strategy, the sum, rules, procedures, and methods determining the pay of the workers."
e.) Incentive policy
f.) Incentive strategy
g.) Incentive practice:
h.) Incentive system

9.Is the following statement true or false? "Full scale rewarding does not take into consideration all options of employee rewarding and motivating."

        c.) true
        d.) false

10.Which of the following is not a pecuniary or financial incentive? More than one correct answer is possible!

        e) career options
        f) professional acclaim
        g) base pay
        h) employee share

Lesson 10 Practice tests:

1.Which one is the correct answer? (more than one correct answer is possible). Work environment and work conditions can impact

        a) economic results
        b) employee health
        c) employee living conditions
        d) society at large

2. Which one is the correct answer? (more than one correct answer is possible). The two main areas of occupational safety are:

        a) employers
        b) work safety
        c) employees
        d) occupational safety and health

3. Is the following statement true or false? Ergonomics focuses on the worker, his or her health, and the retention or preservation of working capability.

        a) true
        b) false

4. Is the following statement true or false? Work safety is the techno-logical and organisational criteria system for performing work in a healthy environment.

        a) true
        b) false

5. Which is the correct answer? (more than one correct answer is possible). Personal background criteria of occupational safety include:

a) psychological expertise
b) appropriate professional background
c) necessary equipment
d) certain technology

6. Which is the correct answer? (more than one correct answer is possible). Occupation safety focuses on the following areas:

a) the formation of healthy workplaces via the provision of appropriate technological and hygienic criteria
b) work tools and devices
c) hazardous materials
d) protection of special, prioritised groups

7. Which is the correct answer? (only one correct answer is possible). Since when has been the improvement of occupational health and safety a major priority for the EU?

a) since the 1960s
b) since the 1970s
c) since the 1980s
d) since the 1990s

8. Is the following statement true of false? The **89/391/EEC** decree guarantees minimum requirements for occupational health and safety while member states have a right to issue stricter regulations.

a) true
b) false

9. Is the following statement true or false? The main objective of the Occupational Safety Act is to regulate the personal and organisational background of safe work performance causing a health hazard

a) true
b) false

10.
Is the following statement true or false? Employees in order to assure representation of their rights to healthy and safe work environments can

elect an occupational safety representative where the number of workers in a given organisation is 25.

       a) true
       b) false

Lesson 11 Practice tests:

1.Which is the correct answer (more than one correct answer is possible). The main fields of occupational safety are:
a) work safety
b) work accident
c) organisational features
d) work or occupational health

2. Is the following statement true or false? Work safety is a factor occurring during or related to the performance of work presenting harm or danger to the worker or the person in his or her surroundings.
a) true
b) false

3. Is the following statement true or false? Occupational safety aims at the prevention of work accidents.
a) true
b) false

4. Is the following statement true or false? Occupational health aims at the prevention of occupational diseases.
a) true
b) false

5. Which is the correct answer? (more than one correct answer is possible). Sources of hazards can be grouped as:
a) physical sources
b) stressors
c) biological sources
d) physiological and psychological hazards

6. Which is the correct answer? (more than one correct answer is possible). The forms of safety signs at the work place can be:
e) circle
f) romboid
g) triangle
h) star

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7. Which is the correct answer? (more than one correct answer is possible). Accidents can be prevented with the following measures and devices:

  e) arrangements
  f) work safety instruction
  g) handling instructions
  h) protective devices

8. Is the following statement true or false? Not all work related accidents are on-the-job accidents and all on-the-job accidents are work accidents at the same time.

  a) true
  b) false

9. Which is the correct answer (more than one correct answer is possible). What steps do employers have to follow in case of work accidents?
  a) a full investigation of the given accident
  b) preparation of records
  c) decision concerning the acknowledgment of the accident as work-related accident
  d) payment of compensation immediately

10. Which is the correct answer? (only one correct answer is possible). Accidents happening to these people can be categorized as work-related:
  e) only appropriately hired employees

  f) all workers

  g) workers, assignees

  h) employees, assignees, (sub)contractors

  Lesson 12 Practice tests:

1. Is the following statement true or false? The European Union has elaborated a strategy on occupational safety and health protection for the 2014-2020 period.
  a) true
  b) false

2. Is the following statement true or false? The main objective of work-related health programs focusing on work hygiene and occupational health is the protection of employee health from potentially harmful influences at the work place.

        a) true
        b) false

3. Occupational health services performed by occupational safety organisations and authorities can be characterised as:

        a) effective
        b) health-related
        c) company provided
        d) government provided

4. Is the following statement true or false? The Occupational Health Service can function as an occupational health centre or as a provider of special services in the field of occupational health.

        a) true
        b) false

5. The scope of work-related health programs include (more than one answer is possible)

        a.) hygienic suitability
        b.) on-the-job training
        c.) work hygiene
        d.) occupational health

6. Work activities have to be ranked into occupational health categories. Which is the correct category?

        a.) A,B,C,D occupational health category
        b.) I.,II.,III.,IV. occupational health category
        c.) 1.,2.,3.,4. occupational health category
        d.) PA, PM, HRM, SHRM, IHRM occupational health category

7. What type of suitability or eligibility examinations are specified by the NM decree? More than one correct answer is possible!

        a.) work area suitability
        b.) professional eligibility
        c.) personal suitability
        d.) personal hygiene suitability

8. Is the following statement true or false? The preliminary work area suitability tests and examinations are not applicable to all employees.

a) true
b) false

9. As of what date is the Occupational Safety and Health Directorate of the National Employment Administration can function as an occupational protection and employment authority? Only one correct answer is possible)

       a.) 2011. January 1
       b.) 2012. January 1
       c.) 2013. January 1
       d.) 2014. January 1

10. What is the meaning of the acronym O H P S M S?

       a.) Appropriate Health Protection and Safety Management System
       b.) Human Health Protection System
       c.) Occupational Health Protection and Safety System
       d.) Appropriate Uniform Health Protection System

TRIAL TEST

The trial test contains 20 questions 2 taken from 10 lessons, the questions cannot be repeated.
The Trial examination includes 2 questions from 11 chapters altogether:

1. Which is the correct answer? (only one correct answer) Internal factors of the organisation are:
       a) internal stake holders (owner/s, employee/s, manager/s)
       b) political legal factors
       c) economic and social factors
       d) globalization, domestic enterprises

2. Which is the correct answer? (more than one answer is possible). The micro-environment includes all factors
       a) directly impacting the company
       b) determining the company's direct presence on the market
       c) indirectly impacting the company
       d) that can be regarded as attributes

3. The principal goal of human resource management is
   a.) assuring organisational efficiency,
   b.) guaranteeing the survival of the firm on the market
   c.) promoting cost effective operation
   d.) assuring employee satisfaction

4. True or false? Work area and occupation are synonymous terms.
   True   False

5. Which is the correct answer? (more than one correct answer is possible) The production or service related value of a given work area is determined by the following factors:
   a) knowledge
   b) problem solving
   c) responsibility
   d) status

6. Which one is the correct answer? (Only one correct answer is possible) The work force planning stages include the following:
   a) forecasting work force demand - forecasting work force supply – action plan for the elimination discrepancies
   b) forecasting work force supply – work force demand- action plan for the elimination of discrepancies
   c) forecasting workforce coverage – forecasting workforce demand – action plan for the elimination of discrepancies
   d) forecasting of workforce demand – forecasting workforce supply – action plan for the elimination of discrepancies

7. Which is the correct answer? (more than one correct answer is possible) Careers can be determined by three factor categories:
   a) personal abilities and family resources
   b) economic and geographic environment
   c) options provided by the environment
   d) combination of intentions and ambitions

8.Is the following statement true or false? In case of external work force acquisition or acquiring work force from external sources the given organisation does not contact the labour market at large.
   a) true
   b) false

9. Is the following statement true or false? During the selection process the person ranked first is hired:

  a) true
  b) false

10. Which is the correct answer? (more than one answer is possible) Types of employment relations include:

  a) work relation
  b) special assignment
  c) entrepreneurial work
  d) tele work

11. Which is the correct answer? (more than one correct answer is possible) The stage of the integration program pertaining to all new employees and providing basic information:

  a) general integration stage
  b) initial integration stage
  c) spontaneous integration stage
  d) personal integration stage

12. Which answer is correct? (one correct answer is possible) The main groups of performance evaluation errors:

  a) mistakes at organisational level
  b) definition-related errors
  c) interpretation errors
  d) distortion related errors

13. Is the following statement true or false?
The main objective of the needs assessment process is identifying the instructors of the training program.

  True   False

14. Which concept is defined by the following statement: "in a psychological sense the internal conscious state of an individual compelling a certain behaviour"

  i)   motivation
  j)   motivating
  k)   incentive
  l)   compensation

15. Which of the following is not a pecuniary or financial incentive? More than one correct answer is possible!

        i) career options
        j) professional acclaim
        k) base pay
        l) employee share

16. Is the following statement true or false? Ergonomics focuses on the worker, his or her health, and the retention or preservation of working capability.

        a) true
        b) false

17. Which is the correct answer? (more than one correct answer is possible). Personal background criteria of occupational safety include:

        a) psychological expertise
        b) appropriate professional background
        c) necessary equipment
        d) certain technology

18. Which is the correct answer (more than one correct answer is possible). The main fields of occupational safety are:

        a) work safety
        b) work accident
        c) organisational features
        d) work or occupational health

19. Which is the correct answer? (more than one correct answer is possible). Sources of hazards can be grouped as:

        a) physical sources
        b) stressors
        c) biological sources
        d) physiological and psychological hazards

20. Occupational health services performed by occupational safety organisations and authorities can be characterised as:

        a) effective
        b) health-related
        c) company provided
        d) government provided

21. What is the meaning of the acronym O H P S M S?

      a.) Appropriate Health Protection and Safety Management System

      b.) Human Health Protection System
      c.) Occupational Health Protection and Safety System
      d.) Appropriate Uniform Health Protection System

FINAL EXAMINATION

The test should include 2-2 questions from 10 lessons, altogether 40 questions with A and B versions.
Examination "A" includes 22 questions (2 each from 11 chapters)

1. Is the following statement true or false? Globalization or internationalization is a complex social and economic process with economic, political, and cultural aspects.
      a) true
      b) false

2. Which is the correct answer? (more than one answer is possible). The main groups of factors influencing human resource management:
      a) economic factors
      b) global factors
      c) organisational factors
      d) social factors

3. Is the following statement true or false? The increasingly significant changes of the business and social environments taking place since the end of the 20th century resulted in significant changes in the expectations pertaining to organisations and firms.
      a) true
      b) false

4. The chronological order of the Peretti continuum starting with the earliest stage is the following:
      a.) PM, PA, HRM, IHRM, SHRM
      b.) HRM, SHRM, PA, PM, IHRM
      c.) PA, PM, SHRM, IHRM, HRM
      d.) PA, PM, HRM, SHRM, IHRM

5. Which is the correct answer? (one correct answer is possible) The bottom to top work area formation method follows this sequence
      a) work operation– work post– work task – work area
      b) work task– work operation– work post- work area
      c) work operation – work task – work post – work area
       d) work post– work task – work operation (manoeuvre) – work area

6. True of false? Job descriptions are always unified and identical as laws regulate their content..
      True   False

7. Is the following statement true or false? "Career planning as an independent system made up by interdependent and interactive components can only be successful if all of its elements are utilized within the given organisation."

     True   False

8. Which concept is defined by the following description: „A functional strategy determining the quantity and quality (composition) of work force and tasks required for the successful implementation of a business strategy."

a) company strategy
b) human resource politics strategy
c) human strategy
d) human resource plan

9. Which is the correct answer? (one correct answer is possible) Work force acquisition can be divided into four stages (observe the sequence!):
a) recruitment-selection-hiring-integration
b) selection-recruitment-integration-hiring
c) recruitment-selection-integration-hiring
d) hiring-selection-recruitment-integration

10. Is the following statement true or false? Profit-oriented private firms can ask money for services performed for job seekers..
a) true
b) false

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11. True or false? Employment law specifies tha a worker has to perform a job in person, its duties cannot be passed to another person.

True   False

12. What does the following definition refer to: The newly entered worker spends a pre-determined time at an organisational unit

      a) rotation
      b) fluctuation
      c) successful performance
      d) integration

13. Which is the correct answer? (more than one correct answer is possible) The basic principles of performance evaluation are:

      a) principle of continuity
      b) principle of developmental intent
      c) principle of motivation
      d) principle of uniqueness

14. Which is the correct answer? (more than one correct answer is possible) Performance evaluation criteria include the following:

      a) continuity
      b) written reports
      c) systematic approach

15. The best known motivational theories include: (More than one correct answer is possible!)

      i.) Maslow's hierarchy of needs
      j.) Herzberg's dual factor theory
      k.) McClelland's connection-performance-power theory
      l.) Vroom's expectation theory

16. Is the following statement true or false? The incentive system is the organised set of components or sum of elements facilitating the incentive process.

      true
      false

17. Which one is the correct answer? (more than one correct answer is possible). Work environment and work conditions can impact

      a) economic results

b) employee health
c) employee living conditions
d) society at large

18. Is the following statement true or false? The **89/391/EEC** decree guarantees minimum requirements for occupational health and safety while member states have a right to issue stricter regulations.

      a) true
      b) false

19. Is the following statement true or false? Occupational health aims at the prevention of occupational diseases.

      a) true
      b) false

20. Which is the correct answer (more than one correct answer is possible). What steps do employers have to follow in case of work accidents?

      a) a full investigation of the given accident
      b) preparation of records
      c) decision concerning the acknowledgment of the accident as work-related accident
      d) payment of compensation immediately

21. Which is the correct answer? (more than one answer is possible). The main groups of factors influencing human resource management:

      a) economic factors
      b) global factors
      c) organisational factors
      d) social factors

22. Which is the correct answer? (more than one answer is possible).Features of typical employment include:

      a) unlimited, non-defined term
      b) flexible work schedule
      c) full time work
      d) part time employment

Examination "B" includes 2-2 questions each from 11 chapters, altogether 22 questions:

1. Is the following statement true or false? As far as micro-economic considerations are concerned the labour market reflects the aggregate supply of individuals and households as a workforce.

      a) true
      b) false

2. Which is the correct answer? (more than one answer is possible).
Global factors impacting human resource management:

      a) population trends
      b) internationalization
      c) macro factors
      d) crises

3. Is the following statement true or false? Personnel activity is the aggregate sum of activities related to the work force, and people with varying social, economic, and cultural characteristics and personal features.

      a) true
      b) false

4. Which human resource management development stage is described by the following? The human being or resource becomes a strategic resource, and human resource management becomes part of strategic enterprise management.

      a.) PM
      b.) HRM
      c.) IHRM
      d.) SHRM

5. Which of the following is correct? (more than one correct answer is possible)

      a) the work tasks is a group of work areas.
      b) the work task includes work operations
      c) a work post includes specific tasks, area of authority, and area of responsibility.
      d) occupation is an indication of an individual's place within a given organisation

6. True or false? The (UJCS) FEOR helps the establishment of the work area values.

      True   False

7. Which one is the correct answer? (one correct answer is possible) How many outcomes does the comparison of work force demand and supply result in?

a) one
b) two
c) three

8. Which one is the correct answer (only one correct answer is possible) Which one of these is not the component of the 5A scheme for the development of work force?

a) appropriate people,
b) at an appropriate place and time,
c) with appropriate freedom of action
d) according to individual goals,
e) perform appropriate work.

9. What concept is defined by the following statement: "A filter capable of reliable ranking of candidates suitable for fulfilling the respective position via the examination of the respective job requirements along with the main characteristics and expectations of the given candidate."

a) recruitment
b) selection
c) performance evaluation
d) none of the above

10. Is the following statement true or false? Employees perform job duties at the firm lending them to their employers

a) true
b) false

11. True or false? Employment law regulates rights and obligations derived from work relations.

True   False

12. Which is the correct answer? (more than one answer is possible) Types of employment relations include:

a) work relation
b) special assignment
c) entrepreneurial work
d) tele work

13. Which concept is defined by the following description: "A systematic process promoting the continuous improvement of employee performance and the maximization of employee potential in order to facilitate the implementation of organisational goals."
a) performance evaluation
b) performance management
c) work area evaluation
d) work area analysis

14. Which is the correct answer? (more than one correct answer is possible) The individual work plan has to include:
a) the goal of the given work
b) key areas of the given work
c) main activities
d) material resources

15. Which of the following is not considered a process theory of motivation? More than one answer is possible!
i) Maslow's hierarchy of needs theory
j) Latham-Locke objective theory
k) Vroom's expectation theory
l) Herzberg's dual motivation theory

16. Is the following statement true or false: "Motivational content theories focus on the causes triggering acertain behaviour within an organisation."
i.) true
j.) false

17. Which one is the correct answer? (more than one correct answer is possible). The two main areas of occupational safety are:
a) employers
b) work safety
c) employees
d) occupational safety and health

8. Is the following statement true or false? Work safety is the technological and organisational criteria system for performing work in a healthy environment

      a) true
      b) false

19. Is the following statement true or false? Work safety is a factor occurring during or related to the performance of work presenting harm or danger to the worker or the person in his or her surroundings.
      a) true
      b) false

20. Which is the correct answer? (more than one correct answer is possible). The forms of safety signs at the work place can be:
      a) circle
      b) rhomboid
      c) triangle
      d) star

21. Which is the correct answer? (more than one answer is possible). Global factors impacting human resource management:
      a) population trends
      b) internationalization
      c) macro factors
      d) crises

22.Which is the correct answer? (more than one answer is possible). The basic categories of the labour market include:
      a) wages
      b) workforce demand
      c) income
      d) workforce supply