

BAFS

Course Title: Development of a Quality Workforce

Professional Development Programme on Enriching
Knowledge of the Business, Accounting and Financial Studies
(BAFS) Curriculum <Elective Part>

Learning Outcomes

- Upon completion of this course, teacher participants should be able to:
- Explain why good employee relations are important
- Describe the parties involved in good employee relationship
- Develop effective practices to facilitate communication in order to enhance good employee relationship

Learning Outcomes

- Develop appropriate disciplinary systems and grievance procedures in order to maintain good employee relationships
- Describe the collective-bargaining process
- Apply the various impasse-resolution techniques such as conciliation, mediation and arbitration in resolving industrial conflicts
- Develop appropriate orientation programme in order to reduce turnover and socialize new employee

Learning Outcomes

- Define motivation (激勵理論)
- Compare and contrast the following early theories of motivation and contemporary theories of motivation (激勵理論)
 - Maslow's Hierarchy of Needs Theory (需要階梯理論)
 - Herzberg's Dual-factor Theory (兩因子理論)
 - McGregor's Theory X and Theory Y (X 理論和 Y 理論)
 - Vroom's Expectancy Theory (期望理論)
 - Adam's Equity Theory (公平理論)
- Apply the said motivation theories to enhance staff efficiency and reduce absenteeism and turnover
- Evaluate current issues in motivating employees

Syllabus in HKDSE Examination

- Employee relations
 - Explain the functions of collective bargaining, conciliation, mediation and arbitration in industrial conflicts (L1 & 2)
 - Suggest appropriate orientation and internal communication programmes (L4)
 - Explain grievance handling and disciplinary action procedures (L1 & 2)

Syllabus in HKDSE Examination

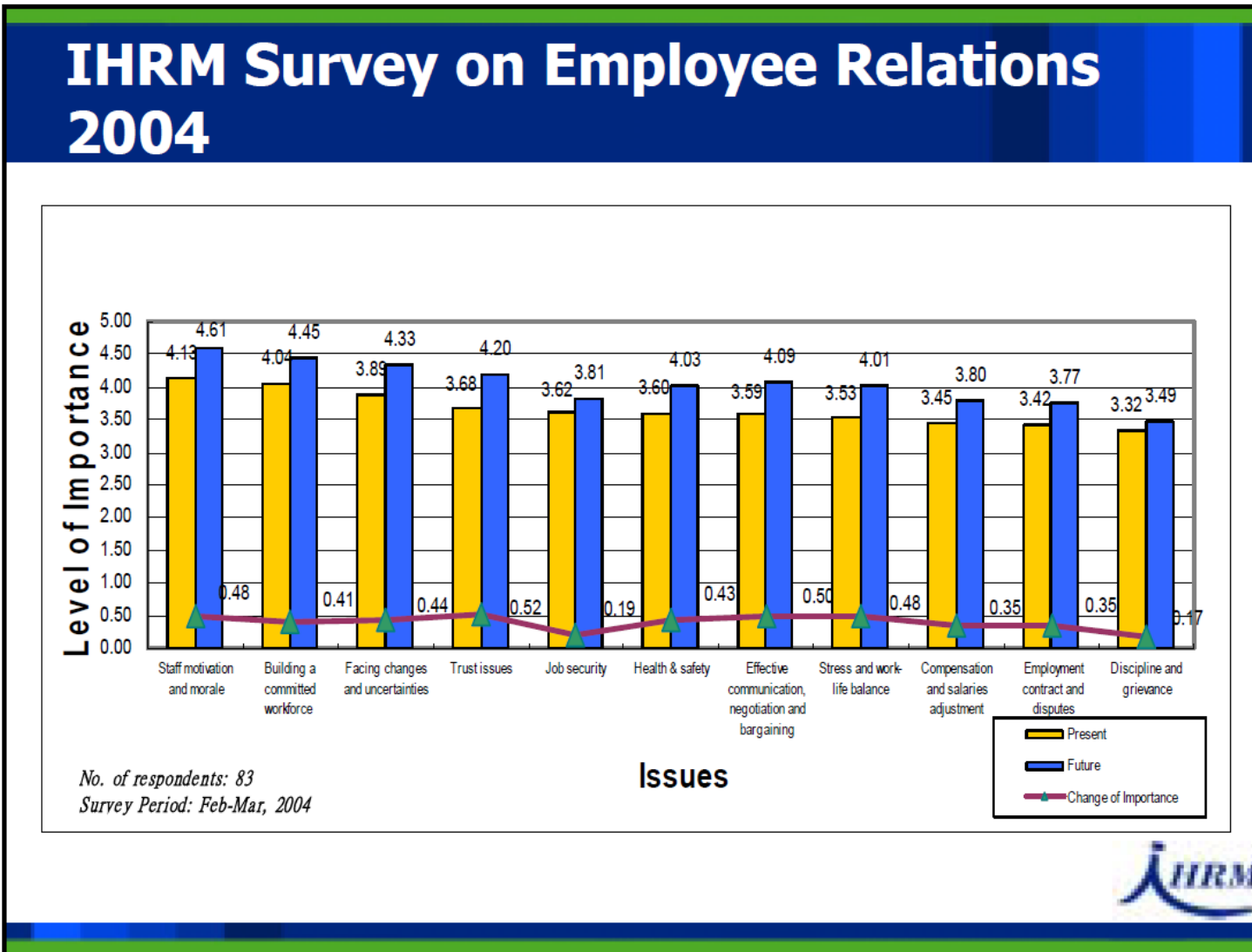
- Motivation theories
 - Apply the motivation theories to enhance staff efficiency and reduce absenteeism (L2 & 4)
 - Maslow's Hierarchy of Needs Theory
 - Herzberg's Dual-factor Theory
 - McGregor's Theory X and Theory Y
 - Vroom's Expectancy Theory
 - Adam's Equity Theory

Course Outline

- Development of a quality workforce
 - Issues related to good employee relations
 - Communication programmes
 - Well-defined disciplinary and grievances procedures
 - Collective bargaining process
 - Appropriate orientation programme
 - Application of the 5 motivational theories
 - Current issues relating to motivating employees
- Case illustration
- End of coursework - MCs

Employee Relations

- One of the activities of the maintenance function in HRM
- **Maintenance functions:**
 - Safety and health
 - Communications programme
 - Employee relations (ER)

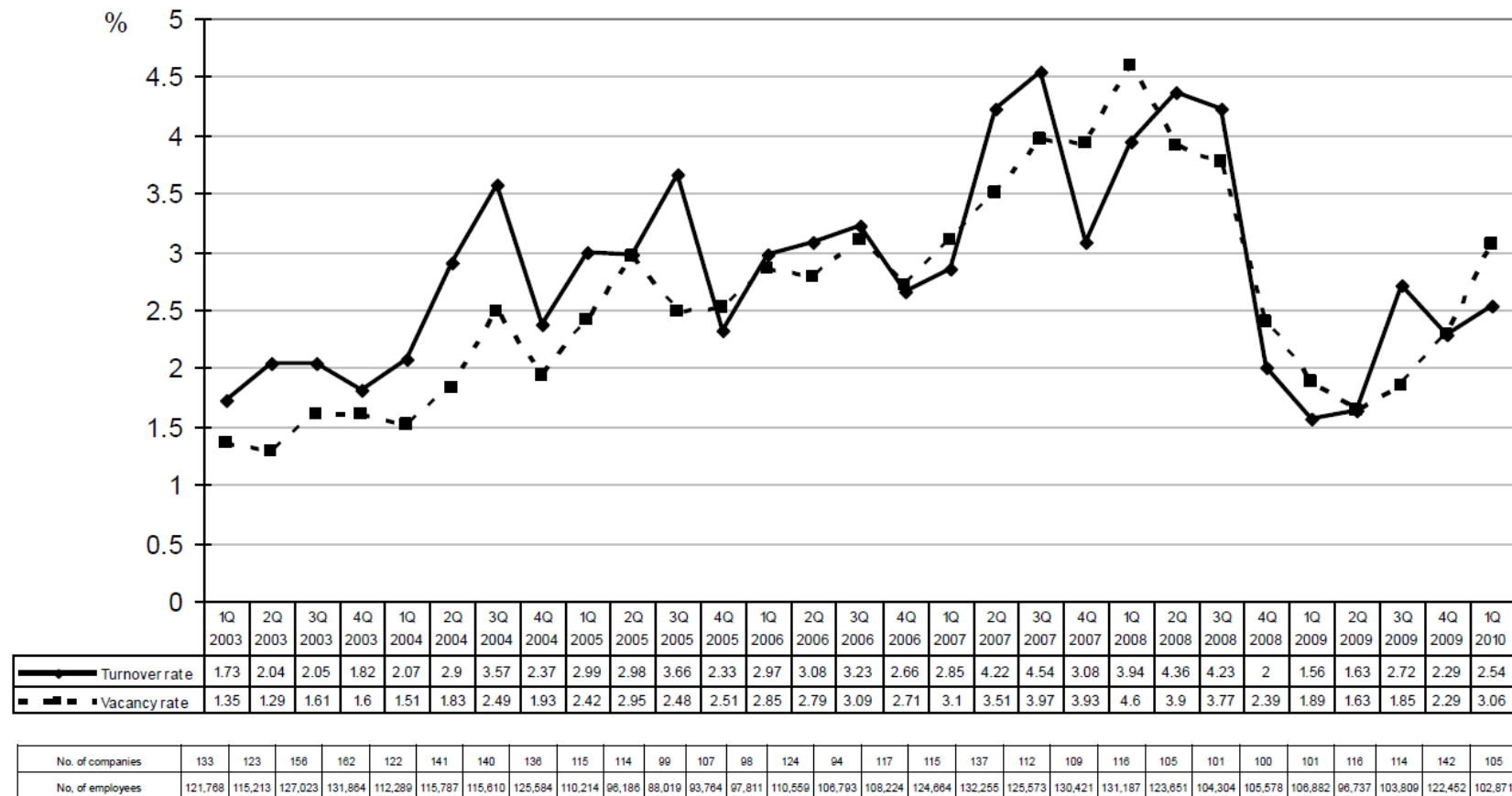


Importance of Good ER Practices

- Retain high quality, competent and adapted workforce who are willing to maintain their commitment and loyalty to the organisation

Survey of turnover rate in HK by HKIHRM

Chart 1) A Summary of Turnover Rates and Vacancy Rates (First Quarter of 2003 – First Quarter of 2010)

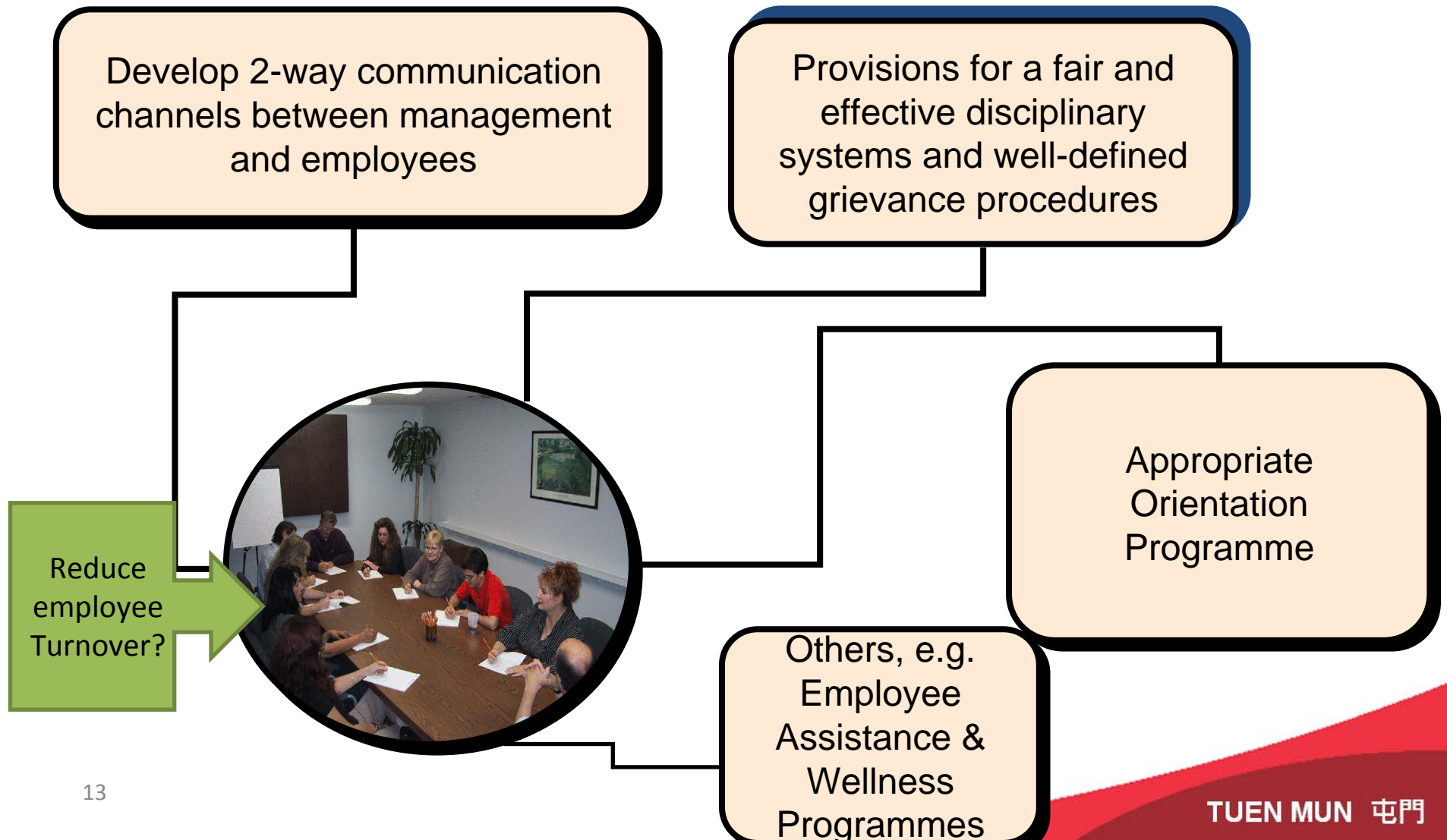


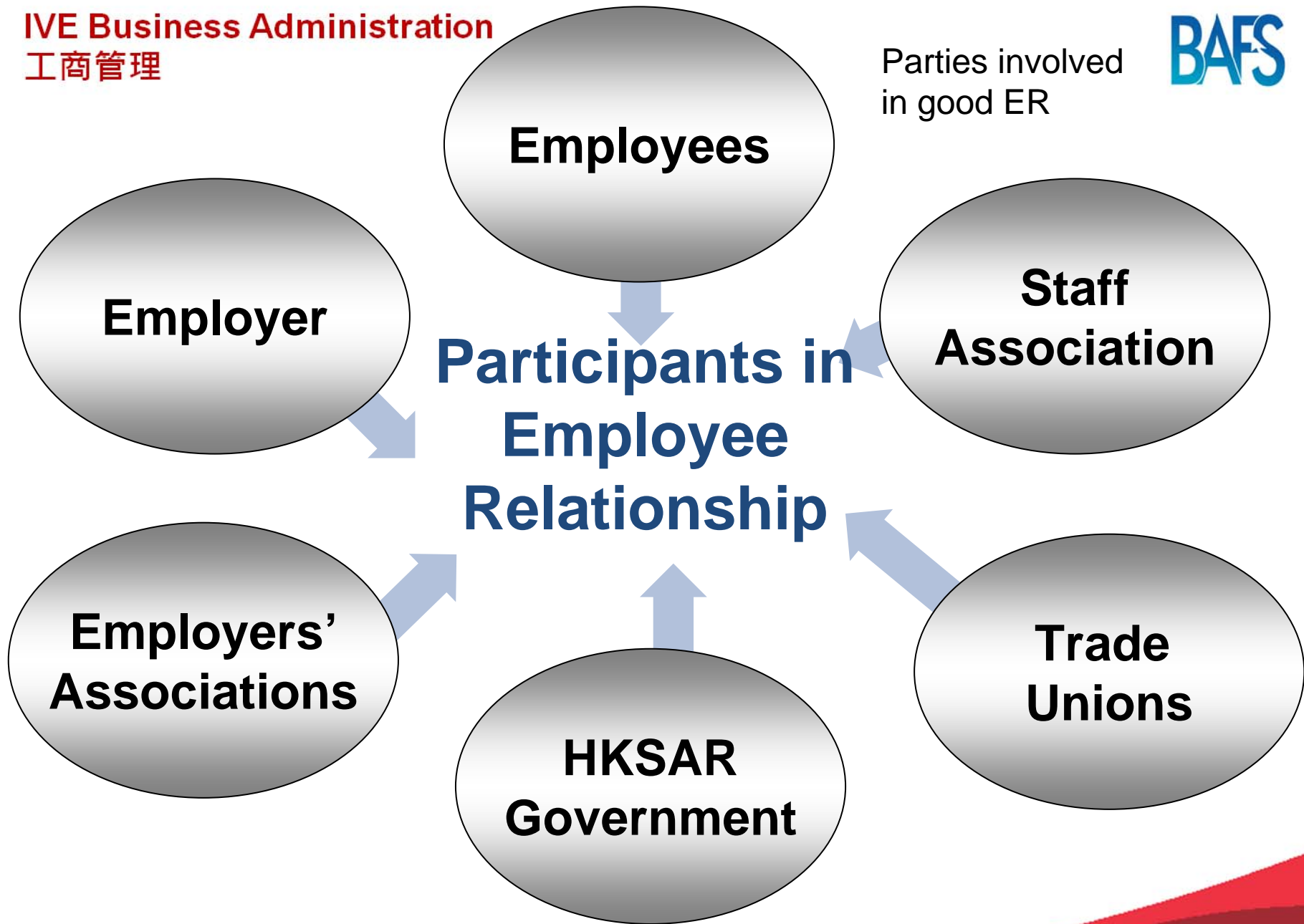
Source: HKIHRM, Survey of Turnover Rate in HK 2010

Employee Relations

- Employee relations video in Foxconn.
- What is good ER?

Good ER Practices



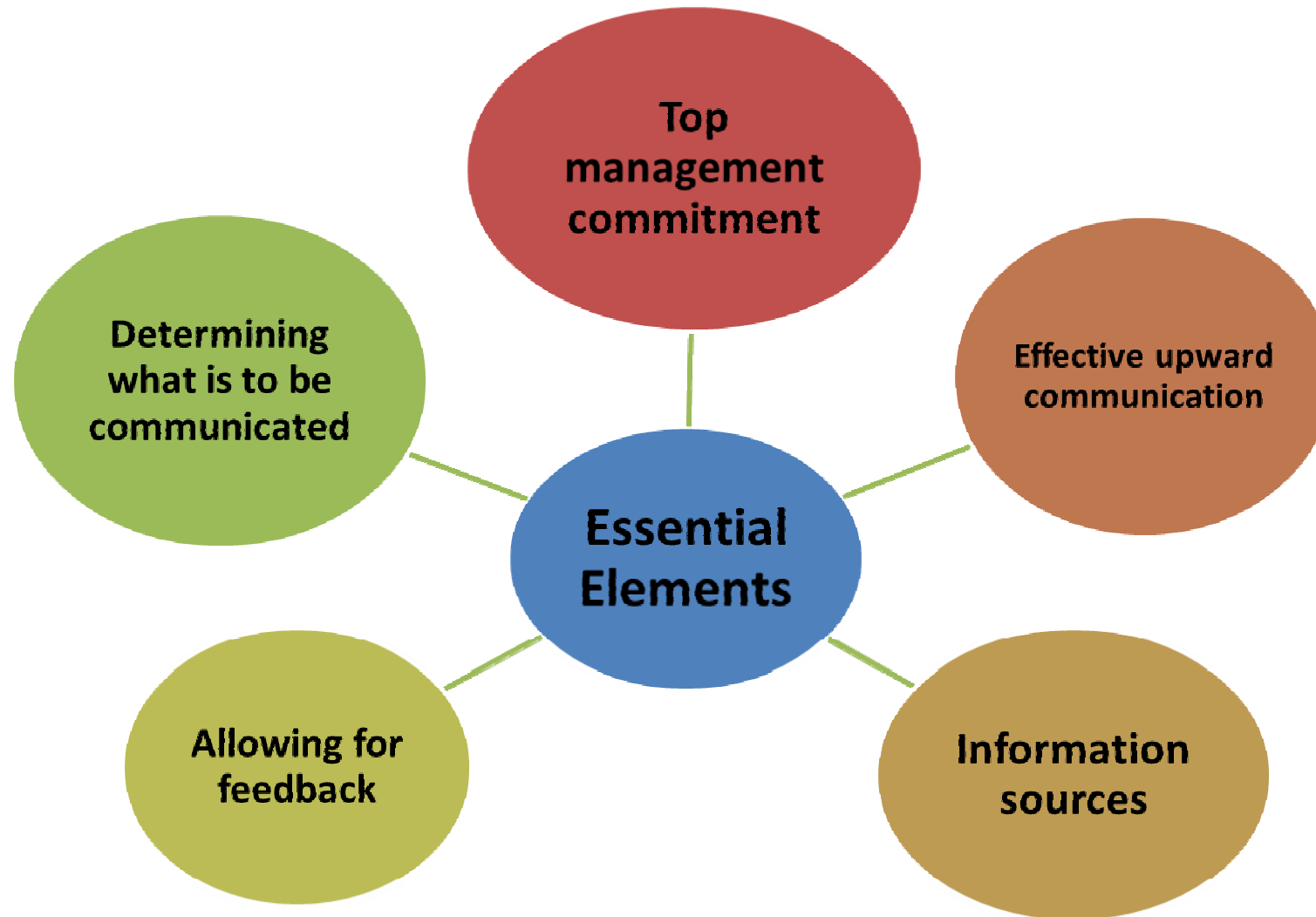


Effective 2-way Communication Channels

To keep employees informed of the latest development and let them aware of the new policies and procedures that would affect them

(DeCenzo and Robbins, Human Resource Management, 10th ed. Wiley 2010)

Essential elements of the communications programmes



Commonly-found Communication Channels

- Work unit meeting
- Briefing groups
- In-house seminars
- Joint consultative committee
- Exit interview
- Employee attitude survey



- Suggestion scheme
- Video presentation /videoconferencing
- Written media
 - Employee handbook
 - Circulars
 - Written notices
 - In-house newsletters
 - Staff bulletins
 - Internet, e-mail & intranets

Challenge Corner – Q1

- What are the commonly found disciplinary problems at workplace?

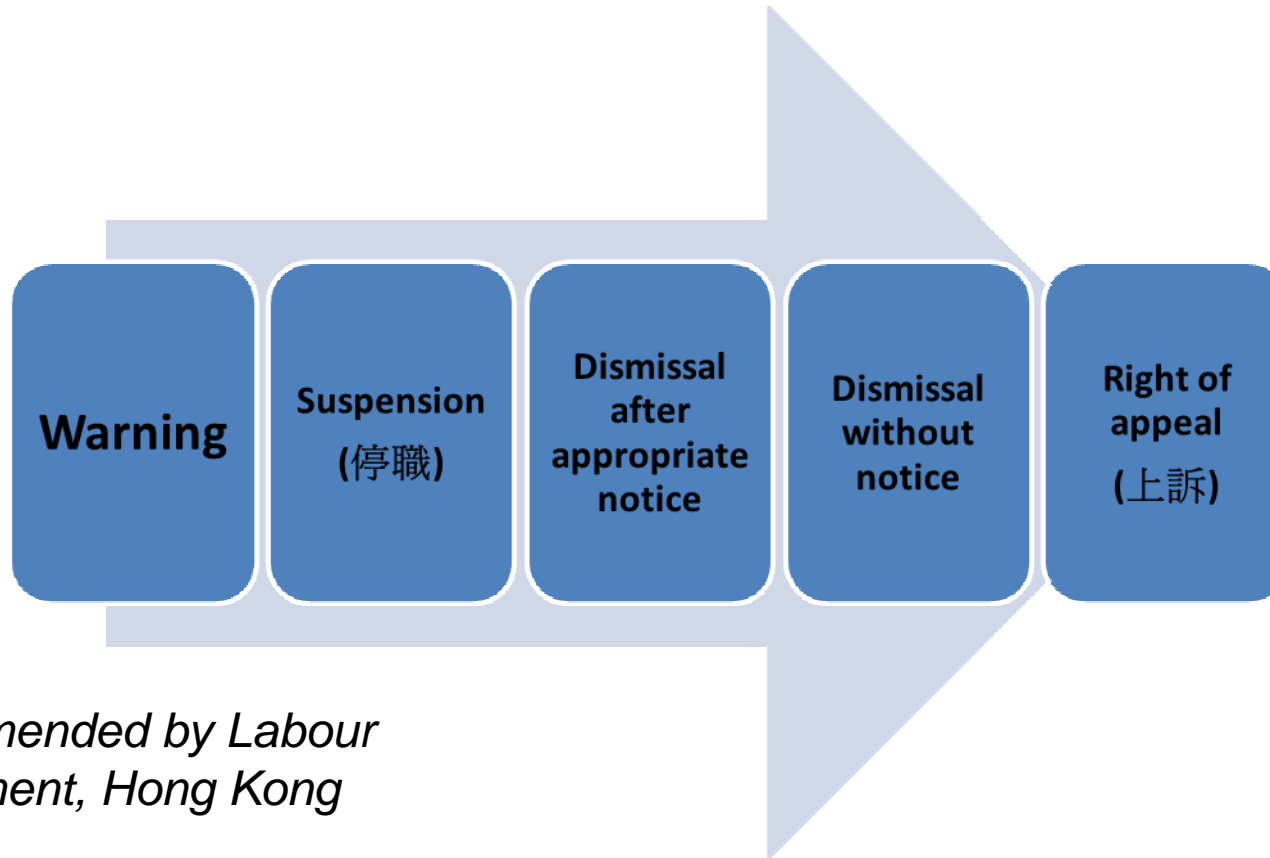


Suggested Answers - Q1

Commonly-found disciplinary problems

- Attendance
- On-the-job behaviours
- Dishonesty
- Outside activities
- *(DeCenzo and Robbins, Human Resource Management, 10th ed. Wiley 2010)*

Disciplinary Procedures



*Recommended by Labour
Department, Hong Kong*

Challenge Corner – Q2

Case on Disciplinary Action

Mr. Chan was the Branch Manager of a bank. Paul was one of his subordinates. Lately he found that Paul was always absent on Monday mornings. Mr. Chan was quite reluctant to face Paul as he knew that Paul was quite emotional. Mr. Chan avoided emotional confrontation with him. What should Mr. Chan do?



Suggested Answers – Q2

Disciplinary Guidelines

- Make sure disciplinary action is **corrective** rather than punitive
- **Progressive** discipline
- **Hot-stove** rule

(DeCenzo and Robbins, Human Resource Management, 10th ed. Wiley 2010)



Grievance Procedures

- Survey of organisations providing grievance procedures
- *(Ng and Chan, 2000 in Chan, Mak & Bannister, Managing HR in HK, Thomson, 3rd ed. 2002)*

Survey Results

- *Survey over one hundred and half respondents, only half made provisions for grievance procedures*

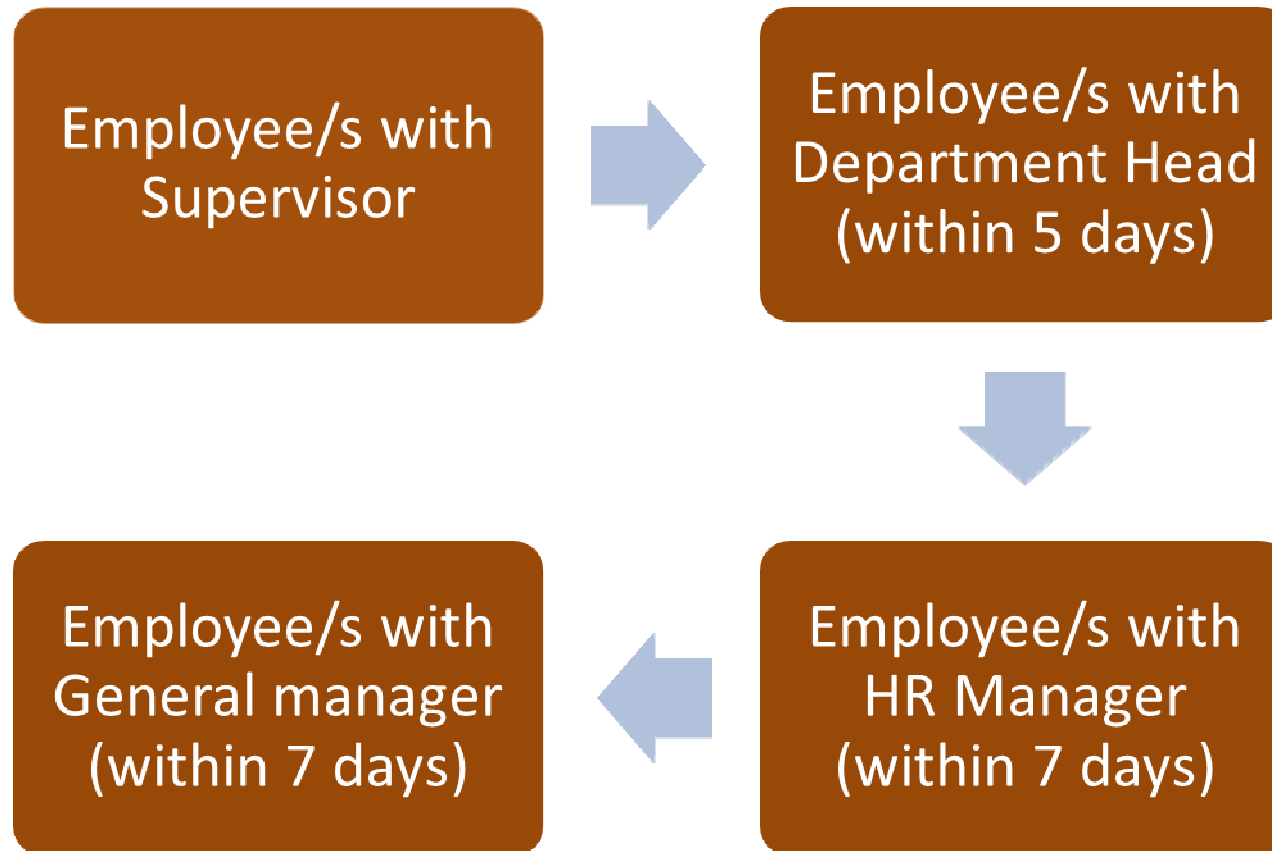
Grievance Procedures

Formal complaint of employee or employees' dissatisfaction with the company policies and/or inappropriate management actions.

(Chan, Mak & Bannister, Managing HR in HK, Thomson, 3rd ed. 2002)



Procedures recommended by Labour Department



Case on Labour Dispute

For the past 11 months, employees of Vitasoy have repeatedly requested for the following:-

- *Respect union rights*
- *Demand for regular meeting*
- *Annual wage increase bargaining*
- *Sales increased, demand for reasonable wage scheme*
- *Wage increase 7%, share the prosperity*
- *Collective bargaining rights*



Challenge Corner – Q3

Case on Labour Dispute

The Management refused to recognize the union and meet with the union. They only acceded to 5% increase in salaries on 18 June 2011.

(Adapted from <http://cms.iuf.org/>)



- What are the causes of the labour disputes in this case?
- Is collective bargaining legally recognized in HK?
- Discuss how you would handle the labour dispute in this case.

Suggested Answers – Q3a.

- Rate of annual salary adjustment is lower than expected
- Employees are not satisfied with the existing wage scheme and level of pay
- Refusal of meeting with the union to discuss employment issues

Suggested Answers – Q3b.

- In Hong Kong, there are no legal provisions governing the rights of collective bargaining and also the recognition of unions.

Suggested Answers – Q3c.

- **No universal formula**
- The responsible manager should:-
 - Prepare for the negotiation
 - review the company's position and external factors
 - understand the company's baseline
 - assess the possible outcome of the dispute
 - identify employees' representatives
 - Start the negotiation with the employees' representatives using various tactics (**collective bargaining process**)

Suggested Answers – Q3c.

- If the labour and management cannot reach a satisfactory agreement, consider the assistance of an objective third party.
- Consider service of conciliatory service provided by the Labour Department.
- The role of the conciliator is go-between to keep the negotiations going.

Suggested Answers – Q3c.

- If no progress is made, mediator will be needed to pull together the common ground and advise recommendation on settlement.
- If impasse still exists, arbitration will bring in to render a decision on how to settle the current labour dispute.

(Adapted from DeCenzo and Robbins, Human Resource Management, 10th ed. Wiley 2010)

Orientation Programme

Outsider-Insider Passage

Socialization - Familiarization and adaptation

Parties involved:

- HRM Staff
- Employees' supervisors
- Senior Management



Typical Orientation Programme

Organization	HRM policies	Job
<ul style="list-style-type: none">• Objectives• History• Philosophy• Procedures• Rules• Organization chart• Physical facilities	<ul style="list-style-type: none">• Work hours• Pay procedures• Overtime requirements• Benefits• Employee handbook	<ul style="list-style-type: none">• Specific duties and responsibilities• Introduce the employees to their manager and co-workers

Case - How orientation programme changed AA Hotel's customer services?

AA Hotel was renowned for their best customer services to travelling executives.

In the 90s, the hotel recruited their front-line staff at recruitment fairs. They would select the best candidates and offer higher than the market rate for each position.

These newly recruited staff members would undergo an orientation programme in their first day with the hotel. They were given an hour's briefing on the benefits of the hotel. After then, they were put to work knowing nothing about the organization's mission. Even though, the pay is higher than its competitors, 40% of the new employees quit within the first six months and customers' satisfaction rate was quite low.



How orientation programme changed AA Hotel's customer services?

Things have changed now. Customers' satisfaction rate was high. AA Hotel could do what they had promised to the travelling executives. The check-in time had been cut from 15 min. to within 3 min. **What had they done?**

The HR people had re-engineered their orientation programme. New employees went through a 90-day orientation. On the 1st day, they attended an eight-hour session on what was quality service. New employees were introduced to the AA's culture, brand and specific role they could make the hotel a success. An extravagant lunch was served as a welcome gesture.

The new employees were also assigned a mentor to work with them for the next three months. The mentor attended the refresher courses together with the new employees to foster commitment to best customer services. At the end of the 90-day orientation, new employees and mentors were invited to a gala banquet for recognizing their efforts in the past months.

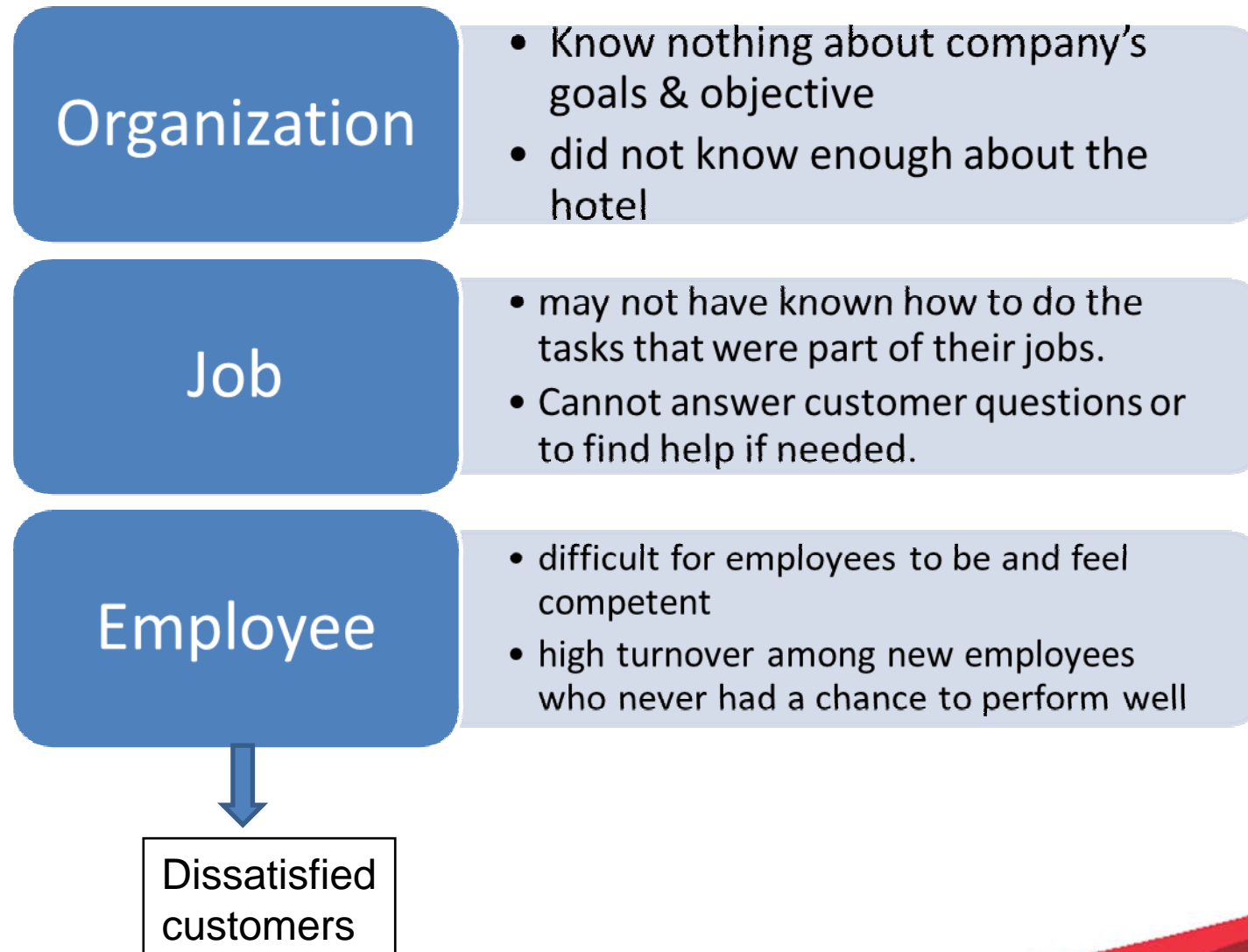
(adapted from HMA Administrator June 2010)

Challenge Corner – Q4

- a. What were the problems of the old orientation programme?
- b. Why did the new orientation programme help enhancing customers' satisfaction?



Suggested Answers – Q4a.



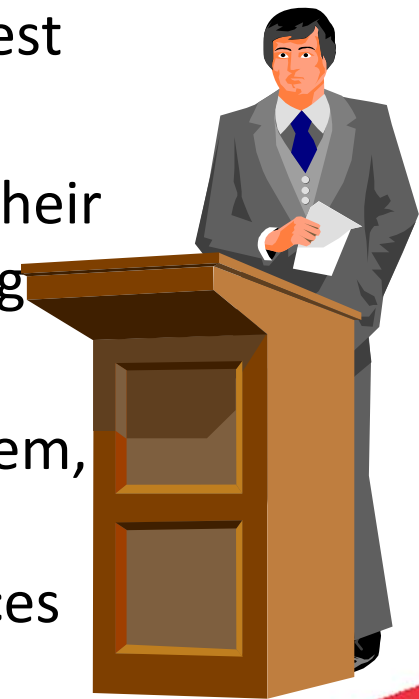
Suggested Answers – Q4b.

90-day orientation programme - communicate management's commitment to the new employees, their willingness to invest in them

Mentorship programme – foster commitment to best customer services

Lunch and banquet - the hotel is willing to reward their employees' efforts to pay attention and learn during orientation.

When new employees know what is expected of them, they can contribute to better organizational performance thus leading to better customer services and better customers' satisfaction.



Survey Results by City University of Hong Kong (2011)

- **A survey on employee engagement**
- Generation Y had the highest turnover rate among all working groups in different generations.
- **Reasons:**
- **lack of opportunities for personal growth and development**
- **Dissatisfied with company policy**
- **Lack appreciation from supervisors**

Survey Results by City University of Hong Kong (2011)

- What do the Generation Y employees want?
- Top five factors encouraging Gen Y employees:
 - Friendly relationship with colleagues (65.2%)
 - Clear understanding of work performance assessment criteria (63.3%)
 - Opportunities for personal growth and development (60.8%)
 - Opportunities to acquire new knowledge (50.7%)
 - Jobs that offer challenges (50.7%)

Motivation

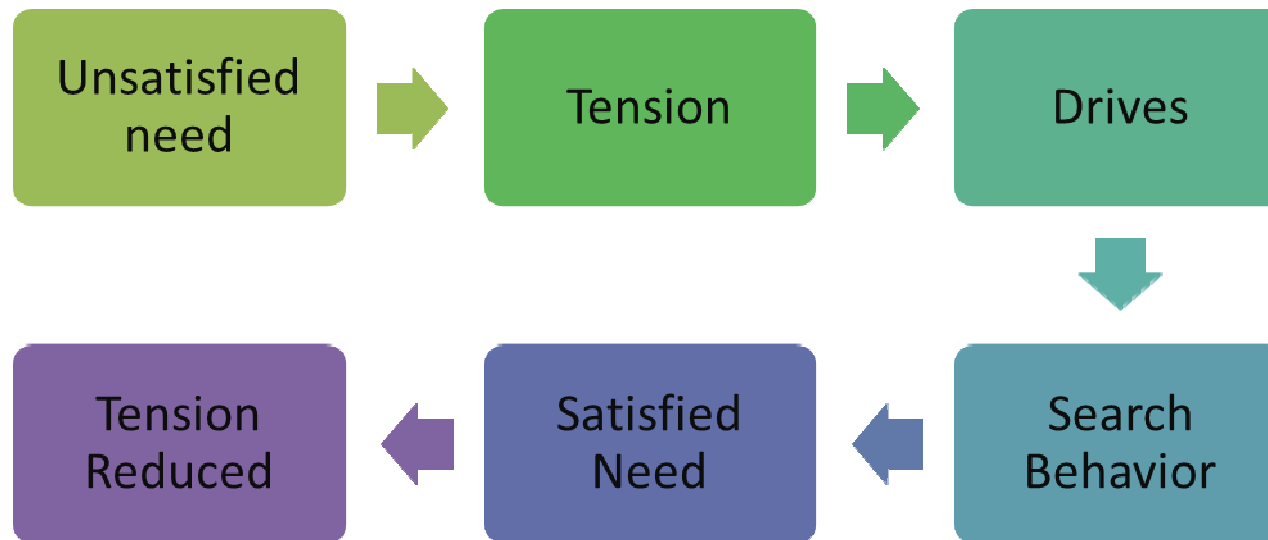
- Latin '*movere*' = to move
- Why do management concern about employee motivation?



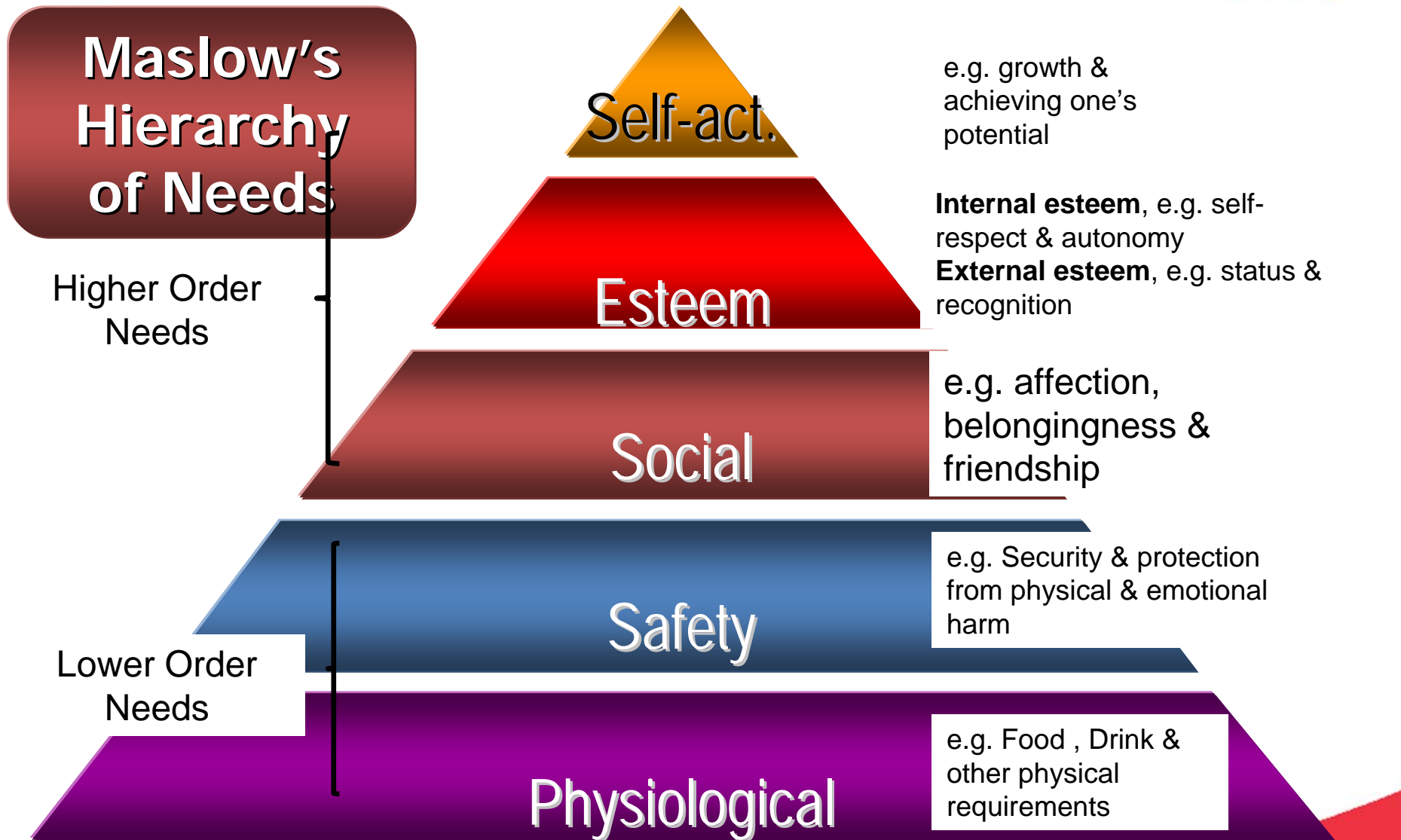
Definition

- Motivation defined as the willingness to exert high levels of effort (努力) to reach organisational goals (目標), conditioned by the effort's ability to satisfy some individual need (需要).
- *(Robbins, 7th ed., Fundamentals of Management, Pearson, 2011)*

Needs



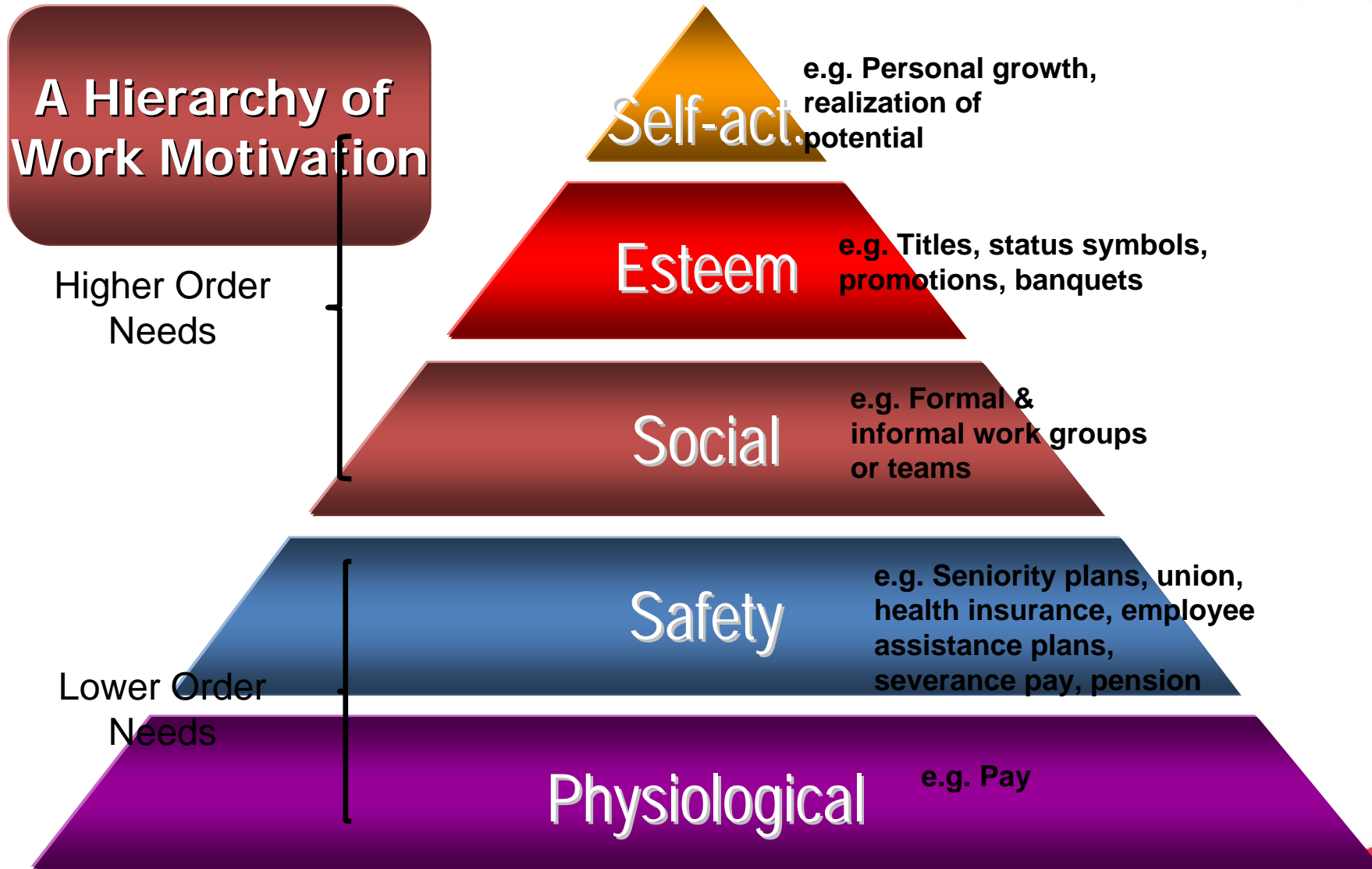
Adapted from Robbins & DeCenzo , Fundamentals of Management, 6th ed. ©Prentice Hall, 2008



Motivational Implications

To motivate:

- Understand which level of need the employee is in
- focus on satisfying needs at or above that level



Challenge Corner – Q5

The Management neglected one of Maslow's need levels in the following work situations. Based on Maslow's Hierarchy of Needs Theory, what motivating technique is likely to work best in each situation.

- a. Tom was a supervisor in a factory. He developed a method to cut production time. The factory manager adopted his method without giving him credit. Tom was angry. He told his colleague that he should be given recognition.

Challenge Corner – Q5

- b. There was a rumor of imminent layoffs of some machine operators in a factory. The machine operators were upset and morale was low.

Suggested Answers – Q5a.

- Maslow classified the needs for esteem into two categories:
 - internal worth
 - external esteem
- Tom was looking for esteem need as he wanted prestige for his work done.
- The factory manager should motivate Tom by recognizing his contribution. He should praise Tom for initiating the method.

Suggested Answers – Q5b.

- The machine operators felt upset because there was a possibility of losing their jobs. Their security need was very strong.
- If it was really a rumor, the factory should inform employees immediately that there was no immediate layoff plan so that they would feel secure in their jobs.

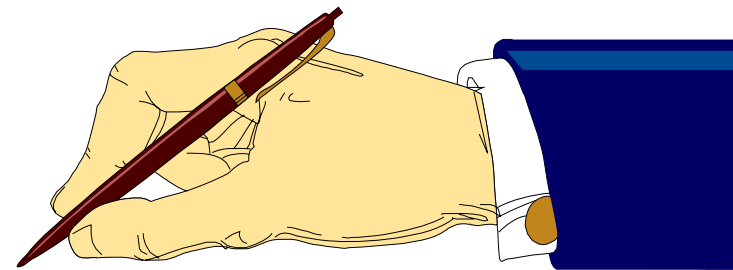
Suggested Answers – Q5b.

- If it was the real intention that the factory would undergo a downsizing exercise, the Management should formulate a plan and announce it as soon as practicable. If possible, some workers may be deployed to other sections. Workers may be given training before deployment.
- At least, let the survivors felt that their jobs were secure.

Activity 1

**What is your assumption of
human nature?**

*(Halloran & Benton, Applied
Human Relations, P.256)*



Theory X assumptions – Negative view

- Little ambition
- Lazy, dislike work
- Want to avoid responsibility
- Must be controlled and threatened before they will work hard enough

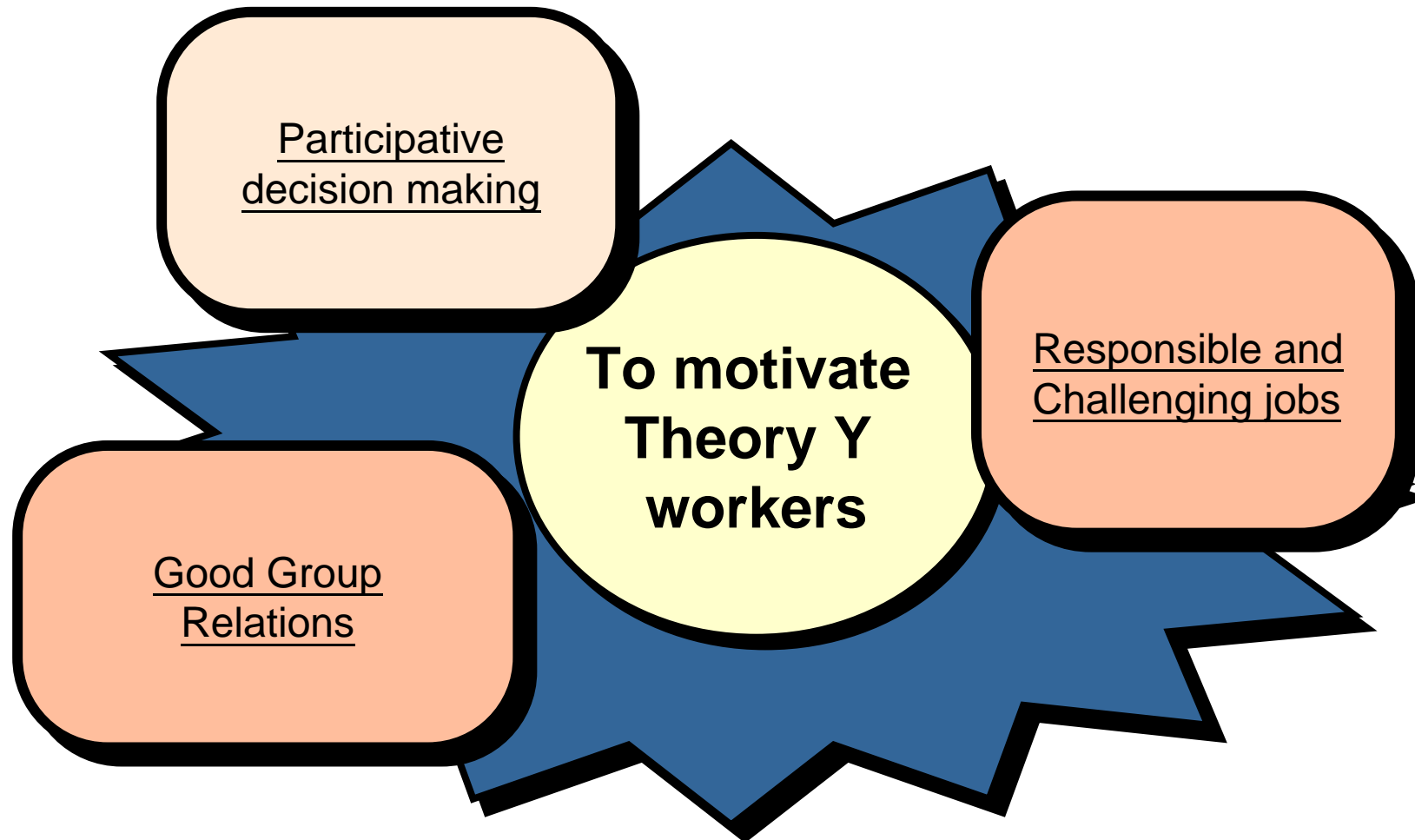
Theory Y assumptions – Positive view

- Work as natural as play or rest
- Creative, enjoy work
- Self direction
- Seek out responsibility

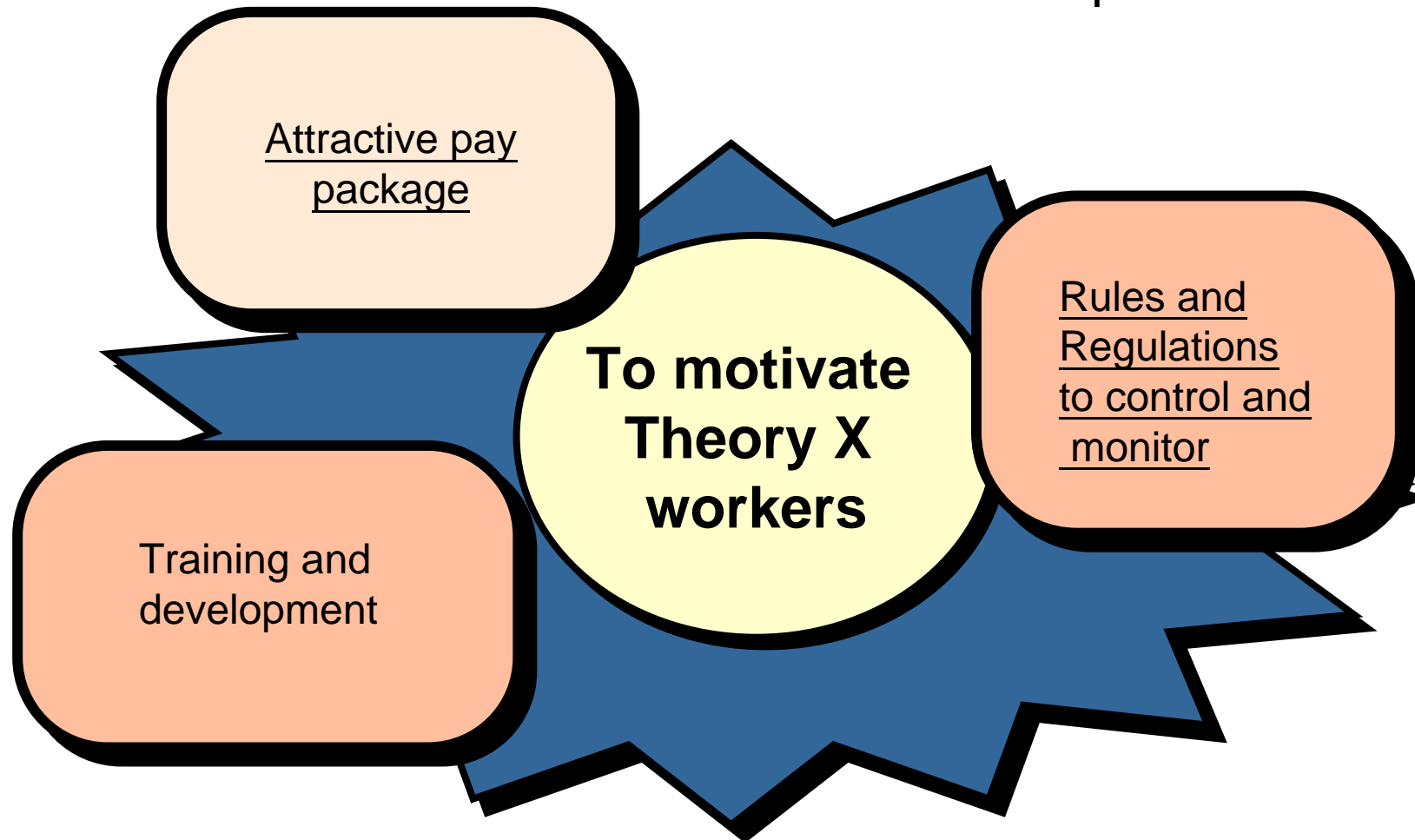
Contrast with Maslow's Theory

Maslow's Hierarchy of Needs Theory	McGregor's Theory X and Theory Y
Higher order needs	Theory Y
Lower order needs	Theory X

Motivational Implications



Motivational Implications



Challenge Corner – Q6

- What kind of management style is McDonald's chain? What kind of assumptions will lead to this type of management style?

Suggested Answers – Q6

- **Dominant X theory**
- Success of theory X in progress:
- Strict company policy of **Q**uality, **S**ervice, and **C**leanliness.
- Rigid training programs of potential managers
- Uniform structure of each franchise
- Production line method of serving
- Automatic program of inventory

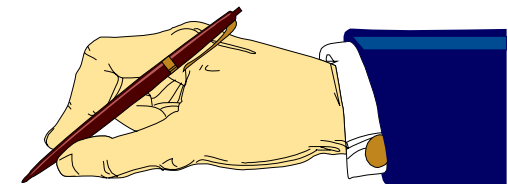
(Adapted from Halloran & Benton, Applied Human Relations, Prentice-Hall)

Activity 2

What do people want from their job?

(Robbins, Organizational Behaviour, 9th ed. P. 180)

Add up each column. Did you select hygiene or motivating factors as being more important to you?



Frederick Herzberg's Two-factor Theory

- Also called Motivation-Hygiene Theory
- Intrinsic factors relate to job satisfaction
Extrinsic factors relate to job dissatisfaction
- **Motivators** (激動因子) (job satisfiers) are related to **job content** and **hygiene** factors (保健因子) (job dissatisfiers) are associated with **job context**

(Adapted from Robbins, Organizational Behavior, 11th ed., Prentice-Hall, 2011)

Herzberg's Two-Factor Theory

Hygiene Factors

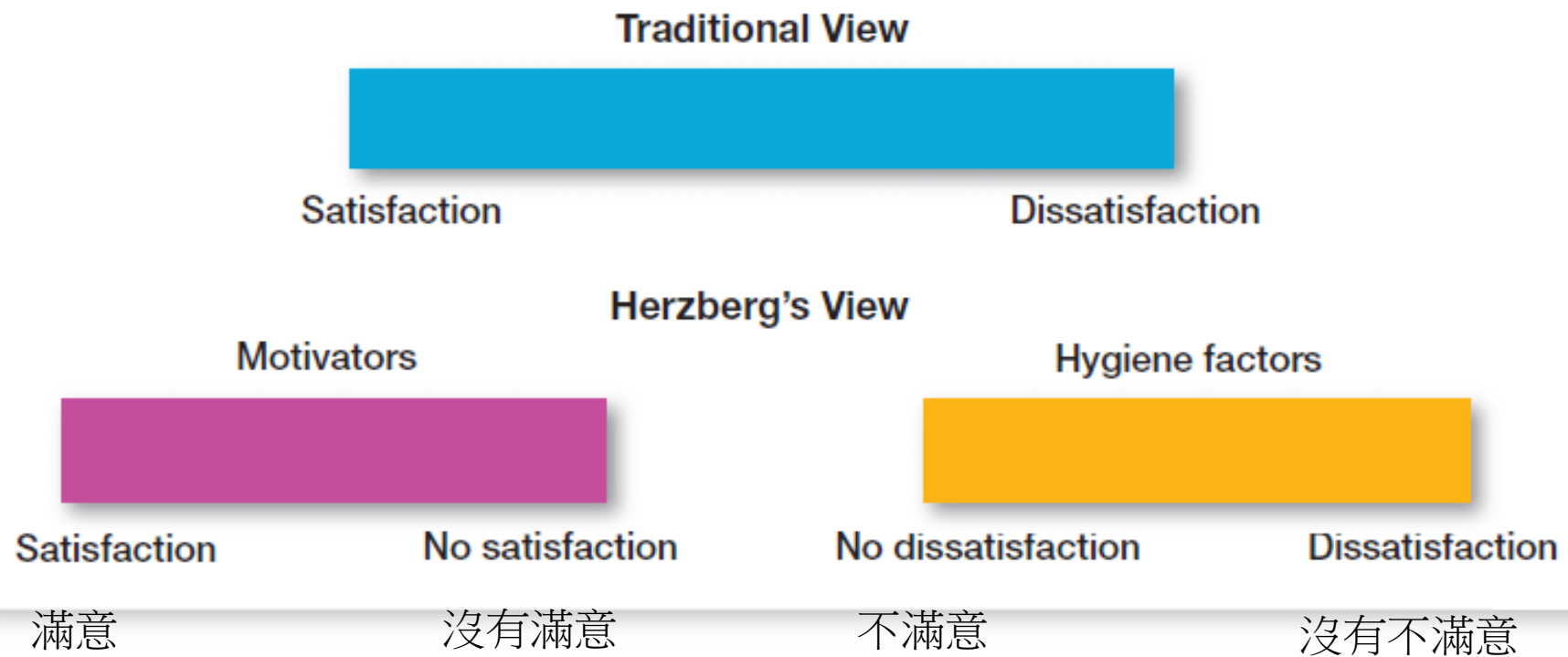
- ❖ Company policy and administration
- ❖ Quality of supervision
- ❖ Relationship with supervisor, peers & subordinates
- ❖ Working conditions
- ❖ Salary
- ❖ Personal life
- ❖ Security and status

Motivators

- ❖ Achievement
- ❖ Recognition
- ❖ Work itself
- ❖ Responsibility
- ❖ Advancement
- ❖ Growth



EXHIBIT 10-3 Contrasting Views of Satisfaction–Dissatisfaction



Source: Robbins, DeCenzo & Coulter, *Fundamentals of Management*, 7th ed. ©Prentice Hall, 2011

Contrast with Maslow's and McGregor's Theories

Maslow's Hierarchy of Needs Theory	McGregor's Theory X and Theory Y	Herzberg's Two Factor Theory
Higher order needs	Theory Y	Motivators
Lower order needs	Theory X	Hygiene Factors

Motivational Implications

- Hygiene factors are necessary to maintain peaceful working environment for employees.
- To motivate:
 - job content must be re-designed to provide opportunities for achievement, recognition, responsibility and advancement. (*Job enrichment*)

Challenge Corner – Q7

- According to Herzberg's Two-Factor Theory, how could Management motivate professionals?

Suggested Answers – Q7

- Professionals are typically different from nonprofessionals.
- The main motivator in their job is the work itself.

Suggested Answers – Q7

- Management should motivate professionals by providing them with new assignments and challenging projects. Examples:-
- Give them autonomy in their work (**work itself & responsibility**)
- Reward them with educational opportunities (**advancement & growth**)
- Reward them with recognition (**recognition**)

(Adapted from Robbins, DeCenzo & Coulter, Fundamentals of Management, 7th ed. ©Prentice Hall, 2011)

Vroom's Expectancy Theory of Motivation

- Peter is the Assistant Branch Manager of an international bank. He will soon get married and wants to buy a flat as his new home (individual goal).

Vroom's Expectancy Theory of Motivation

- His supervisor tells him that there will be a vacant position in a branch at the end of this year. If he puts more efforts in his work and achieves a certain level of performance, he may have a chance for the position.



Vroom's Expectancy Theory of Motivation

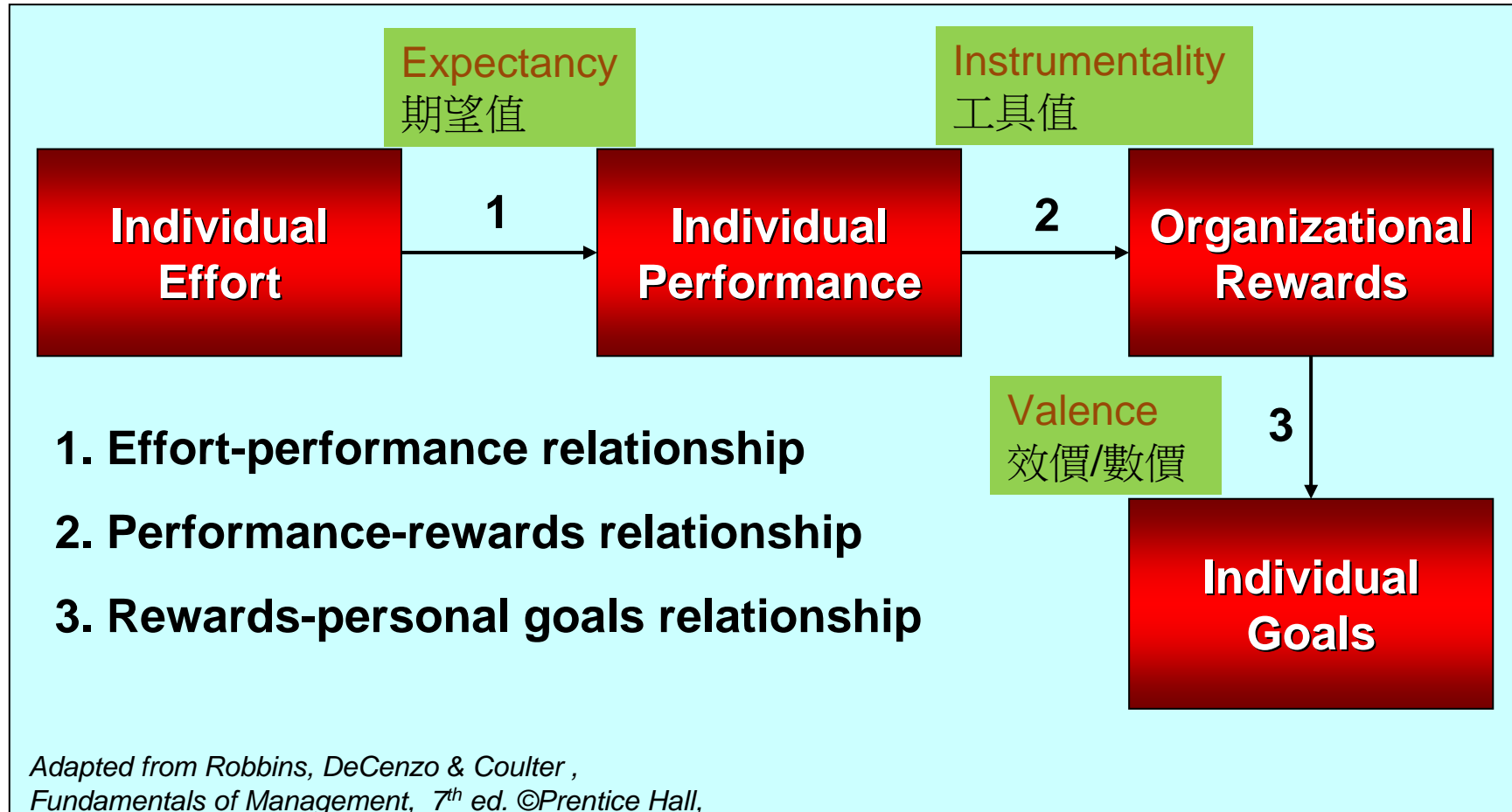
- Peter believes that if he works hard (**individual effort**) he can achieve superior performance level (**individual performance**) to be promoted to a Branch Manager.
- After promoting to the Branch Manager, he can get extra pay (**organisation rewards**) and that extra rewards can achieve his personal goals of buying a new home (**achieving individual goal**).

Vroom's Expectancy Theory of Motivation

- It states that an individual tends to act on the basis of the expectation that the act will be followed by a given outcome and the attractiveness of that outcome to the individual.

(Adapted from Robbins, DeCenzo & Coulter, Fundamentals of Management, 7th ed. ©Prentice Hall, 2011)

Expectancy Theory



Adapted from Robbins, DeCenzo & Coulter ,
Fundamentals of Management, 7th ed. ©Prentice Hall,
2011

Motivational Implications

- **perceptions** will determine employee's level of effort.
- It emphasizes **rewards**.
- To motivate:
 - rewards offered will match what employees want.
 - understand which type of reward is attractive
 - Communicate expectation to employees and implementing fair appraisal system

Challenge Corner – Q8

- Referring to Peter's case in the bank, Peter had doubts in the performance appraisal system. Based on Vroom's Expectancy Theory, would Peter be motivated to put more effort in his work?

Suggested Answers – Q8

- Even if Peter thought that he could put in extra effort and attain a certain level of performance, he had doubts in the criteria that will be used to judge his performance.
- Therefore the performance-rewards relationship was broken, Peter might not be motivated.
- In order to be motivating, employees should know what is expected of them and how they will be appraised.

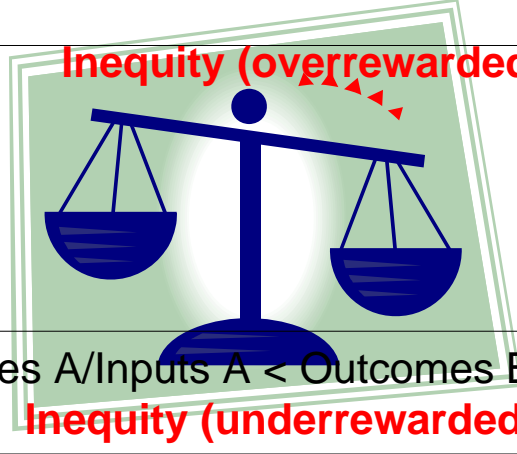
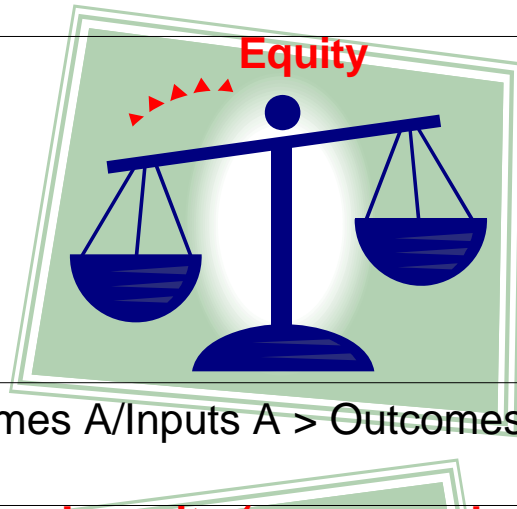
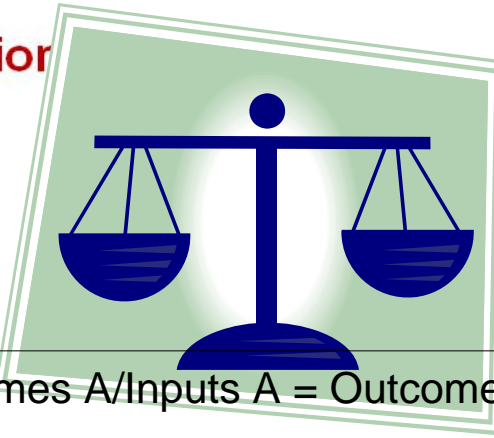
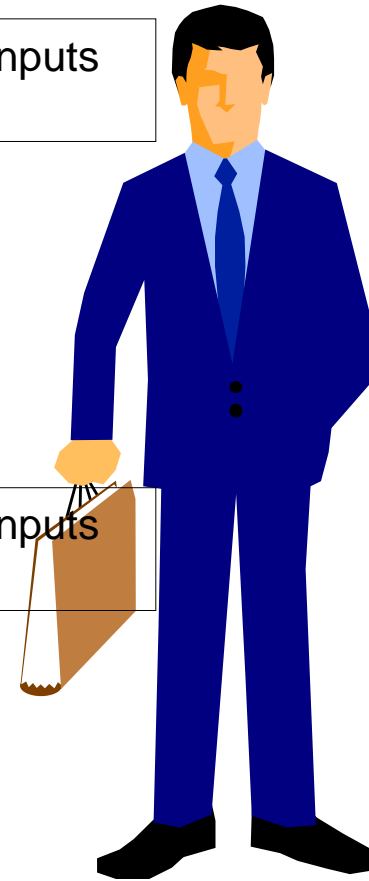
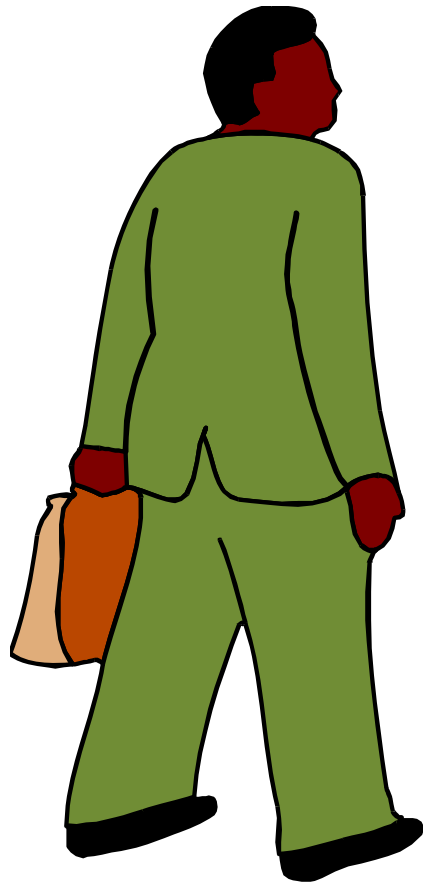
Adams' Equity Theory

- Employees tend to make comparison with others and inequalities will affect the efforts they put in their work. When they felt inequalities, they will 'strive' to restore equalities.
- Employees perceive what they get from a job situation (outcomes) in relation to what they put into it (inputs) and then compare their inputs-outcome ratios with those of the relevant others (persons, systems or selves).

*(Adapted from Robbins, DeCenzo & Coulter, Fundamentals of Management, 7th ed.
©Prentice Hall, 2011)*

Mr. Wong –
employee (A)

Mr. Chan –
the referent (B)



Adapted from
Robbins,
DeCenzo &
Coulter ,
Fundamentals of
Management, 7th
ed. ©Prentice Hall,
2011

Motivational Implications

To motivate:

- justice inside the organization on the whole
- Fairness in the amount of rewards and allocation of rewards
- Fairness in the process
- Treat and respect employees in a fair and impartial manner

Challenge Corner – Q9

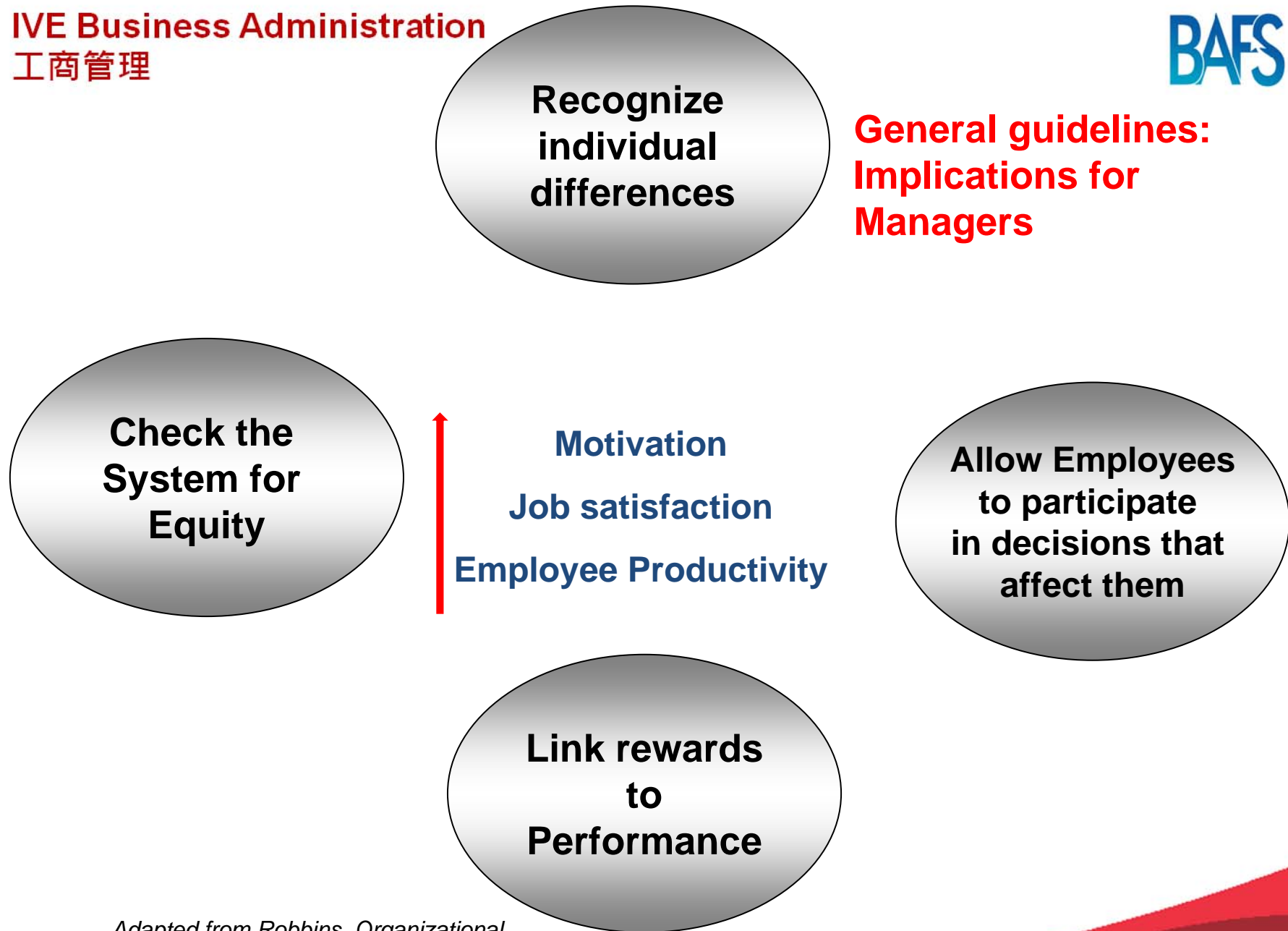
- Referring to Peter' case in the bank, how could the managers improve the overall equity in the bank?

Suggested Answers – Q9

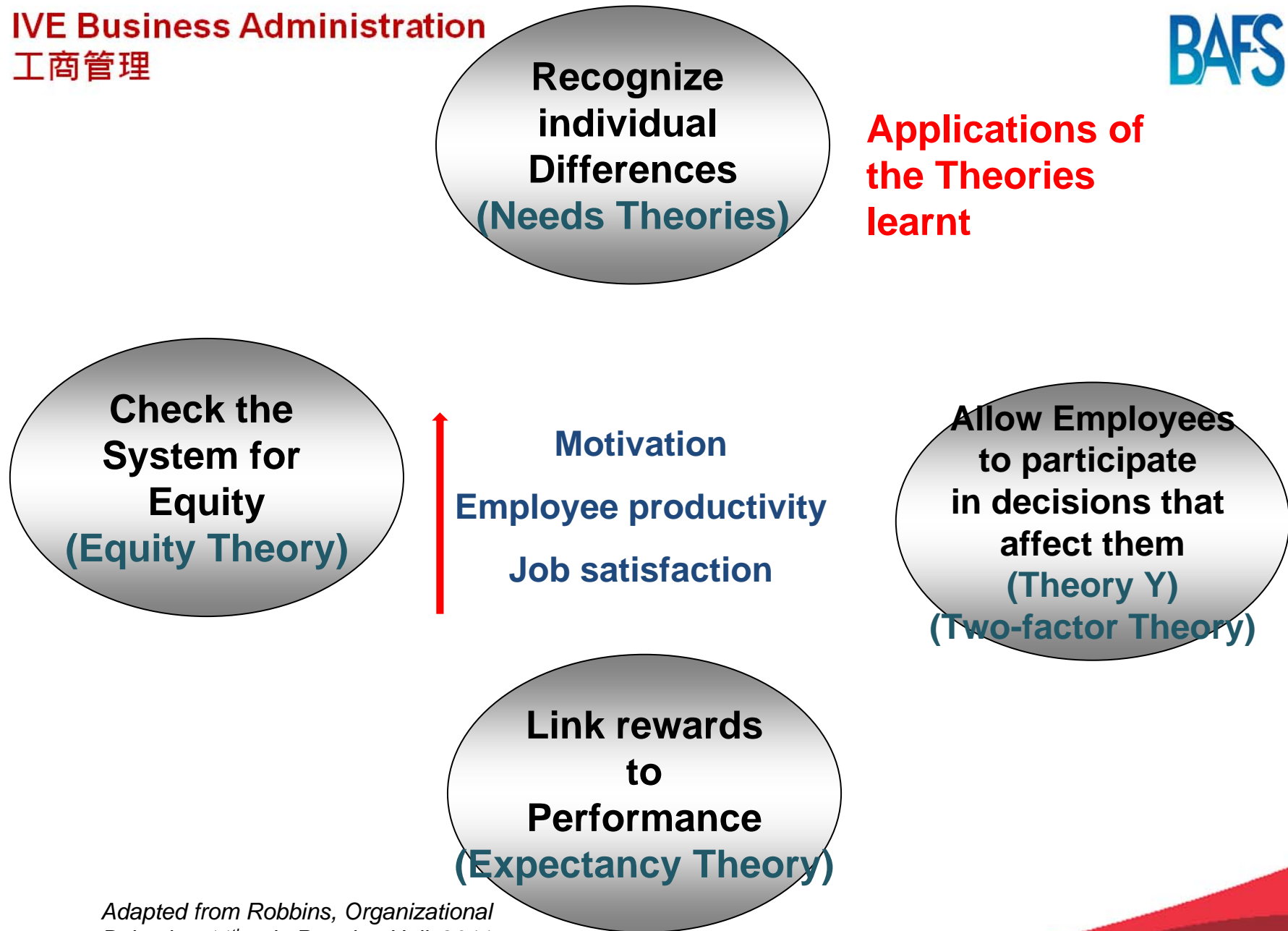
- **Organizational justice**: an overall perception of what is fair in the workplace
- **Distributive justice**: perceived fairness of the amount and allocation of rewards among employees e.g. distribution of bonus
- **Procedural justice**: Employees are sensitive to fairness of the process used to determine the outcome, e.g. appraisal system
- **Interactional justice**: Employees are sensitive to how one is treated with dignity and respect

(Adapted from Robbins, Organizational Behavior, 11th ed., Prentice-Hall, 2011)

**General guidelines:
Implications for
Managers**



Applications of
the Theories
learnt



Adapted from Robbins, Organizational Behavior, 11th ed., Prentice-Hall, 2011

Recognize individual Differences
e.g. Job redesign
Flextime
Flexible Benefits

Examples in working environment

Check the System for Equity
e.g. Fair salaries structure
Fair appraisal system
Performance-based rewards

Motivation
Employee productivity
Job satisfaction

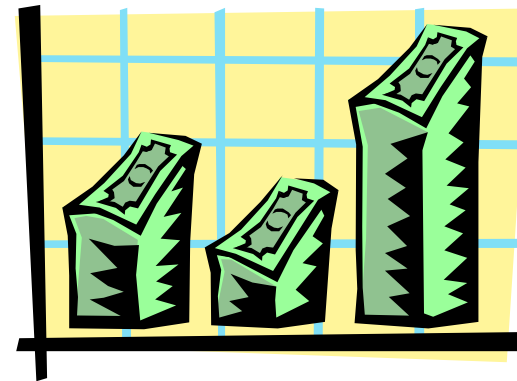
Allow Employees to participate in decisions that affect them
e.g. Participative mgt
Rep. participation
Quality Circle
(品質管制小組)

Link rewards to Performance
e.g. Variable-pay programme (浮薪制)
such as bonus, ESOP* & etc.

*ESOP= Employee Stock Ownership Plan

Adapted from Robbins, Organizational Behavior, 11th ed., Prentice-Hall, 2011

Last but not the least



Challenge Corner – Q10

- What role would money play in the following motivation theories?
 - Maslow's Hierarchy of Needs Theory
 - Herzberg's Two-factor Theory
 - Vroom's Expectancy Theory
 - Adam's Equity Theory



Suggested Answers – Q10

- **Maslow's Hierarchy of Needs Theory**
 - Physiological needs, security need for providing food and shelter and self-esteem need for a sense of self-worth
- **Herzberg's Two-factor Theory**
 - Hygiene factor
- **Vroom's Expectancy Theory**
 - employees perceive that the money reward is linked to their effort level
- **Adam's Equity Theory**
 - It is a measure of fairness

*(Adapted from Robbins, DeCenzo & Coulter, Fundamentals of Management, 7th ed.
©Prentice Hall, 2011)*

Challenge Corner – Q11

- How can managers motivate minimum wage employees?



Suggested Answers – Q11

- Many managers believe that money is the only motivator
- Employee Recognition programme
 - Employee of the year
 - Employee award ceremonies
 - The power of praise
- Job Redesign
 - Job enrichment
 - Job rotation
 - Job enlargement



(Adapted from Robbins & DeCenzo, Fundamentals of Management, 6th ed. ©Prentice Hall, 2008)

Challenge Corner – Q12

- Case Study Questions

Challenge Corner – Q13

- End of coursework - MC Questions

Reference

- A survey on employee engagement, City University of Hong Kong 2011 in Hong Kong Institute of Human Resource Management website news digest
- BAFS Curriculum and Assessment Guide (S4-6), Curriculum Development Council and HK Examinations and Assessment Authority, 2007
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End of Presentation

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Thank You Very Much!