



Halo effect

The term 'halo effect' has a number of different definitions, depending on the functional area of the business activity. In human resource management terms, 'halo effect' refers to the selection and recruitment process. It is the situation that can arise when an **applicant** has one of the characteristics required for the position, and, because of this, the interviewer or interviewing panel wrongly infer that he or she has the other characteristics or attributes required as well.

Handy, Charles

Charles Handy's main areas of research have been centred around organizations and how they are structured, particularly with regard to their cultures and progression, together with the progression of individuals within the organization.

In 1985 Charles Handy was concerned with career development from the point of view of both the organization and the individual's ability to plan the right moves for success. He described the process of planning for career development as a 'human hurdle race', often with too many hurdles to make it achievable, even for highly motivated employees. The added complication, according to Handy, is that if the attempt at one of the hurdles, during the early stages of development, is considered a failure, then the individual has little chance of re-attempting it. Added to this is the speed of the expectation of success and the fact that often individuals are so focused on the next hurdle that they become blinkered in their outlook and disregard anything that is not appropriate to the achievement of the next stage of development.

Handy identified the relevance of the **organizational culture** and structure as being a determining factor in an individual's ability to gain promotion or see any success in the development of a career. The result, from an organizational point of view, of the lack of appropriate planning for career development could be high levels of **labour turnover**. From the individuals' point of view, being employed by an organization that

fails to plan for career development and promotion could restrict their progression.

See also organizational culture.

Handy, C. B., *Understanding Organizations*. Harmondsworth: Penguin, 1985.

Harassment

In human resource terms, harassment is usually taken to mean an institutional or management victimization of an employee. In the US, for example, there are increasing numbers of harassment suits against employers who, employees claim, have created a 'hostile environment' to the degree that it is 'severe and pervasive'. This seems to be the **benchmark** in the levelling of harassment charges against employers and it is the human resource department that needs to ensure not only that harassment is eliminated, but in cases where harassment occurs, that the process of investigating it is transparent. Providing an employer can prove that reasonable efforts have been made to either prevent or correct harassment, such as by instituting a **complaints procedure**, most courts will consider that the employer has done as much as could be reasonably done. The prevention of harassment requires organization-wide exposure and, perhaps, training, to instil policies regarding harassment and a clear knowledge of the obligations of all employees, particularly management.

Hard management

The fundamentals of hard management can be closely associated with a quote from **Peter Drucker**: 'Doing the right things is more important than doing things right.' This seems to be the fundamental ethos behind hard management, in as much as the primary role of all private businesses is to be competitive and to produce a profit. All other considerations, as far as hard management is concerned, are subservient to this.

Hard management would, therefore, transcend all areas of the business, including human resources, and rather than focusing on employee **job satisfaction, motivation** or even **employee retention** the drive is to achieve a competitive advantage, make the best return on investment and meet or exceed the organization's objectives. Proponents of hard management believe that if this holistic approach is adopted, then management will do the right thing, which may mean that particularly valued employees are not only well rewarded but also well treated. Hard management is to be distinguished from **soft management** by virtue of the fact that the latter focuses on human resource factors as much as on the other objectives and strategies of the business.



Harrison, Roger

See organizational culture.

Hawthorne effect

See Mayo, Elton.

Hay, Julie

Julie Hay's approach used transactional analysis to understand how change could be managed by considering three sets of seven inter-related aspects. Her three areas of concern were:

- individuals' responses to change;
- the needs of an individual going through change;
- the seven acts of management to meet the seven stages of change and the needs of employees.

Her theory, often referred to as the 'seven, seven and seven approach', is summarized in Table 10.

Hay, Julie, *Working it Out at Work: Understanding Attitudes and Building Relationships*. Watford: Sherwood Publishing, 1993.

Hay, Julie, *Transactional Analysis for Trainers*. Watford: Sherwood Publishing, 1996.

Head hunting

The term 'head hunting', sometimes also known as 'executive search', describes a form of recruitment process, carried out either by the organization itself or by use of an outside organization, known as a head hunter. Assuming that a head hunter is used, they will undertake to find a suitable candidate to fill a managerial or senior managerial post that has arisen within the organization. It is not always the case that suitable candidates apply for the jobs advertised, probably because they are not actively seeking alternative employment at the time. Suitable candidates will therefore be searched for by the head hunter, using organizational literature, trade and magazine reports and by networking among competing organizations. The individual concerned is then approached and invited to attend the organization to discuss the option of joining the business.

Health and safety

Health and safety is primarily concerned with the well-being of employees. In most large organizations all health and safety issues are coordi-



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Table 10 Julie Hay's approach to the management of change

Criteria	Responses	Needs	Management
Immobilization	Shock. Individual does nothing.	Seeks reassurance.	Make information available and give employees time and space.
Denial	Acting as if nothing is happening.	Needs the organization to show patience.	Listen, and recognize that this is the most difficult stage.
Frustration	Blaming others for changes. Internal fighting between colleagues.	Needs the organization to recognize that this is normal, and needs space and time.	It is normal that anger is directed towards management.
Acceptance	Realizing that the past is gone, and positively considering the future.	Needs help to redefine their new position.	Offer advice and be employee-focused.
Development	Gradual acquisition of new knowledge and skills.	Requires training and coaching and possibly a role model.	Offer more advice and provide training and coaching when needed.
Application	Realization of where the individual fits in.	Needs positive encouragement and a means of monitoring progress.	Encourage.
Completion	Now settled and competent, without considering the past.	Contentment and a strong advocate of the change.	Continue to encourage and help develop.



nated by a particular individual who is concerned with the maintenance of a safe working environment and safe working practices. Businesses are required by law to ensure that their employees' health does not suffer as the result of their work. Various statistics are collected, primar-

ily fatal injuries, major injuries and other injuries. There is a continued concern that accidents at work are under-reported by employers.

The Health and Safety Commission estimates that there are at least 80,000 new cases of work-related disease occurring each year and that half a million people suffer from continuing damage to health at work. The principal legislation in Britain is the **Health and Safety at Work Act 1974**, requiring, as far as is practicable, that employers ensure the health, safety and welfare of those who work for them. Britain's national legislation has been modified in recent years to incorporate European Directives on health and safety. The initial framework directive led to the Management of Health and Safety at Work Regulations (1992) which detailed more specific duties for employers, requiring them to carry out risk-assessment, appoint competent individuals to develop preventative measures and to ensure that employees and others have sufficient information.

The Health and Safety Executive is a public agency responsible for the inspection and the enforcement of health and safety legislation. Its powers include the issuing of improvement notices and prohibition notices. The inspectors may initiate criminal proceedings if the regulations are continually flouted.

Health and Safety at Work Act 1974 (UK) (HASAWA)

The HASAWA places a duty on employers to ensure the health, safety and welfare at work of all their employees (as far as is practicable). The Health and Safety Executive and local authorities enforce HASAWA and there are criminal sanctions for breaches or failure to comply.

In addition to this legal responsibility, employers also have an implied responsibility to take reasonable steps, as far as they are able, to ensure that the health and safety of their employees is not put at risk. Employers are required to assess the levels of risk against the costs associated with the elimination of those risks in order to make a judgement as to whether they have taken all reasonable steps. Usually the employer's responsibility is only to his or her own employees and premises; however, the responsibility can be extended in some circumstances.

www.hse.gov.uk

Health and Safety (Display Screen Equipment) Regulations 1992 (UK)

These regulations are specifically related to work with visual display units (VDUs) or computer screens. The specific obligations with regard to employers can be summarized as in the Table 11.



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Table 11 Regulations concerning VDUs

Obligation	Towards own employee who is a user	Towards other employee (e.g. working for Temp agency) who is a user	Towards self-employed person who is an operator
Assess risks at workstation	YES	YES	YES
Inform staff about rights and what has been done	YES	YES	YES
Plan work and provide breaks	YES	YES	NO (individual responsibility)
Offer eye-tests and special glasses if necessary	YES	NO (main employer is responsible)	NO (individual responsibility)
Provide training in safe use	YES	NO (main employer is responsible)	NO (individual responsibility)

www.hmso.gov.uk/si/si1992/Uksi_19922792_en_1.htm

Health and Safety (First Aid) Regulations 1981 (UK)

These regulations address the requirement of an employer to provide first-aid cover and trained personnel.

www.hse.gov.uk

Health and Safety Information for Employees Regulations 1989 (UK)

These regulations require employers to display a poster informing their employees of what they should know about health and safety.

www.hmso.gov.uk/si/si1989/Uksi_19890682_en_1.htm



Health and Safety (Safety Signs and Signals) Regulations 1996 (UK)

These regulations came into effect following a European Union Directive. They require employers to provide safety signs where there is a risk which has not been avoided or controlled by other means. The safety signs are aimed at reducing the risks. They cover matters such as the regulation of traffic, and the marking of dangerous substances or areas, and incorporate fire safety signs, including directions to exits.

www.hmso.gov.uk/si/si1996/Uksi_19960341_en_1.htm

Health Insurance Portability and Accountability Act (HIPAA) 1996 (US)

The Health Insurance Portability and Accountability Act (HIPAA) ensures fundamental rights and protections for participants and beneficiaries in group health plans.

HIPAA includes protection under group health plans, prohibits discrimination against employees and dependants based on their health status, and allows employees the opportunity to enrol on a new plan in certain circumstances. HIPAA also gives employees the right to buy individual coverage if they are no longer covered under Continuation of Health Coverage (COBRA).

www.dol.gov/dol/topic/health-plans/portability.htm

Hertzberg, Frederick

Frederick Hertzberg developed his two-factor theory, which included his hygiene factor and his motivator factor, during his investigation of accountants and engineers in the USA. This brought about his angle on the theory of leadership, motivation and management. According to Hertzberg, the five major motivating factors are:

- Achievement – employees need to feel that something has been accomplished by their labours.
- Recognition – employees need to feel that management and others realize that the role they are playing within the organization is an important and appreciated one.
- The work itself – the employees should feel that their job role meets or reaches their own potential.
- Advancement – employees need to feel that they have a chance of promotion and that their skills and performance warrant such a promotion.



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- Responsibility – employees need to feel they have enough freedom to make their own decisions.

The hygiene factors that Hertzberg identified are features of the workplace, or the organization itself, that help to make the employees feel good about themselves, and include:

- wage or salary paid;
- bonuses/commissions paid;
- working conditions;
- quality of supervision;
- the working environment;
- job security.

The hygiene factors do not motivate employees, and they can never reach a stage of either complete satisfaction or of complete dissatisfaction, but remain in a neutral zone.

Hertzberg’s motivators are concerned with the work that the employees undertake and their performance within each task (see Figure 16). An employee cannot be motivated if the organization is not offering them any of the following, and they will remain in the neutral zone:

- attainment;
- advancement;
- responsibility.

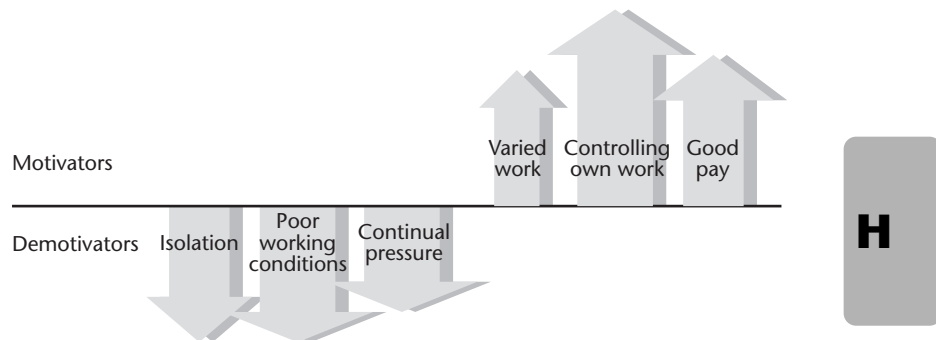


Figure 16 Hertzberg’s motivational hygiene model

Hertzberg, F., *Work and the Nature of Man*. London: HarperCollins, 1966.

Hertzberg, F., *Motivation to Work*. Somerset, NJ: Transaction Publishers, 1993.

Hierarchical organization structure

A hierarchical organization structure is best imagined by using an image of a pyramid. At the top are the major decision makers, who are few in number, and further down the pyramid the shape of the organization broadens as more employees become involved at the lower levels. At the base of the pyramid are the majority of the workers.

Power, responsibility and authority are concentrated at the top of the pyramid and decisions flow from up to down. An organization would choose this form of structure when decisions needed to be made by those who had expertise and experience, together with the authority to ensure that decisions were implemented.

The most common version of this form of structure is the steep pyramid where there are many different layers of management, possibly within an organization that operates in several different locations, needing to fulfil different administrative functions. Equally, organizations of a complex nature may choose this structure.

There are some disadvantages to those lower down the hierarchical structure in that if the pyramid is too multi-layered and complex, they often find difficulty in understanding how and why decisions are made. The organization may also find itself too bureaucratic in nature and the result could be that the decision-making process becomes too complicated and time consuming because there are too many layers involved.

See also chain of command.

Hierarchy of needs

See Maslow, Abraham.

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High involvement work practices

Pil and MacDuffie studied motor vehicle assembly plants to test a series of factors which affect what they termed 'high involvement work practices' (HIWPs). The practices include job rotation, the use of teams and suggestion schemes. They considered that HIWP was more difficult to change than normal human resource policies because the work practices are more integral to the core business processes and coordination requirements of the organization.

Pil and MacDuffie discovered the following:

- Plants are more likely to increase their use of high involvement work practices when they already have implemented complementary human resource management practices.
- Higher levels of managerial tenure have a positive association with

greater increase in the use of HIWPs, suggesting that longer-term relationships provide a possible basis for greater trust.

- Actions which reduce employee trust, such as management layoffs, production-worker layoffs and early retirement programmes have no statistically significant association with the introduction of HIWPs.

Pil and MacDuffie found that businesses in developing countries use HIWPs and not automation. They tend to use training, performance-based pay, and selective recruitment and hiring more than an investment in automated processes.

Pil, F. K. and MacDuffie, J. P., 'Organizational and Environmental Factors Influencing the Use and Diffusion of High Involvement Work Practices', in P. Cappelli, *Employment Practices and Business Strategy*. Oxford: Oxford University Press, 1999, pp. 81–106.

Holland, John

John Holland identified six personality types and six different working environments. Holland suggested that employees prefer to work in environments which are similar to their personality types. His theory can be summarized as in Table 12.

Table 12 Personality types and corresponding work environments

Personality type	Description environments	Compatible work
Realistic	Practical, mechanical and avoids social activities.	Realistic, investigative and conventional.
Investigative	Systematic and a good problem solver, avoids leadership and selling.	Investigative, realistic and artistic.
Artistic	Avoids repetitive activities as creation is important.	Artistic, investigative and social.
Social	Values helping people, friendly and trustworthy.	Social, artistic and enterprising.
Enterprising	Strong on leadership and persuasion, energetic and ambitious.	Enterprising, social and conventional.
Conventional	Number-based, orderly, values success and working to a set plan.	Conventional, enterprising and realistic.

Holland, John H., *Emergence: From Chaos to Order*. Oxford: Oxford University Press, 2000.



Horizontal communication

Horizontal communication involves the often informal communication between peers or colleagues on the same level of the organizational structure.

Human resource accounting

The term 'human resource accounting' refers to the systematic recording, measurement and analysis of all the costs involved in a department's activities. In addition to identifying the costs, the financial benefits to the organization will also be calculated. The costs and financial benefits will include:

- the recruitment and utilization of human resources;
- an estimation of training costs;
- an assessment of the effects of training programmes;
- an assessment of the effects of staff development programmes;
- an investigation into the consequences of wage and salary increases;
- an investigation into the consequences of the introduction of **incentive** schemes;
- any other financial implications connected to the continued utilization of human resources.

Human resource audit

A human resource audit examines and reviews an organization's policies, procedures and practices across the human resource function. Typically, elements included in a human resource audit are:

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- personnel policies;
- review of personnel files;
- performance **appraisal**;
- evaluation processes;
- termination processes, including **exit interviews**;
- compliance with employment law;
- recruitment procedures;
- review of benefits and compensations;
- review of employee status and classifications;
- review of **job descriptions** and **job specifications**.

Human resource information system (HRIS)

Human resource information systems, or HRIS, are gradually beginning to replace manual or partially computerized and partly manual systems used by human resource departments. Despite the availability of complex, integrated HRI systems, many businesses still retain a form of paper records, but are gradually moving across to scanned documents which are stored electronically, rather than retaining the originals.

One of the biggest advantages in using an HRIS is that the system can be used with an integrated payroll. In this way common data needs only to be entered once and can be maintained by either human resources managers or those in charge of the payroll. Other businesses opt for stand-alone HRIS, which does mean that it is sometimes difficult to coordinate with the payroll.

Clearly, a decision whether to purchase an HRIS very much depends on the nature of the business and its present capacity to deal with human resource issues, and, indeed, whether it wishes to integrate this into a payroll system. Generally, basic systems can be purchased for a little in excess of \$300, whilst a larger organization, with several thousand employees, may find that the cost is closer to \$1 million.

One of the inherent problems with any proprietary HRIS software is that it does not necessarily reflect a business's needs and therefore needs to be configured or customized specifically for the task which the business has in mind. Most software vendors will offer support but, in the longer term, businesses realize that in-house support is essential to maintain the system.

HRIS can handle pay, benefits, **applicant tracking, recruitment, time and attendance, skills inventories, health and safety, compensation and retirement** plans.

Pinto, Jeffrey and Millet, Ido, *Successful Information System Implementation: The Human Side*. New York: Project Management Institute, 1999.

Human resource plan

The human resource plan is the department's attempt to forecast the number and type of employee needed for future requirements, and their anticipation of how likely this need is to be realized. The current human resources will be compared with future likely needs, and programmes will be set up for recruitment drives, training, the possible redeployment of current employees, or the **redundancy** of others. This planning process can assist human resource management in:



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- recruitment;
- the avoidance of redundancy, or plans for redeployment;
- training;
- professional development needs;
- the costs involved in supplying the required number of employees;
- ensuring that productivity targets are met;
- ensuring that other resources, such as accommodation, are available when needed.

Clearly, a human resource plan will have to be continuously monitored and readjusted as the company objectives change or are affected by unforeseen internal and external considerations. Most organizations would produce both a short-term (usually up to 1 year ahead) and a longer-term (usually 5 years ahead) plan, which would include the following considerations:

- organizational objectives;
- human resource objectives;
- current utilization of human resources;
- internal organizational environment;
- external environment;
- the potential supply of labour.

Planning for resource implications gives an organization the ability to cope with the human resource consequences of any changes in circumstances that may arise. It could also assist in developing new and improved methods of managing employees in order to avoid labour shortfalls or surpluses in the future. The duplication of effort amongst the different sections of the organization can also be avoided, provided the planning has improved the coordination and integration of employees.

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Human Rights Act 1998 (UK)

The Human Rights Act incorporates into UK law some of the specific rights and freedoms contained within the European Convention on Human Rights. It came into force on 2 October 2000.

The major implications with regard to human resource management are the adoption of Articles 8, 11 and 14, which cover the following aspects:

- Article 8 addresses situations where employers interfere with communications by employees; this includes intercepting telephone calls or emails. The article also addresses the disclosure of

information about an employee to a third party without the employee's consent.

- Article 11 addresses the right to freedom of association, which by inference includes the membership of a **trade union**. It also may subsequently cover an employee's entitlement to request time off for religious holidays or recognized days of rest.
- Article 14 addresses the rights of employees to be protected against **discrimination** on the grounds of gender, race, colour, language, political opinion, national or social origin, birth, status, disability or sexual orientation.

There are other articles within the European Convention which may, in time, depending upon interpretation by the European Court of Human Rights, have an impact on human resources management, including Articles 9 and 10.

Wadham, John and Mountfield, Helen, *Blackstone's Guide to the Human Rights Act 1998*. London: Blackstone Press, 2000.

Huselid, Mark

Huselid was one of the first human resource specialists to look at the connection between human resource practice and a business's performance outcomes. Specifically, he investigated **selection process** and **recruitment, training, job design**, employee involvement and participation, information sharing, **compensation, motivation** and **performance appraisals**. Huselid discovered that there was a close relationship between human resource practices, **labour turnover** and productivity. He also noted that the more sophisticated the human resource function is within a business, the greater the value per employee in terms of productivity and profit. He noted that, initially, human resources management can have an immediate impact, but that its effectiveness plateaus and only when the function becomes more focused can it deliver a longer-term value to the business.

Huselid, Mark, Becker, Brian and Ulrich, Dave, *HR Scorecard: Linking People, Strategy and Performance*. Cambridge, MA: Harvard Business School Press, 2001.

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