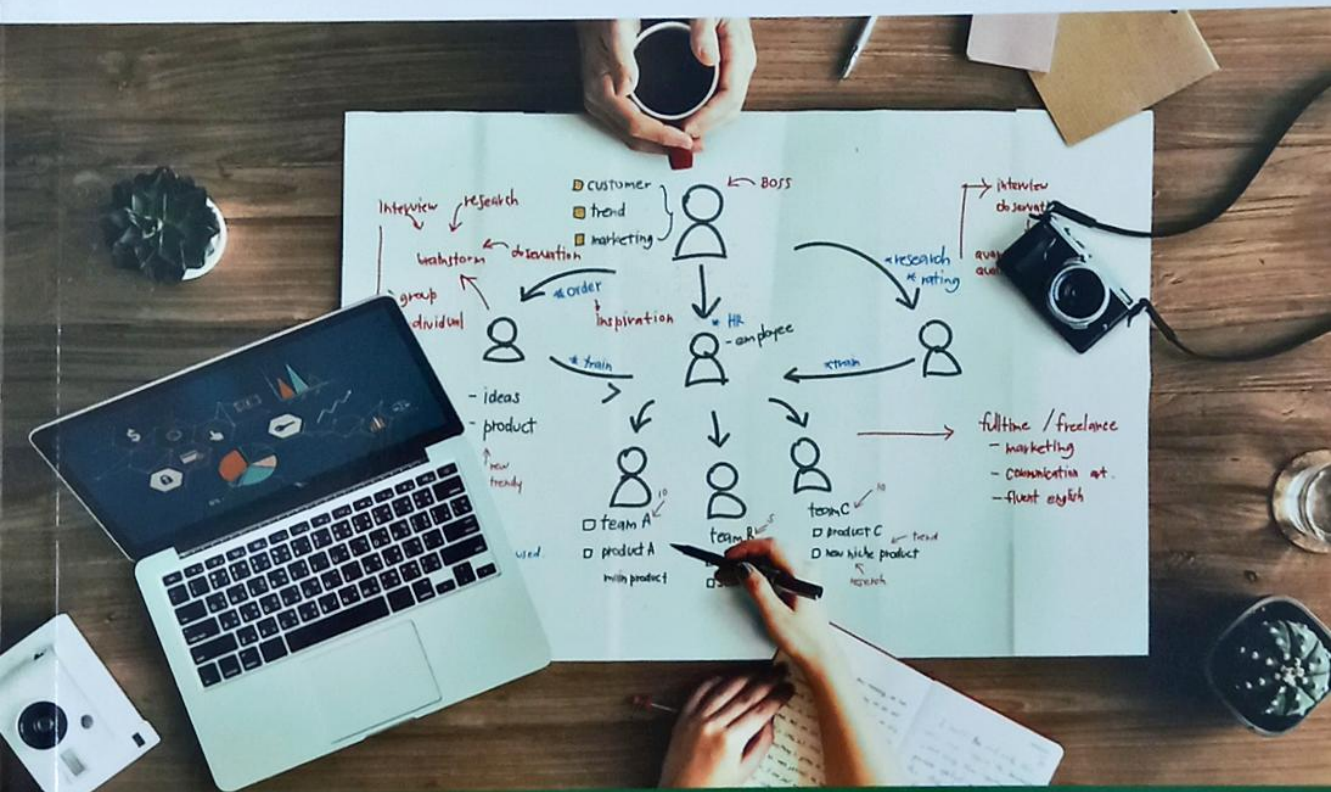


HUMAN RESOURCE MANAGEMENT

PRINCIPLES AND PRACTICES

Dr. Doris P. Lauron



HUMAN RESOURCE MANAGEMENT PRINCIPLES AND PRACTICES

Dr. Doris P. Lauron



Published & Distributed by

REX Book Store

856 Nicanor Reyes, Sr. St.
Tel. Nos. 736-05-67 • 735-13-64
1977 C.M. Recto Avenue
Tel. Nos. 735-55-27 • 735-55-34
Manila, Philippines
www.rexpublishing.com.ph



Philippine Copyright 2019
by Rex Book Store, Inc.
and
Doris P. Lauron

RBS Human Resource Management: Principles and Practices

First Edition

ISBN 978-621-04-0100-4

Classification: Textbook (04-MP-00002-0)

Published, copyrighted 2019, and distributed by Rex Book Store, Inc. (RBSI) with main office at 856 Nicanor Reyes Sr. St., Sampaloc, Manila/Tel. Nos.: 735-1364, 736-0567

RBSI Branches:

LUZON

• **MORAYTA:** 856 N. Reyes Sr. St., Sampaloc, Manila / Tel. Nos.: 736-0169, 733-6746; Telefax: 736-4191 • **RECTO:** 2161-65 Freedom Building, C.M. Recto Avenue, Sampaloc, Manila / Tel. Nos.: 522-4521, 522-4305, 522-4107, 733-8637 • **RECTO (La Consolacion):** Mendiola, Manila • **MAKATI:** Unit UG-2, Star Centrum Bldg., Sen. Gil Puyat Ave., Makati City / Tel. No.: 818-5363; Telefax: 893-3744 • **ROCKWELL:** 1st Floor, Ateneo Professional School, Rockwell Center, Bel-Air, Makati City / Tel. No.: 729-2015 • **CUBAO:** Unit 10 UGF, Doña Consolacion Bldg., Gen. Santos Ave., Araneta Center, Cubao, Quezon City / Telefax: 911-1070 • **ORTIGAS:** G/F Tekite East Tower, Exchange Road, Philippine Stock Exchange Centre, Ortigas Center, Pasig City / Tel. No.: (02) 650-4347 • **CAVITE (Dasmariñas):** Block 4, Lot 20 Don Gregorio Heights 2, Zone 1-A Aguinaldo Highway, Dasmariñas, Cavite / Telefax: (046) 416-1824 • **CAVITE (Tanza):** (Display Area) Block 5, Lot 6, City View 4 and 5, Brgy. Tanauan, Tanza, Cavite • **NAGA:** 1-1A Geronimo Bldg., Barlin St., Sta. Cruz, Naga City, Camarines Sur/Telefax: (054) 811-6878 • **LEGAZIPI:** Unit 6, 3rd Floor, A. Bichara Silverscreen, Legazpi City, Albay / Telefax: (052) 480-2244 • **CALAPAN:** Brgy. Salong, National Highway, Calapan City, Oriental Mindoro / Telefax: (043) 288-1650 • **BATANES:** L. Lopez St., Kayvaluganan, Basco, Batanes Tel. Nos.: (02)681-9085, 330-4937 • **TUGUEGARAO:** 10 Arellano Ext. St., Brgy. Ugac Sur, Tuguegarao, Cagayan / Telefax: (078) 844-8072 • **CABANATUAN:** Fontelera Building, 1271 Del Pilar Ext., Sangitan East, Cabanatuan City, Nueva Ecija / Tel. No.: (044) 464-2151; Telefax: (044) 600-5684 • **URDANETA:** Zone 6, Pinmaludpod, Urdaneta City, Pangasinan / Telefax: (045) 887-5371 • **BAGUIO:** 3975 • **ANGELES:** Unit H, JMS Bldg., MacArthur Highway, Brgy. Salapungan, Angeles City, Pampanga/Telefax: (045) 887-5371 • **BATANGAS:** J.P. Laurel Highway, Mataas na Lupa, Tambo, Lipa, Batangas / Tel. No.: (043)741-6614 • **PALAWAN:** Abad Santos St. cor. Valencia St., Puerto Princesa, Palawan

VISAYAS

• **TACLOBAN:** Brgy. 78 Marasbaras, Tacloban City, Leyte / Tel. No.: (053) 323-8976; Telefax: (053) 523-1784 • **ILOILO:** 75 Lopez Jaena St., Brgy. San Isidro, Jaro, Iloilo City, Iloilo / Tel. No.: (033) 329-0332; Telefax: (033) 329-0336 • **BACOLOD:** 28 Brgy. 36, Purok Immaculada, Quezon Ave., Bacolod City, Negros Occidental/Tel. No.: (034) 707-5825 • **CEBU:** 11 Sanciango St., Cebu City / Tel. Nos.: (032) 416-9684, 254-6773, 505-4313; Telefax: (032) 254-6466

MINDANAO

• **CAGAYAN DE ORO:** J. Serina St. cor. Vamenta Blvd., Carmen, Cagayan de Oro City, Misamis Oriental / Telefax: (088) 858-6775, 309-5881 • **DAVAO:** 156-A C.M. Recto St., Davao City, Davao / Tel. Nos.: (082) 300-5422, 305-5772; Telefax: (082) 221-0272 • **GENERAL SANTOS:** Aparente St., Dadiangas Heights, General Santos City, South Cotabato / Tel. No.: (083) 304-8512; Telefax: (083) 554-7102 • **ZAMBOANGA:** San Francisco Loop, Mayor Agan Ave., Camino Nuevo B, Zamboanga City / Tel. No.: (062) 955-0887

www.rexpublishing.com.ph

No portion of this book may be copied or reproduced in books, pamphlets, outlines, or notes—whether printed, mimeographed, typewritten, photocopied, or in any form—for distribution or sale, without the written permission of the Publisher and Author/s. The infringer shall be prosecuted in compliance with copyright, trademark, patent, and other pertinent laws.

INTERNET LINK DISCLAIMER

Rex Book Store, Inc. (RBSI) is not responsible for the accuracy, legality or content of the external sites and for that of subsequent links. These links are being provided as a convenience and for informational purposes only. Although verified at the date of publication, the publisher cannot guarantee that these links will work all of the time nor does it have control over the availability of linked pages.

Moreover, the publisher does not warrant sites or the servers that make them available are free of viruses or other harmful components. Rex Book Store, Inc. (RBSI) does not warrant or make any representations regarding the use or the results of the use of the materials in these sites or in third-party sites in terms of their correctness, accuracy, timeliness, reliability or otherwise.

RBSI's Book Association Memberships: Philippine Booksellers Association, Inc. (PBAI); Book Development Association of the Philippines (BDAP); Philippine Educational Publishers Association (PEPA); Book Exporters Association of the Philippines (BEAP); Academic Booksellers Association of the Philippines (ABAP); Children's Literature Association of the Philippines, Inc. (CLAPI); Asian Publishers Resources Center (APRC)

PEPA's International Book Association Memberships: International Publishers Association (IPA); Asia Pacific Publishers Association (APPA); ASEAN Book Publishers Association (ABPA); Philippine Book Publishing Development Federation (Philbook)

Printed by  REX PRINTING COMPANY, INC.

84-86 P. Florentino St., Sta. Mesa Heights, Quezon City / Tel. No.: 857-7777

Preface	xi
Acknowledgments	xiii

PART I

INTRODUCTION TO HUMAN RESOURCE MANAGEMENT (HRM)

Chapter 1

Definition and Scope of Human Resource Management	2
Importance of Studying Human Resource Management	4
Entrepreneurs.....	4
Employees	4
Supervisors and Leaders.....	4
Best Features of Human Resource Management	4
Differences Between Human Resource Management (HRM) and Human Resource Development (HRD)	6
Chapter Summary	6
Study and Discussion Questions	7
Application Exercise	7

Chapter 2

Equal Employment Opportunity (EEO) and the Law	8
Equal Employment Opportunity Versus Affirmative Action.....	9
Equal Employment Opportunity Legislation – in the Philippines	9
Rights and Privileges of Disabled Persons.....	9
Anti-Sexual Harassment Act, 1995 – Philippines.....	11
Two Types of Sexual Harassment	11
Wage Rationalization Act, 1989 – Philippines	12
Women in Development and Nation Building Act, 1992 – Philippines.....	12
Act to Regulate the Employment of Women and Children, to Provide for Penalties in Violation Hereof, and for Other Purposes, 1952 – Philippines	12
Migrant Workers and Overseas Filipinos Act, 1995 – Philippines.....	12
Magna Carta for Public Health Workers Act, 1992 – Philippines	13
Local Government Code, 1991 – Philippines	13
Executive Order Concerning the Equality of Access to Education – 117 Philippines	13
Republic Act Concerning Private Education (6728), 1989 – Philippines	13
General Appropriations Act 1995 – Philippines.....	13

Labor Code of the Philippines, 1974	13
Chapter Summary	14
Study and Discussion Questions	15
Case Exercise 1: A "Bad Hair Day" or Religious Custom?	15

PART II

STAGES OF THE EMPLOYMENT CYCLE

Chapter 3

Pre-Hiring, Hiring, and Post-Hiring	18
The Pre-Hiring Stage	18
The Hiring Stage	18
The Post-Hiring Stage	19
Current Trends in Human Resource Management	20
HR: Generalist vs Specialist	20
Organizational Ethics	22
Chapter Summary	22
Study and Discussion Questions	23
Case Exercise 2: "An Ethical Dilemma"	23

PART III

THE PRE-HIRING STAGE: HUMAN RESOURCE PLANNING AND JOB ANALYSIS

Chapter 4

Human Resource Planning	26
Human Resource Planning (HRP) and Strategic Planning	26
The Process of Human Resource Planning	27
Factors that Affect Human Resource Planning	28
Forecasting: A Key Component to Successful Human Resource Planning	28
Predicting a Firm's Demand for Employees	29
Predicting the Supply of Employees	30
Outcomes of the HR Planning Process	30
Dealing with Workforce Oversupply	30
Dealing with Workforce Undersupply	31
Chapter Summary	31
Study and Discussion Questions	31
Application Exercise	32
Case Exercise 3: "Demand Forecasting for an Insurance Company"	32

Chapter 5

Job Analysis	33
Collecting Job Analysis Information	34
Important Components of Job Analysis	35
Changes in Work Schedules	35
Chapter Summary	36
Study and Discussion Questions	37
Application Exercises	37
Case Exercise 4: "A Batch of Candy"	37

PART IV

THE HIRING STAGE: RECRUITMENT AND EMPLOYEE SELECTION

Chapter 6

Recruitment	40
What is Recruitment?	40
Sources of Locating and Attracting Candidates	40
Advantages and Limitations of Recruiting from Within	43
Methods for Identifying Qualified Internal Candidates	43
Steps in Recruitment	43
Chapter Summary	44
Study and Discussion Questions	45
Application Exercises	45

Chapter 7

Employee Selection	46
The Selection Process	46
Types of Pre-Employment Tests	49
The Job Interview	50
Common Job Interview Questions	51
Additional Pointers	52
Job Interview DOs	52
Job Interview DONTs	53
Are Your Questions Legal?	53
Making a Final Decision	54
Chapter Summary	55
Study and Discussion Questions	55
Application Exercise	56

PART V

THE POST-HIRING STAGE:

TRAINING AND DEVELOPMENT, APPRAISING AND MANAGING PERFORMANCE LEVEL, COMPENSATION AND BENEFITS, EMPLOYEE SAFETY AND HEALTH, SEPARATION AND TERMINATION

Chapter 8

Training and Development	58
Understanding Training and Development	58
Steps in Training	58
Analyzing Organizational and Trainee Needs.....	60
Training Methods for Non-Managerial Positions	61
On-the-Job Training (OJT)	61
Apprenticeship Training.....	61
Classroom Training.....	61
Programmed Instruction.....	62
Audiovisual Method	62
Simulation Method	62
Executive Development Programs	62
Symposium, Conferences, Workshops.....	63
Case Study Method	63
Management Games.....	63
Role Play.....	63
Chapter Summary	64
Study and Discussion Questions	64
Application Exercise	65
Case Exercise 5: "Show Me Results"	65

Chapter 9

Appraising and Managing Performance	66
Employee Performance Appraisal	66
The Purposes of Performance Appraisal	66
Fundamental Points to Consider in Creating Performance Criteria.....	67
Evaluating Employee Performance.....	67
Performance Appraisal Methods	68
Character Traits Method.....	68
Behavior-Based Method.....	69
Output-Based Method.....	70
Choosing the Best Performance Appraisal Method	70
Performance Evaluation Errors	71
Employee Appraisal Interview.....	72

Chapter Summary	72
Study and Discussion Questions	73
Application Exercise	73
Case Exercise 6: "My Best Friend"	73
Case Exercise 7: "Feedbacking"	73
Chapter 10	
Compensation and Benefits	74
Wages and Salaries	74
Incentive Programs	74
Comparable Worth.....	75
Benefits Programs.....	75
Laws on Wages and Working Hours in the Philippines	75
The Rights of Workers in the Philippines with Regard to Wages	76
The Right of Workers in the Philippines with Regard to Rest, Working Hours, and Holidays	76
Minimum Wage Law.....	76
Meal and Rest Periods	77
Night Shift Differential Pay	78
Overtime.....	78
Terminologies	79
Computation of Overtime Pay.....	79
Work Need Not Be Continuous	80
Undertime Cannot Be Offset by Overtime	81
Emergency Overtime Work.....	81
Managerial Employees Not Entitled to Overtime Pay	81
Weekly Rest Period	82
Chapter Summary	83
Study and Discussion Questions	83
Application Exercise	83
Case Exercise 8: "Building Your Skills"	83
Reference	84
Chapter 11	
Promoting Employee Safety and Health	85
Safety and Health	85
Health, Safety, and Social Welfare Benefits	86
Medical, Dental, and Occupational Safety	86
Occupational Health and Safety	87
Policy and Definitions	88
Coverage and Liability	91
Administration	92

Contributions	94
Medical Benefits	95
Disability Benefits	96
Chapter Summary	98
Study and Discussion Questions	98
Application Exercises	99
Reference	99
 Chapter 12	
Separation and Termination of Employment	100
Dismissal of an Employee in the Philippines	100
Severance Pay with Termination	101
Difference Between a Just and Authorized Cause of Termination	101
Causes for Termination by the Employer	101
Just Causes for Termination by the Employee	102
Authorized Causes for Termination	102
Due Process in the Context of Termination of Employment	102
The Labor Code of the Philippines – Book 6	103
Termination of Employment	103
Retirement from the Service	105
Chapter Summary	106
Study and Discussion Questions	106
Case Exercise 9: “Who Might It Be”	106
Reference	106
 Case Studies	107
Appendices	115
Bibliography	129
Index	131

ABOUT THE BOOK

Developing this book has been a wonderful and exciting journey. It all started with my desire to reasonably express that knowledge of human resource management is not just for those working and aspiring to be in the field of human resource, but also for students in general business or business administration programs, managerial staff, and even business owners.

The twelve chapters of this book are organized into five parts with major emphasis on the three stages of the employment cycle and the corresponding human resource management practices in each stage; namely, pre-hiring, hiring, and post-hiring.

Part I presents the Introduction to Human Resource Management; Part II explores the Stages of the Employment Cycle; Part III discusses the Pre-Hiring Stage; Part IV is about the Hiring Stage; and Part V presents the Post-Hiring Stage.

ABOUT THE AUTHOR



Dr. Doris P. Lauron is a human resource consultant and practitioner. She earned her Bachelor of Science in Commerce major in Business Administration and Accountancy from the University of San Agustin, Iloilo City. She completed her Master in Business Education and Doctor in Management major in Human Resource Management from the University of San Jose Recoletos, Cebu City. Dr. Lauron served as associate professor and professor at the University of San Agustin's College of Commerce and Graduate School, respectively. For three years from 2014, she served as the Chairman of the Research Management Group of the College of Commerce in the same university. In the late 1990s to 2002, she also functioned as the university's Academic Coordinator of the Management Department. In 2018, she received the Lifetime Achievement Award in the Field of Education given in Mina, Iloilo City, as part of its 50th Foundation Day celebration. Dr. Lauron is also a resource speaker; seminar facilitator; research adviser for undergraduate and graduate school levels, panelist in the areas of research, business planning, and feasibility studies; and an entrepreneur.



OUTCOMES-
BASED
EDUCATION

Outcomes-Based Education (OBE) has become a powerful and engaging way of reforming the Philippine educational system. The highlight of OBE is the product — to develop the ideal graduates.

The Rex Book Store, Inc. tertiary textbooks are designed in compliance with the Commission on Higher Education's (CHED) requirements for OBE learning materials. The content, learning activities, and exercises aim to guide students to learn important knowledge and acquire skills to meet CHED's prescribed competencies in specific programs.

www.rexestore.com
your online book catalog and book store



04-MP-00002-0



We value your input.

For comments or inquiries, email
The Office of the Chief Operating Officer
at wearerexpublishing.com.ph
For more info about our products
and services, please visit the following:
www.rexinteractive.com
www.rexpublishing.com.ph
www.rexestore.com



ISBN 978-621-04-0100-4



9 786210 401004