

Human Resource Management

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Abstract- Human resource management plays a vital role in the structure of every organization. It is the backbone of the company, responsible for recruiting, managing, and directing all of its employees, managing them as well as the workplace as a whole (Griffith College, 2011). For a company striving for upward mobility and achievement, good human resource management is imperative. As the company changes, the human resource department must not only adapt to that change, but in a sense, forecast those changes so that it is prepared to deal with the challenges ahead. The following research paper will give a comprehensive human resource management review as well discuss in depth the key components of human resource management:

- 1- Evaluating strategic talent management initiatives along with the functions and practices of staffing.
- 2- Employee development processes.
- 3- Performance management.
- 4- Compensation.

Index Terms- Human resource management, organization, company, workplace, changes, department, evaluate, talent, staffing, employee, performance management, compensation

I. INTRODUCTION

The case study A.P. Moller-Maersk Group: Evaluating Strategic Talent Management Initiatives gives a detailed example as to why HR function needs to fall in line with the company's overall plan. As a company grows, as it inevitably will if it is to succeed, its needs will change. As its needs change, employee needs change as well. In the case of Maersk, they started out as a smaller company that had a family style culture. They hired young, inexperienced people, trained them, and saw them until their 50th year anniversaries. Unfortunately, the company was slow to discipline and get rid of underperformers, which brought the company down when it was time to become globally diversified. Once their business so radically changed and expanded, their HR department had to take a second look at what kind of talent they were acquiring, how they were training them, what kind of experience new hires had going in, and how they were going to handle their personal development. In the end, it was decided that they needed more experienced staff, more leadership development, and better performance management. They decided to handle conflict and let go of underperforming staff. The old mom and pop way might have worked once upon a time, but globalization called for change, and Maersk's HR department had to meet that head on (Abbott & Groysberg, 2013).

Such goal alignment is important not only in the case of Maersk and other globalized businesses. It is important for every single organization. Human resources and employees are the heartbeat of any company. They can make it or break it. It is of utmost importance for an organization's HR department to recognize the company's needs, how they expand with time, and what sort of employees would best fit the company's culture and infrastructure so that goals and objectives can be successfully met.

This brings us to recruitment and selection of employees, which is a part of job analysis. Job analysis is the practice of studying a job to learn what it is about - What actions does it require? What are its responsibilities? How does it tie in to other jobs within an organization? What sort of people are required to perform its duties? It is important to note that here, the job itself is under analysis, not the people who apply for it (SHRM, 2017). There are several uses for job analysis. One of them is recruitment and selection, which is the process followed to choose the best qualified person for the position. The first step is posting the position with an accurate job description. The next step is screening applicants to discover the ones they want to interview. Next is the interview itself. Here is where various assessment questions will be asked to get a good sense of which skills the applicant possesses as well as traits to excel in the job (Kokemuller, 2018). The human resource department is looking for talent, and they can find it in one of two places: Internally – Recruit employees already within the organization, or Externally – Recruit employees who do not work within the organization.

Internal recruitment can include existing employees within the system who usually want to make an upward or lateral move within the organization, and is oftentimes based on seniority. It can also include former employees who are interested in re-hire (Surbhi, 2015). According to Surbhi (2015), the most common methods of internal recruitment include: Posting the position internally, promotion, transfer, reemployment of former employees, retirees, or employees hired previously for part time or contracted work. It definitely has its perks. For one thing, it boosts employee morale. Employees like the idea of being able to advance one day. There's no need for job orientation. It's quick and cost effective. Conversely, if handled improperly, grooming employees for an advanced position could come across to other employees as favoritism and have the reverse effect of decreasing morale and even introducing hostility and mistrust into the work environment.

External recruitment is a qualification based tactic that enables the recruiter to seek out the top candidates from a large pool. It brings fresh ideas to an organization, but it isn't without its drawbacks. For one thing, it costs money to advertise the jobs,

train the employees and orient them to the organization (2015). Some examples of external recruitment are: Campus recruitment, job websites, job fairs, waiting lists, employment exchanges, job consultants, referrals, walk ins, advertisements in papers, magazines, online, etc (2015).

Comparison Chart (2015)

COMPARISON	INTERNAL RECRUITMENT	EXTERNAL RECRUITMENT
Meaning	Recruiting candidates who are already in the system.	Recruiting candidates who do not work within the system.
Basis	Seniority	Qualification
Time taken	Fast	Slow
Induction training	Not necessary	Necessary
Cost	Inexpensive	Costly
Choice of candidates	Limited	Unlimited
Sources	Transfer, promotion, referral, etc.	Ads, callers, agencies, consultants, etc.

In the case of Maersk, as previously stated, at the onset of their business when it was family owned and not yet globalized, they hired their employees young, trained them, and typically kept them until the day they retired. However, times changed and the fabric of the employee changed. People were no longer content to stay with who they knew for its own sake. They were now interested in seeking out the competition and seeing what they had to offer. Maersk had to ask the question, just what does the competition have that we don't? They were suddenly experiencing the largest number of employee turnovers in their company's history. They had to rethink their strategy. In the past, training a brand new, inexperienced employee was worth the investment because in turn, they got a good worker for life. Now they are asking if it might be smarter to hire experienced individuals who do not need as much training and development. How would they integrate them into the system? Should they consider rehiring former employees? For such an expanded business, Maersk had an extremely inclusive culture, and they needed to decide whether that was to their benefit or detriment (2013).

Maersk's human resource department, in an effort to align appropriate talent with the global conglomerate they had become, implemented a new talent management process that consisted of five components:

- 1- Attraction - Bring the right talent into the company.
- 2- Identification – Get their top performers together and fit them into the most important positions.
- 3- Development – Train the new employees appropriately, and implement continuous education for all employees so that they can keep up with the changes in the system.
- 4- Deployment – Identify internal employees who might be willing to relocate.
- 5- Scenario planning – Develop “the five year plan” for the business.

Of course, after all of this, there would be performance evaluations as well, which are important opportunities for any company to have one on one talks with employees so they can give one another feedback.

During this time, Maersk's HR department realized that they had spent a lot of time focusing on internal hires, neglecting the freshness that external hires could bring to the company. They decided to not completely do away with hiring internally, but were now much more open to hiring experienced talent from the outside. In addition to that, they also began considering rehiring former employees, many of whom were not fired, but laid off at some point. In fact, it was found that many of the re-hires in that category were at one time ranked as top performers. This can be a very good idea in many instances because not only are they quicker to train, but their clear sense of what they are walking into tends to lead to higher employee retention rates (2013).

It is important to mention that Maersk is a Danish company, which comes with its own set of cultural rules. They thought Danish, spoke Danish, and pretty much only hired and trained Danish. These days, Maersk's culture is much more diverse. In fact, they now speak only English at every meeting.

It appears to me, a complete layperson in the business world as of yet, that Maersk got off to a fairly slow start. They wanted to retain their Danish tradition and keep that family feeling intact. That worked well for them in their infancy up to the days just before they expanded into a global conglomerate. However, it doesn't seem as though it took them long to get with the proverbial program. In essence, they were business people. They knew how things worked. They saw the changes going on around them. And they knew that presently, they simply did not have the employee/talent base necessary to enable them to succeed in a much larger business world. Their HR department put together a comprehensive plan, mixed a little bit of the old with a lot of new and found something that worked for them. I liked the fact that they kept internal hires but remained open to external hires. Great talent can be found anywhere. It is too broad of a world to narrow your choices to one pool. I also liked their development plan. While the article didn't come right out and say that it planned “continuing education” for current employees, it did admit that training was always saved for new employees, but now, “a greater emphasis was now placed on the training needs of experienced employees” (2013). As a person who stayed with the same company for 18 years, this is extremely important to me. For one thing, all employees should be kept abreast of any new technology that is being used or any other new changes because it will increase their performance. It is good for both the employer and the employee. Another thing is the generation gap that exists within organizations. As much as I hate to say it, oftentimes younger people don't believe that other generations are as technologically advanced as they are. Continuing education debunks that theory off the bat. Everyone receives the same training. Everyone is proficient at the job. No one feels left out or “passed by”. Furthermore, if everyone has equal skill sets, workloads can be distributed more fairly. No one has to “pick up the slack” for those who don't know how to perform a particular task or isn't qualified to work in a certain area. I have seen this happen more times than I can count. I've worked with a number of senior employees (myself included)

who attend seminars and in-services on new policies, equipment, etc, and they are happy to be able to work in all areas of the hospital. If they're needed in the ICU, they can go there, and so on. But then there are some who are getting "passed by" by younger employees who are up on all the most recent technology and training available. The point is, it is available to everyone. Other than that, I feel that Maersk's HR department did a fine job at not only bringing the company up to speed with current times, but in developing a future plan. Again, HR not only has to keep up with current changes, but speculate on the future of the company.

II. EMPLOYEE TRAINING

"The goal of the training needs assessment is to identify performance issues that can be remedied through the introduction, practice, or reinforcement of specific and measurable knowledge and/or skill sets." (Sharif, 2015). In other words, who needs to be trained within the organization, and for what? According to Sharif (2015), there are two types of training needs assessments: Proactive and reactive. Proactive assessments are future focused, used to determine what the organization will need in response to its future changes. These include time consuming strategies such as online surveys, focus groups, and knowledge tests. Reactive assessments are based on current employees. They are much quicker than proactive assessments, usually involving a one on one interview with management to get a better idea of the reason behind the request for training and what they hope to achieve with this training (2015). Sharif (2015) identified seven components of a successful training needs assessment. These can pertain to both proactive and reactive assessments:

- 1- There is a verified performance issue that can be fixed with appropriate training. This issue involves skills that can be taught. This can range from anything from a new policy that can be taught via a brief memo or meeting to an employee's personal performance, which would require performance management.
- 2- The issue is critical to the success of the organization. Is the issue major or minor? Prioritization may be needed in this instance.
- 3- The correct target audience has been recognized. Who exactly is in need of the assessment – The employee, or the manager? It may not always be that the employee lacks the skills to do the job. It could be poor communication, delegation, or planning on the part of the manager. This needs to be recognized and addressed appropriately.
- 4- The correct training content has been identified. What needs to be taught? What is the cause of the performance issue? Here, it must be ensured that the correct content will be taught to the correct target audience.
- 5- The desired outcome is realistic. Time allotted for training is critical. Some things can be learned in one day, say a new policy. Some things may take a week to learn, such as new equipment. The appropriate employees must learn appropriate tasks. For instance, it would be unrealistic to expect a cafeteria cashier to

learn the job of Dietary Manager in one day or even one week. But you can expect the cashier to learn a new computerized cash register in a reasonably short amount of time. Whatever the case, the plan must be realistic.

- 6- The training is cost effective. If a number of employees need training, then it is reasonable for a company to invest in a training program. If one or two individuals have some performance issues, then it would not make sense to invest in an expensive training program. It would be far more reasonable to set these individuals up with a public seminar or webinar course.
- 7- The training program must be compatible with work schedules. Many organizations have two or more different shifts, so the program must be planned accordingly, so that everyone has an opportunity to attend.

In the case Maersk, a new position was posted for a CARE Business Partner in their Charlotte, North Carolina office. The new employee will be a local candidate with excellent customer service skills, direct call handling experience, relationship building experience, great communication and listening skills, negotiation and conflict resolution skills, and demonstrate Microsoft Suite efficiency. They must be a high school graduate or have a diploma equivalent. 1-2 years of experience in transportation is desired. Key job responsibilities will include:

- Customer advocacy.
- Customer service and satisfaction.
- Relationship building. Use relationships to facilitate fast equipment turnaround and collection of applicable charges as required. Marketing analysis, market competitor awareness and interaction is necessary.
- Ensure the entire shipping life cycle runs smoothly. Act as a liaison between customers and internal support groups via pro-active resolution handling and issue resolution ownership.
- Process improvement. Recognize how to reduce waste.
- Understand claim policy.
- Understand KPI's and act in line with set targets. Continuously seek out opportunities for improvements and lower costs.
- Monitor agreed service levels. Identify root causes when targets not met. Confer with management on this level.
- Participate in team reviews.
- Consistently uphold the values of the A.P. Moller – Maersk organization.

This new position falls in line with the qualifications necessary to conduct a training needs assessment as identified by Sharif (2015). This is not a job that has yet existed within this organization, so it is safe to assume that there are no existing employees who meet the criteria necessary to carry out the responsibilities. Therefore, a need for training has been established. Maersk is a newly globalized company with many branches, many business contacts, and many customers. This position will ensure that the three are tied together to provide for

a seamless shipping experience from start to finish. To say that the position and the training required for it are critical to the success of the organization would be accurate. The target audience for the training would be the person hired for this position and their manager. Since the job description is clearly outlined, it is known what will need to be taught, and it is realistically achievable, provided that the correct candidate is hired and enough time is allotted for them to be trained. A cost-effective training program will be chosen, and it will be ensured that the training schedule is appropriate time wise.

Since appropriate criteria has been established to move forward for a training needs assessment, it is important to note the steps of a proper assessment and how it should be done for the position of CARE Business Partner at Maersk. Four steps have been identified by the Society for Human Resources Management (2014). They are as follows:

- 1- Identify the business need. It is crucial for the person who is conducting the training needs assessment to first know the organization itself. Know its goals, priorities and needs. In the case of Maersk, a newly globalized company, it is known that there is a need for strong customer service to help build the company and assure a smooth shipping cycle, whether it is B2B to B2C. Essentially, they need a marketer.
- 2- Perform a gap analysis. Such an analysis could be performed through searching HR records for various things such as safety reports, grievances filed, job competencies and attendance records, etc. It could be done via interviews, surveys, questionnaires, self-assessments, or observations. It could also be done with focus groups who would question employees about training needs. A gap is defined as “the difference between the existing state and the desired state” (SHRM, 2014). In the case of Maersk, the existing state is the lack of a marketer, or CARE Business Partner. The desired state would be the acquisition of this talent, fully trained and performing the job at a high level.
- 3- Assess training options. Here is where various solutions will be presented. Cost will be taken into consideration as well. It is important to consider whether the new employee will be an internal or external hire. If the employee is an internal hire, basic company orientation will not be necessary as it would be with an external hire. That aside, some options for training could be webinars, seminars, self-directed online study, and one on one training conducted by a preceptor, potentially including both presentation via lecture and hands on methods. The latter part would be performed as on the job training using behavior modeling, role playing, and simulations.
- 4- Report training needs and recommend training plans. Here, priorities need to be set and questions need to be asked. Who will be trained on what? Where will the training occur? Should someone be hired to do the training? Are there any in-house experts on what needs to be taught? Can the training be done online? What is the learning style of the new employee? When considering the new position at Maersk, again we need

to understand that this is a new position that has not been filled before. So who gets trained? We must assume that marketing and relationship building has been done before on some level since Maersk has an existing clientele. Maersk began as a small, family style company with several employees who handled customer relations. Who among them stands out? One of them could be a strong candidate as a preceptor. We would want to choose someone who has strong interpersonal, communication, negotiation, and computer skills to pass on to the new employee. Before that occurred, it would be a good idea to sign them up for seminars and webinars to not only learn the art of precepting a new employee, but also to enrich their own skills. Once that has been established, a training plan will have to be created for the new CARE Business Partner.

When creating a training plan, it is necessary to keep not only the goals, but the objectives of the organization in mind. Goals and objectives are two separate things. Goals are of a broad spectrum that has a specific outcome in mind. Objectives are the means used to achieve the goals (MicroTek, 2017). The organization itself has objectives, the departments within the organization have objectives, the jobs within the organization have objectives, and the training plans for the jobs have objectives. There is an acronym to keep in mind when creating training plan objectives: S.M.A.R.T. It stands for Specific, Measurable, Achievable, Realistic, and Time-Oriented. According to MicroTek (2017), each point is defined as the following:

- Specific: Clearly state objectives. There should be no room for misinterpretation.
- Measurable: Objectives should show obvious proof of accomplishment.
- Achievable: Objectives should be challenging, yet doable.
- Realistic: Objectives should not have outlandish expectations. MicroTek (2017) provides another “R” here as Relevant, meaning that the means should achieve the end.
- Time-Oriented: A timeline to complete the objectives should be indicated.

There are several notable benefits to using SMART in your training plan. For one thing, it can result in lower costs. Good training results in lower employee turnover rates, reduced on the job accidents, and better efficiency. On the other end of the spectrum, it can increase the company’s profits with effective customer relations training, especially sales. It can improve operational efficiency and customer satisfaction, as well as “time-to-market or accelerate time-to profit”. The latter ties in competency and performance metrics (2017).

When developing training objectives, it is necessary to consider the activities that will be included in the employee development process. Employee learning activities help the employee’s growth to become a productive member of the organization. There are several reasons for this, as outlined by Juneja (2018):

- Learning activities will help the new Maersk employee refresh their skills and enhance their existing knowledge, which will result in better overall performance. We are assuming that the new hire already possesses the required customer care experience set forth in the job description. Some refreshers might include role playing, with the preceptor in the role of the customer. There could be simulations such as a direct call that requires listening and negotiating. There could be another set up so that the new employee has to resolve a conflict. There could be another role that the preceptor plays as a brand new customer or a fellow marketer. There are new things to be learned in each instance, with direction, feedback and constructive criticism given on each count.
 - Learning activities will help develop the new Maersk employee both professionally and personally. It is human nature to take pride in one's work and to feel good when accomplishing something. According to Juneja (2018), "training helps an employee to perform their personal best, eventually benefitting the organization and yielding higher profits."
 - Learning activities can build a culture of learning within the organization where everyone is motivated to acquire a new skill. The new employee aside, this would be an attribute to the Maersk company. If everyone had the drive to succeed, it would only make the work environment and the organization itself better. This is especially important in light of the fact that once upon a time, Maersk had difficulty with complacent, underperforming employees that management was slow to discipline.
 - Learning activities enable the employee to do self-analysis. The new Maersk employee will, upon completion of each activity, be given time to reflect on his or her performance and how they can do better next time.
 - Learning activities could strengthen the relationship among the employees at Maersk. There is a sort of camaraderie among students of all kinds – Childhood, adolescent, adult, school, extracurricular activities, and work. At Maersk, continuing education can become a necessity within the organization. There could be seminars, group assignments, events that will involve employee interaction and even create a healthy sense of competition. This will go a long way in overall improvement of the organization.
- 3- They have high motivation to learn.
 - 4- They are more pragmatic in their learning.
 - 5- The role of learner is secondary to other roles they've taken on.
 - 6- They must fit learning into their busy schedules.
 - 7- They can lack confidence.
 - 8- They are more resistant to change.
 - 9- They are diverse.
 - 10- They sometimes have to compensate for age issues (Kuhne, n.d.).

The experiential learning process is important for adult learners. It uses active participation on part of the learner, allowing them to engage in activities, critically review the activity, obtain insight from their analysis and then apply their experience in a practical situation (SHRM, (n.d).

This is based on the 4 steps of Kolb's Experiential Learning Cycle:

- 1- Concrete experience
- 2- Observation and reflection
- 3- Forming abstract concepts
- 4- Testing in new situations

In training the new Maersk employee, it would be best to allow them to incorporate Kolb's learning cycle in their training. It would give them invaluable hands on experience with the opportunity to assess themselves while receiving constructive feedback from their preceptor. This can be done one on one, or in a group with several different personalities that would allow the employee to experience simulated instances of actual job interactions. The simulations could be set up in the following way:

- Simulation 1 – A transaction or claim with an existing customer that is easy to please.
- Simulation 2 – A transaction or claim with an existing customer that is difficult to please.
- Simulation 3 - A transaction on a B2B basis.
- Simulation 4 – A conversation with a competitor's marketer.
- Simulation 5 – Build a relationship with a new customer.
- Simulation 6 – Negotiate a contract with another business.
- Simulation 7 – Resolve a customer conflict.
- Simulation 8 – Using Microsoft Suite, design a power point presentation of the first 7 simulations to present at a team meeting.
- Simulation 9 – Using Microsoft Excel, create a market analysis spreadsheet.
- Simulation 10 – Give your version of the life-cycle of a successful shipment.
- Simulation 11- Interact successfully with other personnel (drivers, service people, etc).

One thing that is vital to take into consideration is that Maersk will be dealing with an adult learner. This involves a very specific style of teaching, as the adult learner has very specific characteristics as opposed to the young student:

- 1- They want to have more control over their learning experience.
- 2- They draw on past experiences to learn.

This is just a few examples of learning activities that the employee could participate in as a part of their experiential learning. The activities would be spread out over the course of several days. There would be a period of constructive feedback and opportunity for self-assessment following each simulation so that the experience is fresh in the minds of both the employee and the preceptor. After the simulations were complete, the

Maersk employee would have more than that initial abstract idea of what would be expected of them on the job.

III. MANAGING AND APPRAISING EMPLOYEE PERFORMANCE

Every mature organization should have a performance evaluation system in place. Ideally the performance evaluation is done annually. Done correctly, it levels the employee playing field and affords organization hierarchy a comprehensive view of which employees are most valuable to the company (Bell, 2018). The performance evaluation is beneficial to everyone in the organization. It documents employee performance over the course of the year. It reinforces the role of the employee so everyone is clear on exactly what is expected. It aids in self-development and allows the employee to give their own feedback and work with management to improve skills. It is a motivator. It is a structured process for employees to discuss various issues with management. It clears a pathway for short and long-term goals. It statistically monitors success of the company's recruitment and induction practices. It gives management the ability to make decisions about raises, bonuses, promotions, etc. It makes it easy to recognize underachievers. It provides chronological documentation of any changes down through the years for both employee and manager to review and discuss (KPI, 2018). Human resources management plays a key role in performance evaluations by keeping the process fair, accurate, and well managed. They do this by ensuring that there is no discrimination in the process. One of the ways of doing this are calculating various demographics such as age and gender. According to Bell (2018), a fair work environment boasts a relatively diverse selection of top ranking employees. Another thing that human resources management does to promote fairness is its own evaluations of management within the facility to ensure that each manager is using the same system of evaluation as approved by the company, and that they evaluate each employee based on the same standards.

Not every performance evaluation is going to a good one, or what the employee or even manager expected. The employee may believe that they are doing a good job, but the manager may believe otherwise. This could cause for a tense relationship between the employee and the manager. This is where human resources becomes the mediator to improve that relationship. They can set up both individual and group meetings to come to a mutual agreement on how to proceed in the future.

Finally, human resources management provides security and confidentiality of performance evaluation records. They are stored in a secured computer database and viewed solely on a need to know basis (2018).

There are many instances where employees and managers often view the performance evaluation process as just another box checking chart they need to fill out during the course of the year. This attitude does nothing for the organization's strategic plan to fulfill its mission and reach its goals. Instead, this should be a time to evaluate. Are the employees as a whole just muddling through, pushing long hours with heavy workloads? What can be done to make them work smarter and more efficiently? An employee who's done their work properly in their slotted (let's say 8) hours is much more likely to show up and put

in another good performance the following days as well. The employee who is all over the place with an unreasonable workload, putting in 14, 16 hour days are going to quickly burn out and be unable to continue performing their duties in a capable manner. That is why it is the job of human resource management to ensure that performance aligns with the organization's strategic plan. Six steps have been identified to set up this alignment:

- 1- Set achievable goals.
- 2- Commit to regular monitoring
- 3- Continuing education for performance improvement.
- 4- Ensure strong leadership.
- 5- Use appropriate software.
- 6- Integrate with formal learning (Freifeld, 2013).

There are three different types of employee appraisal systems: Trait, behavioral, and results-based. A trait based system focuses on the employee's personal attributes such as punctuality, helpfulness, and reliability. Many employers will incorporate these attributes into a checklist using options such as, "does not meet standards", "meets standards", "exceeds standards". Much of the time, a trait based evaluation is subjective, based on the manager's perception of the employee. This could impact the overall reliability of this section of the evaluation (Griffin, 2018). Below is an example of a trait based evaluation that could appear on a performance review.

Traits	Does not meet standards	Meets standards	Exceeds standards
Punctuality		X	
Sincerity			X
Reliability		X	
Helpfulness	X		

Punctuality can be determined simply by revisiting the time clock log. Sincerity, reliability, and helpfulness are more subjective. One could ask, "If the employee exceeds standards on sincerity, then how do is it that you deem them unhelpful?" The manager could answer, "Well they seem really nice and they mean well, but they tend to keep to themselves and not help others". A fellow coworker might say that they find that employee to have been very helpful in the past, but seem overly nice and are fake in their sincerity.

A behaviorally anchored rating system (BARS) rates the actions of the employee using a graphic rating scale which ranges from excellent to poor (2018). Again, the results can be subjective as they are based on the manager's perception of the employee's success in their actions. A system such as this one is often used in organizations where customer care is the focus. Categories could include things such as, "Answers the phone in an appropriate manner, in accordance with training", "Follows up with customer to ensure satisfactory experience", and "Customer information verified and documented accordingly" (2018). Below is an example of a behavior based evaluation that might appear on an employee review.

Behavior	Poor	Fair	Good	Excellent
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Answers the phone in appropriate manner, according to training. Follows up with customers to ensure satisfactory experience. Verifies and documents customer information. Keeps accurate record of all customer based transactions.		x	
		x	
			x
			x

and effectively administers aerosolized medications to patients throughout facility.		
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This type of chart could appear on the evaluation of an employee who works in a distribution center. According to their manager, their performance is average in some areas and above average in others.

Results based performance appraisal systems is also known as management by objectives (MBO). This is a method of evaluating employee performance by “examining the extent to which predetermined work objectives have been met” (Archer North, 2010). Here, employees are judged by actual outcomes rather than their potential or someone else’s opinion on how they’ve performed. This is achievable because the results are tangible, not perceived as they are in trait and behavioral based performance evaluations (2010). An example of this can be any place of employment where the employees must demonstrate knowledge of procedures or equipment. Below is an example of a results based performance evaluation for a respiratory therapist who works in a hospital.

Results	Criteria met	Criteria not met
Draws arterial blood and effectively analyzes using I-Stat.	x	
Understands, explains and effectively applies mechanical ventilation to critically ill patients.		x
Understands, explains, and effectively applies BiPAP to borderline critically ill patients.	x	
Explains, understands use,	x	

Above is a sample of a results based appraisal not unlike one that is filled out by respiratory managers annually. This sample could be indicative of a newer employee who has spent working most of their time in routine care and hasn’t yet learned mechanical ventilation, which would be necessary to advance to critical care. This is not necessarily a bad thing. In fact, it highlights a goal for the employee to work toward.

In the case of Maersk’s new CARE Business Partner, primarily, a behavioral scale would be best suited to evaluate the performance of the employee who fills this position. Much of the job responsibilities include customer care and partner relations, so good employee behavior is essential. Included in this evaluation would be:

- Acts as customer’s primary point of contact.
- Advocates for the customer
- Works with customers and various business partners for total 360 degree satisfaction
- Builds strong, lasting customer and business relationships
- Helps to resolve customer claims
- Ensures smooth shipping process from start to finish

A smaller results based scale would be useful here as well to evaluate proficiency. Such points would include:

- Demonstrates full understanding of claims policy and its impact on the company
- Demonstrates full understanding of KPI’s and acts in line with set targets.
- Demonstrates full understanding of Maersk policy, procedure, and bottom line.
- Demonstrates full understanding of the life cycle of the shipping process and transportation as a whole.

Several different types of performance rating scales can be used within organizations, including graphical, letter, and numeric scales. The graphical scale helps management quantify employee behavior. Ratings are usually done on a scale of 1-5, 5 being the best score. This should be used for behaviors rather than ambiguous, subjective traits. (MBASchool, 2017). Such factors could include teamwork, sense of responsibility, and quality of work. An example of a graphical rating scale, according to MBASchool (2017) is:

- 1- Poor. Underperformer. Repeats rather than corrects mistakes.
- 2- Average. Work is sometimes neat; sometimes untidy.
- 3- Good. Mostly consistent in doing acceptable work.
- 4- Very good. Reliable performer who consistently does good work.
- 5- Excellent. Consistently high quality work without errors.

Letter scales, also known as essay scales, provide an employee evaluation in letter or essay form. This can be used for either trait or behavior assessment, and is basically a series of questions about the employee that must be answered in essay, or

letter form. It can include employee strengths, weaknesses, comments about past performance, etc. This can be done effectively only if the manager has good written communication skills (University of Minnesota, n.d.).

Finally, there is the numeric rating scale. This is the most commonly used scale because it is easy to use, highly effective, and allows for a broad range of assessments. It is customizable by the organization to rank characteristics in the order of importance, normally on a scale of 1-5 or 1-10 (Lopez, 2015). It is typical for the lower numbers to represent unsatisfactory conduct and the higher numbers to represent satisfactory employee conduct (2015). This type of scale is beneficial because it allows the employer to determine if an employee's overall performance is poor, fair, good, or excellent.

IV. COMPENSATING EMPLOYEES

Employee compensation is defined as a benefit package that an employee receives in exchange for a service they provide. Compensation is typically the largest expense an organization bears, and can include cash pay, bonuses, paid time off, retirement plans, various types of insurance, commissions, and disability, among other things (McKinney, 2018). Six different types of compensation plans have been identified and are as follows:

- 1- Straight salary compensation. This is the basic salaries/wages given to an employee.
- 2- Salary plus commission. This is known as one of the most reliable types of compensation. Here, a base salary is given to the employee as well as additional pay based on performance.
- 3- Commission only. This is usually used in sales. Basically, the employee must perform or they will not receive pay.
- 4- Territory volume compensation plans. This can be used employees work in teams, based on profits acquired per territory.
- 5- Profit margin/revenue based compensation plans. This is a very popular type of compensation based on profits made by the business.
- 6- Residual commission. Here, commission is received by the employee so long as the employee's account generates business for the organization. This type of plan is idealistic according to the employee, and is not widely used (The HR Digest, 2017).

Employee benefits are a type of compensation provided to employees in non-wage form, in addition to their wages and salaries. Examples of these include employee housing, child care, insurance, tuition reimbursement, vacation time, personal time, and retirement plans (Wikipedia, 2009). According to Wikipedia (2009), the purpose of employee benefits is to provide financial and economic security to its employees to improve worker retention within the organization. The combination of compensation and benefits is often referred to in the business industry as C&B. Such packages give employees incentive to do better work and to stay with the organization. They boost workplace morale and make the employee feel valued.

A compensation philosophy is a formal statement of the organization's position on employee compensation. It typically

explains why they are going to pay their employees in a particular manner as well as setting up guidelines to promote consistency (SHRM, 2018). They are usually set up by a company's human resource department. Maersk has established guidelines for incentive pay for the Board of Directors and management. According to the Danish Companies Act section 139, no board member will receive incentive or performance pay. They will instead, receive a fixed annual salary. However, the company does use incentive arrangements "secure a high degree of alignment of interests between the company's Management Board and the shareholders to strengthen attraction/retention and to promote and support value creation both in the short and long term" (Maersk, 2017). Maersk incorporates both short and long-term cash incentives for its employees as well as stock options and adjustment and repayment of incentive based on remuneration.

Maersk's short-term cash incentives were established to promote achievement and high performance. Their philosophy is "pay for performance", whereby a cash bonus would be paid upon achieving set financial goals, the Maersk group's total results, or other non-financial goals such as exceptional safety, leadership, and engagement (2017). This short-term cash incentive would be paid out annually.

Maersk's long-term incentives are focused on correlating long term top performance and achievement, and include stock options, which would be granted annually and are focused on long term improvement of Maersk's stock price (2017).

Today's competitive market does and should influence any organization's compensation philosophy. Maersk wants to attract people to join them, motivate its employees to perform at their highest level according to their skill sets, and recognize competitive market pay so as to attract and retain current employees. Since Maersk primarily deals in sales and relationship building, it is appropriate to implement incentive based pay because the employees know that the better they perform, the more money they are going to make. The long-term benefits kick in when building more contacts and partnerships, hence generating more business for Maersk. These are partnerships that could last a lifetime and flourish. These employees could be given stock options, as they have made an almost infinite contribution to the company – One that will likely last even once they retire. Here is where residual commission has a potential to generate as well.

Market competition is not only something to be considered, but something that is to be actively involved in if an organization is going to be successful in retaining top talent. People want to go where the money is and where they feel appreciated for their efforts. A salary survey should be conducted at least annually, if not quarterly, and answered by the human resources department. This is especially true since the economic recession of the early 2000's, when many employees' raises were frozen and salaries were decreased. It is the responsibility of the company's HR department to know what these positions are, who the people are retaining them, and what similar companies are doing to compensate similar employees. This is where the salary survey can be very useful. It is a chance for the HR department to reflect on three very important questions:

- 1- How much can the company afford to overpay a position?

- 2- How long will top talent stay with the company if they have reason to believe that their current salary is not market competitive?
- 3- How easy would it be for market competitors to lure good workers away? (HRN, 2014).

The United States has, in many ways, recovered from the recession. Unfortunately, many employers haven't resumed employee raises or adjusted salaries accordingly. The salary survey keeps the HR department ever vigilant of those who may be surpassing them in market value. For example, a nurse might be working for a hospital where she hasn't seen a pay increase in 4 years. The nurse is a top performer and has been there for 18 years. They come in early and stay late when requested. They help their coworkers. They are kind, compassionate and knowledgeable with patients and their families. They often go above and beyond what is expected of them, yet no raise in 4 years. One night after work, the nurse looks online at other hospitals in the area and notices that brand new graduate nurses are starting out at \$4.00 less/hour than it's taken them to make in 18 years. The nurse talks to the manager and HR, but they will not budge. The nurse starts applying to those other hospitals. This hospital, had their HR department participated in more salary surveys, may have been able to avoid losing a seasoned veteran nurse to a competitor. What's more is that they may have difficulty replacing this nurse if a new graduate sees that other hospitals will pay them several dollars an hour more than this hospital. Further, other employees may stand up and take notice. They know that Nurse B has accepted a job elsewhere, making \$5.00 more an hour. They may decide to follow suit. This would be in detriment to the company, more so than if they did their market research and paid their staff accordingly.

It has been established that competitive salary is essential to retain top talent within an organization, but what about benefits? Discretionary benefits are those that the law does not require an employer to provide (Martin, 2017). These types of benefits fit a broad spectrum, but can include things such as child care, health insurance, dental and vision coverage, pet insurance, a 401 K plan, a pension plan, tuition reimbursement, substance abuse counseling, and paid vacations (2017). These are certainly valuable because they improve workplace morale and motivation. However, they are very expensive for the employer. A discretionary benefit package offered by Maersk once upon a time, pre-globalization, might not have been feasible. However, since the company has exponentially grown, it is almost necessary to provide them. Maersk wants top talent. One way to attract top talent is by wooing them with all the extra "perks" they will receive – Health insurance including vision and dental, child care for employees who are parents of younger children, a retirement plan, a pension plan, life insurance, short and long term disability, paid holidays off, vacation and personal time, perhaps a company car, cell phone and tablet, especially for the marketers whose job is to travel and communicate with Maersk associates. These are all extremely important for a globalized company – One who can afford to give stock options to long term top performers – To offer to each and every one of its employees. One thing that would be more financially feasible for both Maersk and its employees is to allow the employees to build their own benefit package. This way, the employees only pay for exactly what they want, reducing their monthly payroll

deduction, and reducing the amount that Maersk has to pay into it as agreed upon. Discretionary benefits and keeping abreast of market competitors will help Maersk's HR division retain its top talent and attract even more on a global level.

Globalization is defined as "the process of integrating a business's operations and strategies across a wide array of cultures, products and ideas" (Bradley, 2018), and it affects human resource managers in the way of employee issues including diversity, legalities, and overall development. According to Bradley (2018), there are 5 main functions of global HR management to promote shared values throughout an organization. They are as follows:

- 1- Recruitment process. Having the right teams in place within the organization is crucial in elevating its profile, running smoothly, and of course, turning profits.
- 2- On the job training. Even the most qualified individuals need to learn how things are done within the organization for which they are employed. It is HR's responsibility to provide this training. When such training is provided across global locations, it provides for better communication and consistency.
- 3- Professional development. There should always be opportunity for growth, whether it comes in the form of seminars, webinars, or cross training opportunities. It's been shown to increase employee sense of worth and motivation.
- 4- Benefits and compensation. This is a very important HR function for globalized organizations because "it requires a sensitivity to the wants and needs of a diverse group of people (2018).
- 5- Ensuring legal compliance. It is imperative for the HR department of a globalized organization to stay abreast of different labor and tax laws, as they can not only be numerous, but vary globally (2018).

Human resource departments are also responsible for aligning their practices and theories to their organizations' visions, missions, and business. The vision of the organization tells the tale of what the organization wishes to be in the future. The organization's vision set forth by HR provides a clear guideline for decision making that will help achieve this goal. It is not only important for future goal achievement, but it also instills a sense of pride among the employees who help the company achieve this vision down through the years. It is a source of inspiration (Wikibooks, 2013).

A mission statement, not to be confused with vision, defines the organization's reason for existing. It should identify its customers, its services/products, and its global locations (Entrepreneur, n.d.). The mission statement set forth by HR not only speaks to customers, but to employees. It tells them how committed the department is to the things they feel are important to the organization.

An organization's business carries the purpose of commercial enterprise. Within the globalized organization lies a group of people working toward the same commercial interest of providing customers with their products/services. The business can be either for profit, or non-profit. It is the role of the HR department to create a hierarchical structure that "establishes roles and positions within the company" (LaMarco, 2018).

At the top of the human resource department hierarchy lies the human resource manager. This person is responsible for the planning, direction, and coordination of the administrative functions within the company. Their job also includes recruiting, interviewing, and hiring staff, developing them professionally, strategizing with administration, and bridging the gap between other managers and the organization's employees (Bureau of Labor Statistics, 2018). There are also different types of HR managers – Employee relations managers, payroll managers, and staffing managers (2018).

The employee relations managers have an important role as they oversee company policy. They handle legal issues, grievances, wages, union issues, benefits, etc. Payroll managers ensure that payroll is done correctly, and in a timely manner. Staffing managers recruit and hire talent, ensuring that the best possible candidates are placed in appropriate positions throughout the organization (2018). All of these things line up to the organization's strategic plan, which essentially "sets priorities, focus energy and resources, strengthen operations, ensure that employees and other stakeholders are working toward common goals, establish agreement around intended outcomes/results, and assess and adjust the organization's direction in response to a changing environment" (Balanced Scorecard Institute, 2017). The plan is placed in writing by the HR manager and is used throughout the organization to communicate goals.

Work environments have changed quite dramatically down through the years, and it is the responsibility of the human resource department to adapt to these changes and to set policy to honor them. For instance, last century, many women entered the workforce. Previously, there were so many male dominated professions. HR departments, in order to ensure a smooth and safe working environment, and to avoid legal disputes, had to set policy for things such as sexual harassment, which was not much of an issue in an organization filled with men. Back then, gay men weren't exactly eager to announce their sexual preference for fear of being harassed or even fired or physically assaulted. So sexual harassment in the workplace was never really a big issue. Another thing that emerged into our society is affirmative action and political correctness. There was a point in time where it was no longer okay to discriminate against someone due to gender, race, or religion. HR policy again had to be updated in correlation. Labor laws have changed. Organizations can no longer hire children under the age of 16. Also, depending on the state in which an employee lives, the employee cannot work X amount of consecutive hours. For example, in Pennsylvania, it is illegal for an employee to work longer than 16 hours, and after the 16 hours, there must be an 8 hour break before they can work another shift of any length. This is something that I know from experience. The point is, HR concepts and principles must be kept modern and up to date. Many factors can cause changes in the work environment, but analysts have identified two key factors:

1- Greater pressure for an organization to be a "lean enterprise", or more competitive, agile and customer focused. This involves defining value according to the customer, identifying things that can be done to increase that value, and eliminating anything that is identified as waste.

2- The IT and communication technology boom that has allowed work to be done in places other than inside the facility – In other words, many employees now have the freedom to work from their computer or cell phone in any location they choose, including home (Heerwagen, 2016).

Not only have things changed for the organizations themselves, but for the people within them. Today, workers are expected to demonstrate more cognitive, social, and interactive competence. They need to know more and do more. The numbers of departments within organizations have decreased over time. For instance, at one time, there might have been a certain smaller hospital that employed both cardiology techs and respiratory therapists. Due to budget cuts, now respiratory therapists are expected to do both their job as well as the cardiology techs' job, and they are expected to do it seamlessly. Employees are also expected to work in teams at times, which can involve working through conflict and developing an understanding for one another, whether there are personal differences or even cultural differences. Heerwagen (2016) also speaks of a new "psychological contract" between employer and employee – An informal mode of understanding what each expects of the other. This new contract focuses on professional development, continuous education, and work/life balance. The old school contract focused more on job security and upward mobility within the company – Neither of which are guaranteed any longer due to a number of reasons. For one, companies have gotten so big that they don't care as much about the individual employee any longer. This fosters a reduction in loyalty on behalf of the employee. Again, it is here that HR steps in to bridge the gap between the employees and the head of the company so that the employee may feel valued and in turn, be more loyal and committed to the organization. Perhaps they work with the employee for more flexible hours. There are a number of things that must be considered and implemented by every modern Human Resource department to not only decrease employee turnover, but to align its concepts to the organization's strategic plan.

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