

Human Resources Management:

# An Overview

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# What is Human Resources Management?

There are many definitions of “human resources management.” At its most basic, it encompasses everything you do to get the best from your organization’s most valuable resource: your employees.

Overall human resources management processes and disciplines followed in other sectors are also highly relevant to the cultural sector, for two reasons:

Regardless of where they work or what their jobs are, people are motivated by the same things: stimulating work, fair compensation, good management, a supportive and friendly workplace, and open communications. They stay in or leave organizations — in any sector — for the same reasons.

The government, labour lawyers and courts don’t care whether an individual works in a theatre or a bank. Legislated employment standards apply to individuals in all sectors, and it is important for cultural managers to be aware of (and abide by) at least the minimum requirements to avoid very costly mistakes — costly in terms of money, productivity and staff morale.

This guidebook is intended only as an overview to human resources management. It is the first in a series of cultural HR management tools that have been co-produced by the Cultural Human Resources Council and Cultural Careers Council Ontario.

These tools can be accessed at the Cultural Human Resources Council’s website at: **[www.culturalhrc.ca](http://www.culturalhrc.ca)**.

Following are the tools that have been produced so far, and more will be added at future dates. They provide detailed guidelines on many HR topics that are “overviewed” in this guidebook. They are an excellent resource for cultural organizations who wish to improve and expand the scope of their HR activities. The tools are:

- Human Resources Management — An Overview (this book)
- Human Resources Management: Best practices in the Cultural Sector
- Job Descriptions
- Recruiting the Right People
- Managing Employee Performance
- Dealing With Challenge and Conflict
- Coaching, Mentoring and Succession Planning
- Termination of Employment
- Benefits and Retirement Plans

## Where does it fit into our organization?

We can look at HR management as one of 3 main areas that contribute to an organization's overall effectiveness, as shown below:

<b>OPERATIONS MANAGEMENT</b>	<b>FINANCIAL MANAGEMENT</b>	<b>HUMAN RESOURCE MANAGEMENT</b>
<ul style="list-style-type: none"><li>· Forward planning and goal-setting</li><li>· Setting up, and implementing and managing initiatives to meet goals</li><li>· Working effectively within internal/external environments</li></ul>	<ul style="list-style-type: none"><li>· Establishing budgets based on organizational goals</li><li>· Monitoring and controlling revenue and expenses</li></ul>	<ul style="list-style-type: none"><li>· Staffing</li><li>· Employee relations</li><li>· Compensation and Benefits</li><li>· Training and Development</li><li>· HR Information Management</li><li>· Workplace Health and Safety</li><li>· HR Information Management</li><li>· Training and Development</li></ul>

In any cultural organization, professional management of all the above three areas is essential to achieve

**ORGANIZATIONAL EFFECTIVENESS**

## HUMAN RESOURCES MANAGEMENT: AN OVERVIEW

Following are activities that are typically carried out within each HR function:

HR Function	Related Activities
<b>Staffing</b>	<p>Identifying and monitoring current skills/abilities of staff.</p> <p>Identifying required skills/abilities of staff.</p> <p>Developing and implementing plans to meet staffing needs (job descriptions, promotions, training, recruitment, selection interviewing, developing career plans, mentoring and succession).</p> <p>Setting performance standards/expectations and monitoring results</p> <p>Developing and implementing termination policies and procedures.</p>
<b>Performance Management</b>	<p>Developing an appropriate performance evaluation system.</p> <p>Ensuring that managers conduct regular and effective performance reviews.</p> <p>Monitoring follow-up action plans that result from performance reviews.</p>
<b>Employee Relations</b>	<p>Evaluating the quality of the organizational “climate” and effectiveness of current practices.</p> <p>Assessing and addressing current supervisory issues and administrative difficulties.</p> <p>Analyzing internal or external influences/employment trends that affect the workplace environment.</p> <p>Developing and monitoring communication policies.</p> <p>When necessary, developing alternate strategies for implementation and communication of organizational goals.</p>

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HR Function	Related Activities
<b>Compensation and Benefits</b>	<p>Developing compensation and benefits policies that are consistent with organizational goals and within the context of legal, regulatory, taxation and community framework.</p> <p>Maintaining a competitive position in the cultural community regarding compensation levels and benefits.</p> <p>Negotiating employment contracts and collective agreements</p>
<b>Workplace Health and Safety</b>	<p>Evaluating practices in the areas of health, safety, security and Worker's Compensation</p> <p>Identifying workplace health and safety issues.</p> <p>Conducting review of existing HR policies and practices in this area.</p>
<b>HR Information Management</b>	<p>Analyzing the organization's plan to determine what information is required to monitor and assess HR management and staff performance.</p> <p>Developing and implementing an appropriate, cost-effective human resources information system (ie – HRIS)</p>
<b>Training and Development</b>	<p>Evaluating and comparing actual organizational performance to performance expectations.</p> <p>Analyzing possible sources of ineffectiveness such as lack of knowledge, skills, ability or appropriate behavior.</p> <p>Developing training or development activities (including coaching and mentoring) to increase effectiveness of human resources.</p> <p>Developing measurement techniques to gauge the success of HR development activities.</p>

## HR Management – Whose job is it?

Most small and medium-size cultural organizations – 5-40 employees – do not need and cannot justify a full-time human resources manager. And in all likelihood you and most of your staff already have a full workload. No one has extra time to devote to carefully assessing and upgrading your human resources management activities.

In spite of this, it is essential that human resources matters are addressed professionally and pro-actively if you want to attract, retain and develop top-notch staff in the cultural community. Given this reality, the following is a suggested way to manage your human resources as effectively as possible without having a human resources specialist on staff.

One person should be appointed as the focal point for the human resources management function – an individual who has “Human Resources Coordinator “ as part (large or small) of their job description.

This individual should:

- currently be in a supervisory or management role in the organization. In very small organizations it may be the Executive Director/General Manager, but if at all possible it should be someone in a more “neutral” role in terms of staff relationships.
- be respected and trusted by management and other employees.
- be interested in coordinating HR activities and learning about professional human resources management. Although this individual’s primary job and interests are probably in another area, they may be attracted by the fact that coordinating the human resources function will be a hugely valuable addition to their resumé and enhance future career opportunities. This is particularly true in the cultural sector where professional human resources management skills are at a premium.
- have a realistic job description that allows them to spend 10-50% of their time (depending on number of employees) on HR management activities.

IMPORTANT

Most cultural managers and employees are already stretched to the limit in terms of workload and demands on their time. This new role should not be imposed on someone in addition to their normal work responsibilities. If the individual feels this is just another burden, it can only lead to resentment and ultimate failure of the whole initiative.

Given the likelihood that the best person for this role already has enough on their plate, this will require reassigning or reducing some of that person's other responsibilities. This may require creative thinking on the part of the Executive Director. But any reduction in that person's workload in their primary job should be viewed as an investment in managing your most valuable resource – your people.



## Helpful Resources and Materials

In most cases, the Human Resources Coordinator will have little or no experience or knowledge of human resources management when they take on this role. Their primary job is likely to be in another functional area of the organization. But there are an enormous number of easy-to-use resources and materials available to help them.

The HR Management tools available through the Cultural Human Resources Council were described on page 2.

Suggestions of other resources you may wish to consult are:

- Human resource management materials have been prepared for the voluntary sector by HRVS (Developing Human Resources in the Voluntary Sector) on several topics, including employment legislation, policies and procedures. Most of these materials are highly transferable to the cultural sector. They can be accessed on-line at [www.hrvs.ca](http://www.hrvs.ca). (Bilingual)
- Probably the best publication and reference guide for human resources managers in Canada is “The Human Resources Advisor” (Publisher: First Reference Inc.), which includes details of employment legislation and is updated every year. It’s available in binder form and on-line. The website for First Reference is [www.firstreference.com](http://www.firstreference.com). (English)
- A great federal government site dealing with several human resources management issues is at <http://hrmanagement.gc.ca>. (Bilingual)
- Other useful HR-focused sites – some of which have an American origin but are still largely relevant to the Canadian workplace:

[www.hrreporter.com](http://www.hrreporter.com) (English)

[www.hronline.com](http://www.hronline.com) (English)

[www.rhri.org](http://www.rhri.org) (Français)

<http://humanresources.about.com> (English)

[www.cqrhc.com](http://www.cqrhc.com) (Français)

[www.hrpowerhouse.com](http://www.hrpowerhouse.com) (English)

## Where to Start?

For purposes of this document, we will assume that:

- you have been appointed as Human Resources Coordinator for your organization – a part-time role in addition to your primary job (which hopefully has been somewhat reduced in scope to create time for this new responsibility)
- you have never had any formal human resources management training
- you are excited by this new role and view it as a great addition to your job skills

Taking responsibility for coordinating the human resources function in a cultural organization can be a challenge. The first of these is how to get started!

Given your lack of background in HR, before moving ahead it's essential that you spend time exploring some of the large amount of self-instructional HR management guidelines that are available, both in paper form and on-line (see section on "Helpful Resources and Materials"). When you feel you have a good initial understanding of human resources activities, you can begin to move into your new role.

The key to success is to begin by assessing the current state of human resources management in your organization. Look at what has and hasn't been done in the past, and whether it worked or not. Ask questions of managers and employees about what they need and want.

### NOTE

Be very careful at this stage not to make any promises about what you will or won't do. If yours is a typical cultural organization, the reality is that budget and time constraints will make it difficult for you to quickly develop a "state-of-the-art" human resources function, with everyone getting what they want overnight

Getting a clear picture from your Executive Director (and other managers, if appropriate) about their expectations for your new role and the human resource function as a whole is critical. Why was this new function created? Whose idea was it to create your position? Who will be making the decisions that will affect your work? Think about the culture of the organization, and how human resource activities were handled before. Answers to these questions can best be gathered by conducting a needs assessment through informal interviews with key staff members and management, along with your own assessment of the human resource functions currently in place. Don't forget to talk to your Director and other managers about future growth plans and organizational changes that may affect staffing needs. Pretty basic stuff, but critical to getting off on the right foot.

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Your next step should be to create your game plan and share it with senior management to gain their input and, most importantly, buy-in. This should be a fairly structured briefing session — here are some guidelines:

- Be prepared, make your presentation brief, to the point and professional
- List what needs to be done based on what you learned from your assessment
- Provide a time line for action, cost projections, why the changes or initiatives need to be undertaken, and the expected end results
- Anticipate questions and objections, and be sure to allow enough time for your presentation so you won't be rushed.
- Don't forget the bottom line: how will the organization benefit from undertaking your recommended actions? The possibilities are numerous:
  - improved employee morale
  - better competitiveness with other cultural organizations in terms of attracting and retaining the best people
  - streamlined operations in particular areas
  - improved communications and feeling of involvement among staff
  - higher productivity because staff are “turned on”
  - more equitable compensation structure
  - new employee services (eg – benefits, bonuses, time off in lieu of overtime, etc.)
  - better tracking and use of HR information on each employee
  - more opportunities for staff to grow and develop

...to name but a few.

Now the real HR work begins. Start with a review of employee files. Are all the necessary documents there? Are any of the documents (or lack of documents — eg — signed employment contracts or letters of agreement) creating any potential legal liability for the organization? Ensure that your files are organized to enable you to access various information quickly. Centralize the files and maintain them in locked file cabinets.

What about an employee handbook? Does one exist? Is it a time bomb waiting to explode in terms of containing implied “promises” that the organization has not fulfilled? Carefully review the content and decide if it's best to update the current one or write a completely new one. Obtain samples from other cultural organizations (they usually share their resources generously), buy samples or use the excellent template developed by SaskCulture for cultural organizations (see details in section titled “Human Resources Policy Manuals). Once you have a draft, have your Executive Director review it for input. Then have senior management review it to ensure it matches their needs and expectations. Finally, if you are concerned about some of the content “committing” the organization to a course of action,

you may want to have it reviewed by a labour lawyer to assess potential liability in the case of a disgruntled employee. Give each employee a copy, have them sign an acknowledgment of receipt, and retain this important document in their personnel file.

What about payroll and benefits? If this is currently done in-house, you may want to research local payroll processing companies who can take on this important but routine activity. There is a difference in services provided and quality of customer service, so do your homework, plan what you want to find out from each provider and prepare probing questions. When meeting with potential providers, look for:

- Sensitivity to cost constraints of cultural organizations
- Familiarity with non-profits
- Simplicity in systems
- Assurances that things will be done on time and that they will respond quickly to enquiries from you or your staff
- References at other nonprofit (ideally cultural) who you can contact

Is your organization large enough to justify an HRIS — Human Resource Information System? These systems help you to record and track all relevant details and development activities of your staff, including costs, and enable you to produce useful management reports. Most payroll services can help you in this area, too. If this is too ambitious for your organization, consider purchasing basic database-management software to use in documenting HR information. The level of expertise and staff available in your organization will help you determine what is the best option. Another section of these guidelines goes into more details on HRIS.

Many small cultural organizations do not provide medical/dental or other benefits to their staff. This is valid for small, cash-strapped organizations with very simple structures. However, employee benefits are increasingly a consideration for cultural workers who are considering leaving or joining an employer. This is another area where you can make a difference in quality coverage for employees and cost to the organization. If you already have a benefits plan, evaluate your current providers. It's a complex area — get external help from consultants and brokers to obtain the best coverage while controlling costs. Create a competitive bid process, allow for elective benefits, and be creative with plan design and contribution methods. Is it affordable to have a fully employer-paid benefits plan or will you require contributions from employees? What about a retirement plan (or group RRSP's)? If you already have a retirement plan, does it need to be re-visited and re-vamped? This is another area where you may want to seek outside assistance from a plan administrator or investment provider. Finally, what about an employee assistance program (called EAP) or a wellness program? Offering options and value-added benefits can help you attract and retain quality employees to help your organization meet its current and future goals.

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Have there been any major issues about the company's compensation plan (eg – complaints of inequity, or lack of competitiveness within the cultural sector)? Is it working? Is it being administered consistently? This may be an area where you spend significant time putting together a pay structure that supports the operational climate and culture of your organization. Again, it may also be an area where you get help from an outside compensation specialist.

Finding and keeping first-class employees will continue to be a challenge for small cultural organizations. Recruiting and selecting the right people to match the needs of a small operation can be difficult in any job market. Gone are the days of the “right person” waiting at the door for you to open it and usher them in. Having the talent and skills needed by small cultural organizations to succeed means identifying, attracting and keeping the best employees. This is an area where partnering with managers will be key to your success in your HR role. This is also a human resource activity that is observable and largely measurable. Success is measured by turnover – voluntary or involuntary – and staff morale.

What about written policies and procedures? Among other important issues, legal compliance should be a major concern. Comprehensive or simple policy manuals are available for purchase to use as samples in adopting your own. A separate section of this document is devoted to the topic of Human Resources Policy Manuals.

Next, think about new employee orientation. It's an area that cultural organizations often ignore, thinking that new employees will “pick it up as they go along” or “It's not that complicated.” Well, it is complicated to a brand new employee and much time is often wasted in trying to find essential information when it could have been presented in a planned and organized way. Should it be done separately for each new employee? In what format? Who should be involved, and where should it be done? Most importantly, what information do you need to convey to new employees to get them off to a good start?

Suggestions:

- Staff list
- Introductions to any staff they may have contact with, and an office tour
- Employee handbook
- Bye laws (if appropriate)
- Clear details about office areas, systems, people and access to information that are critical to the person performing their job well

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One of the keys to success in today's cultural workplace is having staff who are pro-actively trained and developed. This includes giving them the tools they need to be successful in their current and future positions. It's also critical to provide training to your managers to help them motivate and direct their staff. Whether formal or informal, training is important to help you establish and maintain a quality workforce with strong, capable leaders. Training activities can take many forms: formal training sessions, staff meetings, mini-workshops, written materials, structured on-the-job training, mentoring, coaching, off-site courses, etc. It's important that in your human resource plan you build in the means to allow this training and professional growth to take place.

A final critical part of your plan is communications. How can you keep your employees and managers informed? An employee newsletter is one way. First make it interesting and fun, yet work-related and professional. Send it out on a regular basis – e-mail or paper – and post it on your bulletin board. It doesn't have to be long, and there are many local agencies including your benefits providers and human resource product vendors who may have novel ideas or examples for you.

### IMPORTANT

Cultural managers often ask for suggestions of non-monetary ways to recognize, reward and motivate their employees. A newsletter can be a quick, easy and very effective way to publicly recognize your employees – either individuals or groups – for the work they do.

The second part of the communications process is with management: Is the human resources management function contributing to your organization's success? Is it making a difference? You should report on turnover and retention, exit interview analysis data, benefit and compensation costs, absenteeism, nonproductive time use and costs, promotions, training costs and results, to name a few. Part of your role as Human Resources Coordinator is to help others see the measurable end-result contribution that effective human resource management makes.

# Avoiding Human Resources Management Pitfalls

Most cultural organizations have an operations plan and budget, work with an accountant, and have sought advice from a lawyer on occasion. However, in the area of human resources management — an area with large potential liabilities and pitfalls — many of these organizations fall short.

Both federal and provincial governments have employment legislation. Yet few cultural managers study this area that affects their organizations. They should, if they wish to avoid the costly mistakes that can result from, for example, a disgruntled former employee who seeks legal advice because they feel that they have been unfairly terminated.

The most common hazards in human resources management are:

- Lacking policies and procedures. Saying too much in employee manuals, thereby creating implied contracts.
- Absence of job descriptions.
- Inconsistencies in the application of policies (or actions which become policy). Giving preferential treatment to an employee or group of employees.
- A lack of documentation.
- Not evaluating performance.
- Waiting too long to terminate an employee.

These are certainly not mutually exclusive. For example, because so many performance evaluations are haphazard if done at all and because documentation is lacking, it is often difficult to terminate the marginal or unsatisfactory employee. Organizations can rarely terminate an individual out-of-hand. Obviously individuals should not be terminated without clear justification.

## Lack of policies and procedures

As a guideline, before an organization hires its fifth employee, it should have some sort of written policies and procedures. While most cultural organizations wouldn't think of operating without a bookkeeping function, many small ones do not think about putting employment policies in writing until after at least one negative incident involving the behavior of an employee.

It's not just because governments require adherence to labour laws that smaller organizations should have written policies and procedures. There are practical matters to be considered. What are the hours of work? What is considered lateness? How much

absenteeism is the organization willing to accept? What happens at the end of the probationary period? Does the organization provide medical/dental insurance? Sick leave? How much vacation time is accrued and over what period of time? Does the organization provide time off in lieu of overtime? What actions can lead to termination?

Many small cultural organizations have operated for years with only 4 or 5 permanent staff and are very reluctant to establish some structure through written policies, even when they are expanding. Their executive director's view may be: "I have a very difficult time finding and keeping good staff. The competition for top-notch staff in the cultural community is enormous. How can I convince them that this is a great place to work if the first thing I do is give them a handbook that tells them how we can terminate their employment?" First of all, the handbook is a mix of the positive and negative. Second, it establishes mutual expectations. Third, it communicates information that the employee must know in order to become a valued and productive team member. Fourth, without stated policies and procedures, you have three choices: let your actions become your policies; have employees constantly asking questions about everything from hours of work to benefits; or have employees who are too afraid to ask anything and feel as if they are constantly at risk.

Apprehensions about putting policies in writing can also lead managers to unwittingly "make promises" in policy handbooks. The statement, "We hope you have many productive years with our museum" is not the same as, "We know you will be with us many years." Nor is, "We provide medical and dental benefits" the same as, "You can expect to receive all the benefits here as you would with larger cultural organizations." The warning is clear: be careful in how much you say as well as what you say in a human resources manual.

### An absence of accurate job descriptions

The job description, if kept updated, is a valuable tool. It describes the responsibilities of the incumbent in a job, and wherever possible, the accountabilities.

Invariably, and understandably, the first few employees of cultural organizations are hired with only a general notion as to responsibilities. But as they grow, job descriptions become critical tools for both hiring and managing employees.

The job description is also a key element of performance appraisal. The only way an individual's performance can be evaluated if the manager and employee are clearly in agreement about what the employee is supposed to be doing.



### Inconsistency

Inconsistencies in applying policies and procedures can be the ruination of whatever structure an organization has established. While most cultural organizations are less hierarchical than the corporate sector, some cultural managers still abide by the idea that “rank has its privileges,” sometimes giving special consideration to their own subordinates. The Director of Audience Development, for example, who allows his staff to be late regularly while the Accounting Manager insists on punctuality from her staff, undermines everyone’s attempts to be equitable in applying policies.

Furthermore, inconsistencies and preferential treatment such as this can lead to claims of discrimination. Admittedly it’s a fine line – balancing structure and rules with a relaxed, responsive work environment – but it is one which must be walked. Treat all employees fairly and with equity: it’s better to be consistently strong and clear than to appear weak and arbitrary.

### Lack of adequate documentation

In spite of the huge impact of technology, the work world still does run on paper to a great extent. Aside from what normally goes into an employee’s file, be certain that there are the following documents: Application for employment, a signed contract or acceptance letter, any performance reviews and subsequent action plans, and attendance records.

Any time that an employee receives any seriously negative feedback, it should be documented. Initially, the document can be a handwritten note, but if the issue is sufficiently severe, a “formal” warning or consultation report should be completed, a meeting held with the employee describing the specific problem, and ideally the form should be signed by the employee.

When the employee does something particularly valuable and significant, that too should become part of the file. The combination of such memos, always dated, makes evaluation of performance and positive or negative actions so much easier, and legally defensible if that should be necessary.

### Inadequate Performance Appraisals

Without periodic documentation, two major faults with performance appraisals will appear. These are called the “halo” and “horns” effect.

For example, an employee may perform marginally for 11 months and then, just prior to the formal evaluation, does something outstanding. The tendency is to rate the individual as “good” or “excellent” because of this more current behavior, termed the “recency effect” in psychological circles and the “halo effect” in human resources.

The opposite of the halo is the “horns effect” in which an individual performs superbly for 10 or 11 months and then errs in one way or another. The overall performance is evaluated as “marginal” or even “unsatisfactory” because of this one event.

For these and other reasons, performance should be evaluated and documented, both positively and negatively, on an ongoing basis. Be extremely careful in any policy stating the timing of evaluations. There have been cases of employees suing for not having been given a review when “promised” in the HR manual.

# Human Resources Policy Manuals

All cultural organizations with more than four employees should have a Human Resources Policy Manual that outlines the basic terms of employment in the organization.

In some cases managers may feel that a Human Resources Policy Manual restricts their flexibility in handling unusual situations. This can be a valid concern but it's outweighed by the need of employees to have a clear understanding of the organization's philosophy in managing its people, and by the danger of taking arbitrary action in the absence of agreed policies.

In the absence of carefully-thought-out policies and procedures, past and present activities can, by default, become policy. This can be counter-productive, particularly if current management activities are not serving the best interests of the organization and its employees.

An excellent template for a Human Resources Manual for cultural organizations has been prepared by SaskCulture Inc. Although designed for cultural organizations in Saskatchewan, it is relevant to cultural organizations across Canada. It provides detailed sample content – thereby avoiding “re-inventing the wheel” – which organizations can use and adapt as they see fit. It contains policy guidelines on all major aspects of human resources management including:

- Employee records
- Recruitment and staffing
- Probation
- Disciplinary measures
- Resignation
- Compensation
- Expenses
- Sexual harassment
- Hours of work
- Acting Positions
- Overtime
- Temporary employment
- Duty to accommodate
- Safe work environment
- Use of organization resources/assets
- Grievances
- Job descriptions
- Letter of employment/contract
- Performance reviews
- Bonding
- Lay-off
- Benefits package
- Conflict of interest
- Harassment
- Vacations/Leaves of Absence
- Professional development
- Professional memberships
- Volunteer work
- Religious observance
- Substance use
- Copyright
- Dismissal

A copy of this template can be obtained by e-mailing SaskCulture at:

**[saskculture.info@saskculture.sk.ca](mailto:saskculture.info@saskculture.sk.ca)**.

Alternatively you may wish to explore the following websites which provide (in some cases, sell) draft HR manuals or suggested content:

**[www.hrworld.com](http://www.hrworld.com)**

**[www.hr.blr.com](http://www.hr.blr.com)**

**[www.bizmanualz.com](http://www.bizmanualz.com)**

## Employee Handbooks

You should prepare an Employee Handbook, a copy of which should be given to every employee. The content of the Handbook should be taken directly from the Human Resources Manual, but excluding policies and procedures that are relevant only to management activities.

Examples of these management activities may be:

- How to conduct performance review meetings
- How to deal with conflict, grievances, etc.
- Detailed recruitment and interviewing procedures
- Handling terminations effectively

## Outsourcing HR Activities

Increasingly many organizations are outsourcing some human resources activities to external companies that specialize in those services. This tends to involve unloading number crunching, paper-intensive and other administrative tasks.

Also, an increasing number of human resources functions — such as payroll and benefits administration — are becoming very technical and top management finds it more cost-effective to place these in the hands of outside experts, rather than trying to continue them in-house.

Outsourcing is not really new to the cultural community. Theatres and festivals with “seasons” have always added temporary workers for their busy periods, and these workers have been led by a small core of key employees. In the case of human resources management, that “small core of key employees” leading the outsourcing would probably be one person: the Human Resources Coordinator!

### Why outsource?

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Appropriate outsourcing of human resources functions allows a cultural organization to concentrate on what it does best. By partnering with external providers that take over some or all of the routine HR functions, your valuable staff can focus on optimizing the more creative activities that are central to every cultural organization’s *raison-d’être*.

Other reasons often cited for outsourcing HR functions are:

- Save money/reduce costs. Estimates are that passing routine HR administration to outside vendors can save 5-10% percent of an organization’s employee costs.
- Make use of higher-level technology. Buying services from an outside vendor can mean an employer doesn’t have to upgrade computers or software, but can gain the advantages of such upgrades by using vendors for various functions.
- Take advantage of economies of scale to provide better services. For example, an outsource provider can keep up-to-date on changing legal issues for a number of employers. Or, an outside vendor may provide 24-hour telephone service or Internet access for questions about benefits, a service a small cultural employer, by itself, would almost certainly be unable to provide.

### The downside of outsourcing

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As attractive as it may seem to put elements of your organization in somebody else’s hands, there are potential drawbacks. There are sometimes concerns about distancing management from its employees and the potential of inadvertent failure by outsiders to carry out duties that are the employer’s responsibility. It is essential that you keep in regular touch with your service provider to ensure that they are doing exactly what you want, and when you want it.

# Human Resources Information Systems

As in every other sector of our society, cultural workers are more technically astute now than ever before. Smaller organizations that were tracking and maintaining employee information manually and/or via various spreadsheets are now implementing small, yet full-scale, HR systems – usually referred to as a HRMS. One thing that hasn't changed is the need to justify the purchase and implementation of these systems. With the continuing demand for limited financial resources across the cultural community in Canada, organizations are very careful about how they spend those resources.

If yours is a small organization, there may not be significant benefit in introducing a completely-automated HRMS. But if you believe that your current system is inefficient, or that you have grown quickly or are anticipating substantial growth, you may need to present a strong cost/benefit analysis and justification for the expenditure. You will need to look at your organization from a financial perspective. Sometimes management needs to be reminded of the financial costs of inefficient human resources management.

Some examples of these are:

- Costs per hire. This can be a vicious circle. The cost of recruiting can be as high as 30% of the first year's salary if you use an external recruiter. Add to that the cost of training on the new position. Then there's a drop in productivity until the new employee gets up to speed.
- Costs of termination. Another part of the vicious circle. An employee, on whom the organization has spent money as described above, has decided to leave. The reason could be lack of development opportunities or training, poor management, compensation, lack of direction, etc. Now you need to start over with recruiting, hiring, and training.
- Expensive benefits. You may be paying too much for the employee benefits you are getting and need to do some comparison-shopping.
- Time and attendance. Extra vacation and sick time taken may not cause an additional expense but they do cause your organization to be less productive.

An average HR system, properly implemented, will allow the company to track these issues. When management has access to this type of information, many of these costs can be drastically reduced or eliminated. These are just a few areas to consider. Where does your organization spend – and lose – money in its human resources management activities?

## HR Services to Include in an HRIS

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A well-managed human resources function provides more services than most people realize. To help determine the quantity and quality of those services, it will help you to list all of the HR-related details that the organization may wish to access at any time. By identifying all the services provided, you can then assess not only how a new HRMS can alleviate some of the manual processes in place to deliver those services, but more importantly how you can begin to deliver those services, better, faster and more economically.

Here are just a few of the services that fall within the human resources function:

- Maintaining employee records.
- Compensation structure/admin.
- Job postings.
- Payroll administration.
- Recruitment/applicant tracking.
- Safety/medical administration.
- Budgeting/forecasting.
- Address/ family status changes.
- Benefits administration.
- Attendance/vacation tracking.
- Performance management.
- Employee relations.
- Succession planning.

Examples of HRIS advisors/providers that serve the Canadian market that you may wish to investigate in terms of their appropriateness for your organization are:

- The HR Resource – PeopleSoft Implementation
- WorkForce OS – Human Capital Management Solutions
- D.L.G.L. Ltd. – Human Resource Software
- Human Resource Management Solutions, Ontario
- Intelstep Inc. – Virtual HR Assistant
- SHRC – Software Human Resource Council

## How does an HRIS help reduce costs?

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Whether your organization is looking for an HRIS for the first time, has a need to upgrade the current system or move to a better one, cost justification is still required. Listed below are some steps that are critical to (1) determining the critical needs, (2) justifying the costs, (3) selecting the right product and (4) creating the “business” case to move forward:

- Identify what your organization needs in an HR system. How simple or sophisticated should it be?
- Look at the current system to see where it is falling short of meeting requirements.
- Identify the costs of upgrading the current system (if applicable).
- Select the vendor package.
- Identify hardware costs and technology changes where appropriate.
- Identify implementation timeline.
- Identify resource requirements (internal and external).

## The Business Case

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Once the above steps have been completed, the costs for the new/upgraded system can be identified. The business case can now be prepared and submitted to senior management for funding approval to move forward. Remember to emphasize the cost savings via tracking of pertinent data and also the time savings on poor processes, duplicate efforts, etc.



## Conclusion

As the world of work — and the world in general — becomes faster, more complicated, and more competitive, attracting, retaining and motivating human resources becomes more and more critical to organizational success. Although countless “gurus” and other management experts have spouted it for years, good people really are the most valuable resource in almost every organization.

Knowing how to find them, how to handle them, and how to win their loyalty is particularly important in the cultural sector where first-class employees with a passion for culture are at a premium. Hopefully the guidelines and suggestions in this book will help you to create an environment where people gravitate to and thrive in your organization.