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Thesis in

*"The Development of Human Resources Management from the perspective of Project Management"*

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<<Δηλώνω υπευθύνως ότι όλα τα στοιχεία σε αυτήν την εργασία τα απέκτησα, τα επεξεργάσθηκα και τα παρουσιάζω σύμφωνα με τους κανόνες και τις αρχές της ακαδημαϊκής δεοντολογίας, καθώς και τους νόμους που διέπουν την έρευνα και την πνευματική ιδιοκτησία. Δηλώνω επίσης υπευθύνως ότι, όπως απαιτείται από αυτούς τους κανόνες, αναφέρομαι και παραπέμπω στις πηγές όλων των στοιχείων που χρησιμοποιώ και τα οποία

δεν συνιστούν πρωτότυπη δημιουργία μου.>>
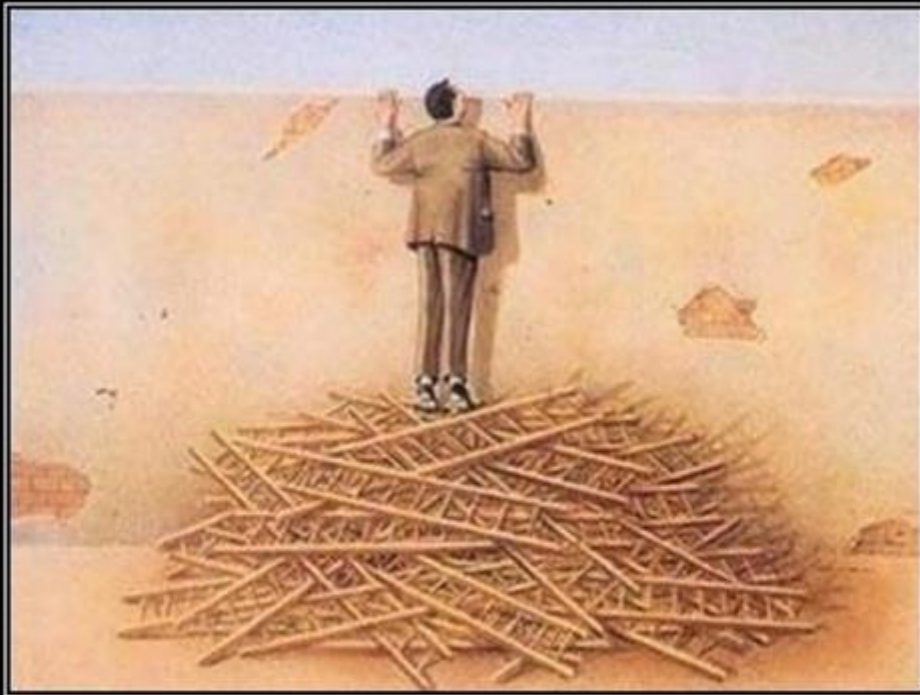
It doesn't matter how many resources you have

if you don't know how to use them, they will never be enough

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Abstract

Human Resources Management (HRM) and Project Management (PM) constitute the two main issues, analyzed in this thesis. My attempt is to present and analyze in ten chapters some of the key functions and aspects of HRM and Project Management.

In the past, HRM used to undertake mainly administrative responsibilities and work tasks. However, in the existent competitive business environment, it should play a much more important role, having a more strategic role within the organizations.

I analyze Strategic Human Resources Management (SHRM) through the perspective of Project Management. Human Resources functions could be considered as projects, aiming at the development of the Organization. The HR Manager, by undertaking a role similar to a Project Manager, would allocate the resources, in other words the people of the Organization, and aim at their improvement, through the implementation of the appropriate HR practices.

HRM includes various functions, which have to contribute to the overall strategy and accomplishment of the objectives of the organization. In other words, its practices and initiatives need to have important outcomes, in order for the HRM field to be valuable for the organization.

Thus, Talent Acquisition, the process for attracting and employing personnel, Job Allocation, the process for distributing responsibilities and work tasks to employees, Training and Development of the employees, Performance Appraisal of the personnel, the payroll and benefit system, the communication channels within the organization, as well as, the policies for Health and Safety at Work, are called to serve the organization and its strategic goals.

Chapter 1

"Introduction to Human Resources Management"

1.1 HRM searching for its identity

Human Resources Management (HRM) has long been searching to define its own nature within the business environment, its main functions, its importance for an organization and its people, even its own limits. In other words, there has always been a necessity for the field of HRM to define its identity, compared to not only other business fields, but also its own self. It could be argued that the development of one, unique definition of the field of HRM has been a challenge for the academic and the business field during the last decades, having produced many discussions, debates, even conflicts (Chalofsky, 1992, p. 175).

In reality, there are multiple approaches that attempt to determine and analyze HRM. As mentioned above, a widely agreed definition of HRM still does not exist. However, one way to describe HRM is to present it as an array, a combination of ideas, concepts, methods and practices that act within the environment of an organization and have as a goal to maximize the productivity and the potential of the human resources, the employees of the organization (Keenan, 1998, pp. 1-2).

It would be useful to mention some of the most recent approaches and perspectives regarding the HRM field, in order to understand its identity and its importance in greater depth.

1.2 Trying to find a definition for HRM

Before citing the different definitions that the HRM field has acquired from the theory, I should first describe the environment in which HRM applies and implements its

practices. HRM is a field within an organization. Organization can be defined as a system, which is comprised of people who have been formally assigned roles and collaborate in order to achieve the goals of the organization. The managers who manage the activities of the people of the organization are responsible for the achievement of these goals. We can say that managing includes five elements: planning, organizing, staffing, leading, and controlling.

Multiple definitions of HRM have been developed. Thus, Human Resource Management can be defined as the "process of acquiring, training, appraising, and compensating employees, and of attending to their labor relations, health and safety, and fairness concerns" (Dessler, 2013, pp. 4-5).

Drucker, Bakke, Beer, Lewin and others argued that HRM is a general managers' function, which copes with the "proper management", in other words with the understanding, the retention, the development, the utilization and the integration of people in the working environment. They introduce a new philosophy of the term "personnel" in the organization, considering them as important resources for the organization and not as costs that should be minimized (Drucker, 1954; Bakke, 1958, Beer, 1984; Lewin 1991; et al; Marciano, 1995, p. 226).

Another group of definitions have been developed by Henneman, Peterson, Tracy and others, who viewed HRM as a field similar to personnel management by specialist managers. They presume that there is a series of best practices, which aim at the efficient utilization of the employees (Henneman, 1980; Peterson and Tracy, 1979; et al; Marciano, 1995, p. 226).

Nadler proposed a definition, according to which HRM can be described as a series of organized initiatives, managed within a specific period of time that aims to cause behavioral change (Nadler, 1970; Chalofsky, 1992, pp. 176-7).

Similar to Nadler, Gilley and Eggland claimed that HRM consists of learning initiatives in an organization, which have as a goal the individual growth in order to improve the performance (Gilley and Eggland, 1989; Chalofsky, 1992, p. 178).

Chalofsky and Lincoln have developed five definitions, based on various perspectives of this domain: philosophical, operational, functional, field of practice and field of study. Based on the philosophical perspective, HRM could be described as the "systematic expansion of people's work-related abilities, focused on the attainment of both organization and personal goals". Through the organizational and functional perspectives, HR is a unit of function within a corporate environment that includes a wide range of activities and processes. Also, from a practical view, HR is a set of tasks, an occupation, a career that includes different roles. Finally, from a more theoretical view, they defined HRM as the research of how people, either as individuals or members in groups and teams in organizations can change through learning (Chalofsky and Lincoln, 1983; Chalofsky, 1992, p. 177).

Also, McLagan (1987) and Chalofsky (1992, p. 178) suggested another definition, describing HR as the "integrated use of training and development, career development and organization development to improve individual and organizational effectiveness".

Similar to the above-mentioned definitions, Smith describes HRM as the process of finding the best methods for growing and improving the human resources within an organization and of systematic ally improving the performance and the efficiency of the staff, through training, education, development and leadership for the achievement of individual and organizational goals (Smith, 1990; Chalofsky, 1992, p.178).

Watkins tried to explain HRM from a different point of view, which mainly focuses on learning activities and on improving productivity and performance. According to Watkins, HRM is responsible for the fomentation of a learning capacity that is work-related and applies in the long run, at individual, group and the organizational level within a corporation (Watkins, 1989; Chalofsky, 1992, p.178).

It is true that HRM has undergone significant shifts during the last decades, but today it has acquired a more complicated role within the organizational context. In the past, HRM was more administratively oriented, being mainly responsible for processing the payroll or for other administrative tasks, such as sending birthday or wedding gifts to

employees. On the contrary, today, HRM is more strategically oriented, especially in big and multinational firms, and is considered as a sub - strategy of their business strategy. Today, Human Resources Management is considered as the process of recruiting people, training and compensating them, as well as of developing policies and practices to retain them in the organization (Dias, 2012, p.12).

Consequently, we can notice that it is difficult to find a permanent and coherent definition for HRM, because of the fact that it has been changing and evolving through time. In other words, it is a "moving target" (Salaman, Storey, and Billsberry, 2005, p.4)

1.3 Approaches and perspectives regarding HRM

Boselie (Boselie, 2010; Munteanu, p. 1522) introduced his approach about HRM by concentrating on the relationships between the employees and the organization. In his analysis, he proposed four types of contracts:

I. Contract Law: rights and obligations that the organization and the employees have

II. Economic and trade agreement: working days and the salary that the employer pays to the employee for his/her work

III. Psychological contract: data not explicitly stated (for instance, when an employee stays extra hours at work to get better results and do declare a promotion)

IV. Sociological contract: relations among the employees and between the organization and the employees

Paauwe (Paauwe, 2004; Munteanu, p. 1522) analyzes the role of HR on the creation of economic value and the respect for moral values, by describing the moral values as the feelings, the emotions, the opinions and the principles the employees of the organization have.

Also, Legge (1995) and Munteanu in their own analysis separate HRM into two domains, the "HR hard" and the "HR software". The first field concentrates on the outcomes, on the economic results and on the way they can be obtained. "HR software" concentrates on the working conditions, on the environment where the employees produce those outcomes and by how they can be improved. In other words, it focuses on the human side of the organization.

Katz and Kahn have developed the role behavior perspective (Katz, Kahn, 1978; Jackson, Schuler, 1995, p.239) about HRM. They set human roles as the elements of an organization's system. They defined role behaviors as the repetitive activities of a person within an organization, which aims at specific results, in collaboration with the repetitive initiatives of others. According to Katz and Kahn, HRM is the department, which is responsible for the diffusion of information as regards the roles executed in an organization, supports the desired behaviors and assesses role performances.

The Resource Dependence Theory constitutes the central idea of the relationship between an organization and its people. Osterman, Pfeffer and Cohen believe that HRM functions mainly aiming at distributing the power within an organization (Osterman, 1984; Pfeffer and Cohen, 1984; Jackson, Schuler, 1995, p.240).

Human capital can be defined as the capabilities for production that individuals have (Becker, 1964; Jackson, Schuler, 1995, p.241). According to the Human Capital Theory HRM can be useful for organizations, because it can increase their human capital, both externally and internally, by offering, above- the- market compensation packages, or by offering appropriate training and development programs to their employees (Cascio, 1991; Flamholtz and lacey, 1981; Jackson, Schuler, 1995, p.241).

The Resource-based theory assumes that the key for success for an organization is to acquire and retain its competitive advantage, towards its competitors, by applying a strategy that focuses on value creation, a strategy that the competitors cannot easily imitate. The organization, in order to gain and preserve its competitive advantage has to support a particular strategy concerning its resources that cannot be

easily copied by the competitors. There are three types of resources:

- Physical resources (technology, equipment, location)

- Human resources (experience, knowledge, competences of the employees)

- Organizational Resources (systems for organizing, assessing and evaluating initiatives)

HRM can contribute to the acquisition and the maintenance of the competitive advantage of an organization, by affecting its human and organizational resources (Porter, 1985; Barney, 1991; Schuler and MacMillan, 1984; Jackson, Schuler, 1995, p.243).

1.4 The History and Evolution of HRM

Human Resource Management policies and practices have been used for a long time in western economies. Their nascence took place in early welfare capitalist schemes during the first years of the 20th century (Godard, 1991, p. 379)

Even though nowadays HRM is considered as one of the most important fields in management, discussions, debates and research over the HRM's history is limited. It is very interesting to start our approach from the time when the term "Human Resources" was introduced for the first time. It was Peter F. Drucker in 1954 who introduced the term "Human Resources" for the first time in the business terminology during a seminar work, "The Practice of management". He argued that there are three managerial functions: managing the business, managing other managers and, third, managing workers and work. So, Drucker started to use the term "Human Resources" in order to describe the workers (Marciano, 1995, p. 223).

Also, Fayol noted that managerial ability, especially the ability to manage the employees, apart from the working experience is absolutely necessary for the success and the achievement of the goals of the organization. He argued that management

theory is really important for every manager who wants to develop his managerial skills, especially towards the employees. The human capital, should receive managerial training, including theoretical and practical experience (Wren, 1987, pp. 215-6).

Wight Bakke in 1958 described the management of the human capital thoroughly as a function of the general management. He argued that human resource management has similar importance compared to other known and recognized fields of management and business administration, such as accounting, production, marketing or financing. He justifies his point for the importance of HRM, claiming that the organization's success depends on the effectiveness and efficiency of management. In other words, the effective and efficient utilization of the resources that the organizations have available, such as money, market, materials, innovative ideas, natural resources and people is essential for the achievement of the strategic goals of the company. However, if the management of some of those resources, including human resources, is not so effective, then, consequently, the success of the whole organization will not be certain. It was 1965 when the term "Human Resources" reappeared by Raymond E. Miles, in his article in Harvard Business Review. He demonstrated, through his research, that the majority of the managers prefer to adopt a human relations model of management towards their subordinated, in other words a human resource model. According to this model, managers should be interested and focus on the human side of the employees, on their happiness and needs. However, from 1965 to 1975 the terms "Human Resource" and "Human Resource Management" were not be utilized in academic writings. On the contrary, these terms found recognition and approval within the management circles. During the last years of 1970, HRM received a different meaning, described more as personnel management (Marciano, 1995, pp. 223-5).

Human Resource management, traditionally known as personnel management or administration management was very popular in the academic and business world (Rosenbloom, 2010, p. 175). Personnel Administration became a very significant field in the United States in the 1900s, firstly in the large corporations. In 1948, a few people from personnel administration departments founded ASPA, the American Society for

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Personnel Administration, which received the name SHRM, the Society for Human Resource Management, in 1989 (Werner, 2014, p. 127).

After the 80's, the meanings that Drucker and Bakke gave to HRM returned and, especially, Bakke's approach, who considered HRM as a function of general management. The attempts for the development of a theory towards Human Resource Management focused on giving a more strategic role to HRM, which started to become a central element of the business strategy, having equal importance with other functions of general management, such as accounting. Thus, HRM, having a more administrative role in the past, was called and considered as Strategic Human Resource Management (SHRM). The term SHRM was adopted in order to distinguish the new meaning oh HRM from that in the past, which was more like personnel management. The difference between SHRM and personnel management appeared in the sense that the first focused on proactive policies and there was a clear linkage between the SHRM's goals and the organization's goals (Marciano, 1995, p. 225).

Consequently, HRM and SHRM differed clearly from personnel management, because they went beyond the traditional functions of the personnel management, such us recruitment, development or training. They were responsible for subcontracting, outsourcing and other agreements and policies for the utilization of human resources, (Brewster, 1995, p.398).

1.5 The era of Strategic HRM

As written above, HRM used to have a more administrative role in the past. However, HRM's importance is being recognized increasingly the last two decades, having obtained a more strategically oriented role in today's business and organization's environment. As a result, we now speak about Strategic Human Resources Management. But how SHRM distinguishes itself from the traditional HRM field?

Firstly, SHRM concentrates on the organizational, in other words on the overall

performance, while traditional HRM is more focused on the individual performance. Secondly, in SHRM, HRM systems have a very important role in the implementation of the business strategy, instead of emphasizing the role of individual HRM systems (Becker and Huselid, 2006, pp. 898-9).

Before analyzing the modern era of SHRM, it is important to describe what really "strategy" and "organizational performance" mean. The world "strategy" comes from the Greek term "strategos", which means the art of the general. The term "strategy" was introduced in the corporate world in the 1950's by some of the members of the faculty at Harvard Business School. According to Hofer and Schendel (1978), an organization's strategy can be defined as the "fundamental pattern of present and planned resource deployments and environmental interactions that indicated how the organizations will achieve its objectives". They also argued that strategy includes four elements: the scope, the competitive advantage to be achieved, the resources that are usable and the synergy expected (Miller, 1987, pp. 347-8). "Organizational Performance", a key component of the business industry, is considered a complicated and multidimensional element. Two of the most commonly used measures of the organizational performance are "Return on Investments" (ROI) and "Growth in Sales" (Dess and Robinson, 1984, p. 265).

According to Wright, the term of Strategic Human Resource Management has emerged in 1981 (Altarawneh, 2016, p. 487). The development and the academic research of SHRM were primarily done in the United States. The reason was that most of the research was aiming to support the corporations in USA through innovation, modern production activities and new employment systems, which would help the organization to create and retain their competitive advantage in the global markets. There have been introduced four theoretical perspectives about SHRM and three of them were developed in USA. These perspectives were developed in order to understand better and explain the relationship between HRM practices and organizational performance. The research was primarily conducted in USA, however, the last decade, SHRM practices were also analyzed in other countries too (Liang,

Marler, Cui, 2012, p. 55).

SHRM has not necessarily attempted to introduce new HRM practices, policies and systems. On the contrary, its main goal was to demonstrate the importance of the linkage among HRM practices, the business context and the organizational strategy, as well as the combination and collaboration of a set of HRM practices within a strategically oriented HRM system in order to enhance the commitment and engagement of the employees and, consequently, their performance (Festing, 2012, pp. 37-8).

Thus, empirical research in SHRM has demonstrated the linkage between a set of HRM practices, known as high-performance work systems, commitment-based HR systems or innovative employment practices, and the organization' performance (Juang, Takeuchi, Lepak, 2013, pp. 1448-9).

Those four perspectives are the Universalist perspective, the Configurational perspective, the Contingency perspective and the Contextual perspective.

According to Delery and Doty (1996), the Universalist perspective of SHRM suggests that the relationship between the HRM practices and the organizational performance exists, regardless of the context in which a corporation operates. The Configurational perspective demonstrates how the HRM systems and practices interact with each other in order to accomplish the organizational goals. In other words, this perspective suggests that if different HRM practices are applied in a structured way, the organizational performance will improve. The Contingency perspective, according to Galbraith, Scott et al, explains that the relationship between the HRM practices and their interaction with organizational performance depend on external and internal/organizational factors, such as the organization's strategy, which is responsible for the better and faster adaption of the corporation to a constantly evolving environment. The last theoretical perspective, the Contextual perspective, takes into consideration plenty of variables, such as business systems, institutional environments or resistance to change to describe the effect of those factors in the relationship between HRM policies and organizational performance (Marler, 2012, pp. 6-7).

The predominant objective of SHRM is give the opportunity to an organization to

have qualified staff, with the appropriate competences, who are motivated and engaged in the company's goals and, consequently gain and retain its competitive advantage. SHRM takes into consideration a wide variety of elements, such as prediction about the economic progress of the industry in which the company operates, the competitive advantages of the competitors, the investment policy and technology (Munteanu, pp. 1523-4).

Within an organization with a strategically oriented HRM department, SHRM has the role of a strategic partner, having the responsibility to directly align HR practices with the business strategy. However, according to Cabrera (2003), there are not any credible assessing tools for the evaluation of the strategic contribution of the HR field in the organization's performance. HR professionals, as strategic partners in the organizations have the responsibility to achieve the objectives of the corporation through the alignment of HR practices with the business goals. This demands from the organization to redesign its HR practices, related to the increase of productivity and efficiency. Thus, HRM can have a strategic role if it is capable of applying such HRM practices, which will increase human resource productivity and, consequently, the financial performance of the organization. In other words, HR practices should aim to develop employees and their skills, their motivation and their engagement. The strategic role of HRM also requires that HR Managers support HRM activities and policies by aligning HR objectives, strategies and practices with the organization's goals and the business strategy. Thus, HR Managers should participate in the strategic business planning process, in other words, they should actively participate in the formulation of the strategy, as well as, in its implementation. The real job of SHRM is to create and develop the human resources of an organization as its competitive advantage (Mitchell, Obeidat, Bray, 2013, pp. 900-902). This is why a new approach of HRM has been developed, known as sustainable human resource management, trying to create a linkage between HRM and sustainability, in other words between HRM policies and practices and organizational survival and longevity (Kramar, 2014, pp. 1069-71).

1.6 The necessity for Human Resources' existence

In this part, I will try to explain why HRM is such an important element in the business environment. In the modern corporate world, the strategies of the majority of the organizations are being influenced by competition caused by the globalization. Competition makes difficult for any organization to create and keep its sustainable advantage, as mentioned above. In other words, the competitive advantage, that the people, the human resources of the organization create for the company can be influenced in many ways by the efficient or inefficient utilization of the staff of the organization. This is why, HRM is so important.

Generally, HRM has concentrated on organizational and job elements, such as employee's commitment, job satisfaction and organizational effectiveness and, thus, performance. The fit between the people of the organization and the organization itself, as well as, between HR practices and goals and the goals of the organization and its strategy has the potential to enhance the effectiveness and the performance of the company. This is why, the HRM Department has substituted the term and the function of Personnel Department, in the sense that HR Department has the responsibility to manage the processes and the people of the organization that are considered as the most valuable assets of the company and their effective or ineffective utilization may influence considerably the overall performance of the organization, whereas Personnel Department was responsible for the management of the paperwork for recruiting and paying the employees.

In the last two decades, HRM has managed to become a necessary component of the organizational environment, due to the fact that it can produce competitiveness and managerial efficiency, through its practices and tools, related to the attraction, development, motivation and retention of the employees. Thus, through the effective utilization of the staff, HRM can enhance productivity and help the organization improve its performance and obtain its goals. The nature of the goals, of course, depends on the

organization's type (private, non-governmental, public). Thus, depending on the type of the organization, its goals could be profitability or contribution to the society. So, an effective utilization of the human resources can help the organization to obtain those goals.

What is more, the opinion the employees have about the organization and their colleagues and managers can affect their engagement to the company and the obtainment of the goals considerably. So, their performance, which influences the overall performance, depends on their satisfaction from their job, the organization, the working environment, and their relations with the other employees or their managers. Indeed, job satisfaction can affect their motivation and, consequently, their performance. However, it is true that the objectives of HRM can differ depending on the perspective we define HR, as mentioned above!

HRM is important because it can help to the coordination of the people of the organization with the realization of the goals of the organization. Aiming to the enhancement of job satisfaction, motivation and engagement of the employees, through training programs, developmental plans and other practices, it can increase the effectiveness and the efficiency of the individual and, consequently, the overall performance, as well as, decrease the number of employees who are willing to leave the company. As a result, the corporation could avoid the costs from the recruiting processes, the training of the new employees and their possible mistakes, due to their lack of experience.

Thus, the role of HRM has changed over the years. It used to monitor and direct the employees, whereas nowadays its role is more supportive, clarifying goals and creating developmental plans. Some examples of the most significant HR practices are (Sattar, Ahmad, Hasan, 2015, pp. 81-83):

- Recruitment and selection processes

- Compensation and benefits

- Retention and motivation of the employees

- Training programs and developmental plans

- Communication with the employees

- Appraisal of the employee's performance

- Labor relations

- Safety and Health at Work

The efficient and effective utilization of the skills of the employees is the critical factor for the accomplishment of the organization's goals. In the accomplishment of those goals, HRM's role is crucial, because it has to understand and recognize the needs of the employees, their concerns, their difficulties proactively and offer appropriate solutions to the problems that emerge. HRM is also responsible for the fit of the employees to the organization's culture, another crucial element of success or… failure.

Savas (2006) has tried to demonstrate the importance of HRM by disclosing its objectives and its contribution in the organization's environment. According to Savas, HRM is responsible for:

- Determining the staff that is needed in order to satisfy the developmental plan of the company

- Controlling the labor costs and, consequently, affect the profits

- Developing more efficient and effective human resources

- Making developmental plans for the employees, satisfying their needs, improving the working environment in order to have engaged staff and decrease turnover

- Determining the salary of the employees objectively by credible evaluations

Acquaah (2004() believes that HRM is important, because it can enhance the effectiveness and the performance of the organization by attracting, identifying and retaining employees who have the necessary skills competences, knowledge and helping them fit in the organization's pattern in such a way that they will perform at their maximum capabilities. Other studies (ex. Arthur, 1994, Huselid, 1995) state the importance of HRM by demonstrating its outcomes for the organization, which are low employee's turnover (the number/percentage of employees that leave an organization), and increased productivity, quality, profits or stock prices. Especially,

employee's turnover is a significant expense for any company. If an employee starts to feel isolated or unsatisfied and, consequently, demotivated, it is very likely that he or she will quit. This is something that will probably affect the competitive advantage of the organization negatively. Also, today's business environment is changing rapidly. Thus, quick and effective adaptation, as well as innovation is needed. The organizations that can adapt quicker effectively, in other words, the companies with employees who adapt quicker to any change, internal or external, have better chances of survival (Burma, 2014, pp. 85-92).

It is important to understand how the HR decisions affect organizational performance. In other words, how they enhance efficiency or contribute to the increase of revenues and profits. Labor costs used to be considered as the main source for expenses for the organization. However, they must be understood as the main source of value creation. The efficiency of the HR decisions can be assessed according to the following question; do they just decrease expenses or they create value for the organization? Sustainable competitive advantage is the key for success for any organization.

However, organizations can obtain sustainable competitive advantage only by creating value in such a way that the competitors can find it really hard to copy. An effective and efficient HRM system, which creates value, is less likely to be imitated from competitors, compared to other sources of value creation, such as technology and natural resources. This can be explained by two factors. Firstly, it is really difficult to understand and imitate such a complicated HRM system, which correlates people with practices, processes, accomplishment of goals. Indeed, it's very difficult to imitate such a complex system. Secondly, the HRM systems are developed through the years, within a certain business environment, through failures and experiences. They cannot simply be purchased or imitated by the competitors (Becker, 1996, pp. 779-782).

Consequently, the HR professionals are crucial factors in the firm's success, because they can combine the human resources, a vital source of value creation, with the accomplishment of the strategic goals of the organization. Regardless of the type or

the nature of the company, HRM can contribute to the organization's success through its four main functions: staffing, training, development and motivation (Ali, 2013, p. 79). Also, HRM Departments may also have to redesign the existing policies and practices, relating them to performance management, recruitment and selection processes, as well as to rewards and recognition plans (Schroeder, 2012, p. 79).

Chapter 2

"Introducing Project Management"

2.1 Introducing the definition of "Project"

Before presenting and analyzing the definition and the aspects of Project Management (PM), I will demonstrate the definition of the key element of PM and, in general, of the organizations; the project. Under the concept of "Project", new products and services developed by organizations that make large investments to fund those projects, as well as, the project teams who are responsible to run the projects. The Great Wall of China, other monuments in ancient history, as well as products and services in aerospace, in aviation, in pharmaceutical or in IT industry constitute some examples of projects. Every project has certain outputs and results. In order to define "Projects", it is necessary to demonstrate some of their key characteristics:

a.   Projects are unique.

b.   They are composed of independent actions. They have a certain beginning and end. In other words, projects are temporary. There is an interrelation among those activities.

c.   They have specific deliverables. Each deliverable must meet certain quality standards in order for the project to be considered complete and successful.

d.   They utilize multiple resources, human and nonhuman. (Knutson, Webster, 2006; Dinsmore, Cabanis-Brewin, 2006, pp. 1-3)

Programs have many similarities with projects. However, there are some important differences too. "Projects" are temporary (they can be either short or long term), aiming at the development of a product, service and result, based on predefined schedule, cost and quality requirements. Programs constitute a group of related projects, which are combined and coordinated in order to achieve some objectives that would be impossible

to be obtained if these projects were managed individually. Programs focus on results, such as a change or improvement initiative and use project outputs in order to achieve the objectives of the program. Of course, there are certain similarities too. For example, they both require very good communication and coordination and they are unique undertakings (Marinaccio, Trojanowski, 2012, pp.46-50).

In order to execute projects, organizations may use different approaches. Also, there are different project approaches within a single organization. Each method is selected according to specific criteria, such as the size of the project, the resources that are available, the importance that the project may have for the firm, the time available for the completion of the project and the individuals involved in the implementation of the project (Smith, 2000, pp. 95-97).

Project definition is the first stage in project delivery. It includes three modules. The definition of the purposes of the project (the needs and values of stakeholders), the change of those purposes into certain criteria for project and process design and the creation of design concepts against which requirements and criteria can be compared (Whelton, Ballard, 2002, pp. 1-2). The definition of the projects offers valuable information, which is necessary to determine the work to needed so as to avoid later making changes, which may affect negatively the project performance (Fageha, Aibinu, 2013, pp. 154-5).

2.2 Trying to define Project Management

In this part, I will try to present and analyze the definition of Project Management and its basic processes. There are different definitions of "Project Management" and of "Project Manager", the person responsible for the project (Craig, 2010, p. 53).

The most common definition of PM is the definition given from the Project Management Institution. It defines Project Management as "the application of knowledge, skills, tools and techniques to project activities in order to meet or exceed stakeholder needs and

expectations from a project". In the above definition, there are four application areas: knowledge, skills, tools and techniques. So, "experience" and "skills" are the elements that a person acquires, through his/her involvement in projects. "Tools" and "techniques" are application areas that PM will grant (Moran, 2003, pp. 59-60).

Big organizations often establish a Project Management Office (PMO) in order to acquire effective project management. The PMO constitutes an organizational-level function, which grants support, methods, procedures, systems and policy for PM in the company (Bates, 1998, pp. 42-43). In other words, it is an organizational unit, being responsible for the centralization and coordination of projects under its domain. The organizations in order to handle the wide variety of projects tend to establish also different PMOs, with each having different characteristics (Baker, 2007, p. 26). The existence of an efficient Project Manager and an efficient PMO is essential for an organization, which aims to undertake many projects; It's far more important than having a sophisticated process and methodology (Lewis, 2000, p. 78).

In this part, I will also present the concept of Program Management briefly. Since a program consists of many projects that are interrelated, there is also Program Management. Program Management is responsible for combining a number of projects and for the allocation of resources needed and it helps to the easier analysis of the problems or delays that occur, by granting reports to managers (Russell, 1998, pp. 68-9).

2.3 Time-Cost-Quality

As it has already been mentioned, Project Management is an essential field in the business context, due to the fact that every activity in an organization can be considered as a project. For the success or failure of a project, many factors may have a greater or smaller influence. However, there are three main factors for the success of a project. Each project must meet certain quality requirements. It has to be implemented within a specific (and often limited) budget and it has to be completed on time. Those

three criteria are known also as the Iron Triangle.

Based on the Iron Triangle, time, cost and quality are significant goals of a project. In the past, research focused mostly on time-cost trade-off problems. However, there are new studies, which also related quality to the project`s time and cost goals. The objective of a time-cost-quality trade-off problem is to determine a set of actions and an appropriate implementation mode for each activity in order to minimize time and cost and, simultaneously, maximize the quality of the project. Kelly (1961) was the first who studied the problem of the project's time-cost trade-off, considering that there is a linear relation between time and cost (Lewis et al, 1998; Akrami et al. 2015, pp. 93-4).

As it has been mentioned above, research in the past focused mainly on the time cost trade off problem. It was generally discussed that when project`s duration is minimized, the project will require an increase in Human Resources and in their efficiency. Consequently, cost will rise (Abbasnia et al, 2008, pp. 4159-4160). Also, the real costs of a project may be higher than planned at a certain stage, something that demands saving of money on a later stage, which will may cause delays in the implementation of the project (Blaszczyk, Nowak , 2009, pp. 523-5).

Many organizations, having as a goal the best management of the balance of those objectives, have turned to Earned Value Project Management (EVPM), in order to measure the progress of a project against its plan. EVPM is a methodology, which is used to measure and disclose the true progress of a project, based on the parts of the projects that are already completed, the time taken and the costs. This methodology has three steps (Koppelman, Flemining, 2005, p, 99):

I.   Define the scheduled value, in other words, how much tangible and intangible work in planned. This will be the criterion for comparison

II.   Measure how much work has been completed

III.   Counter the costs. In other words, how much of the planned budget was spent for the accomplishment of the project

2.4 Stakeholders and PM Process Groups

In the majority of the projects there are various stakeholders, who can influence the management, the process and the outcomes of those projects, depending on their interests and needs. Stakeholders are considered as an important source of uncertainty for projects. This is why Project Management should understand those uncertainties and develop the necessary management strategies accordingly in order to achieve the planned goals. It is important for Project Management to understand and know who are the stakeholders, how they can affect the progress of the project during its different stages, which are their motives, drivers and interests and the possible interrelations between stakeholders (Freeman et al.; 1984; Ward, Chapman, 2008, pp. 563-574).

There are many definitions, which describe the concept of "stakeholders". Thus, one definition is that "stakeholders" are any group or individual who can influence or be influenced by the accomplishment of an organization's goal. Also, stakeholders are those individuals or group of people who have input in the decision making or can benefit from the results of a firm's decision. Another definition, determines stakeholders as the people who have a stake in, or expectations from, a project's results.

There are also some writers who have attempted to distinguish between stakeholders and influencers. Influencers are those people that may affect the shape of a project, but they don't have any stake, whereas stakeholders may have a stake in the initiatives of an organization, but they can't influence a project. Other writers have suggested that stakeholders can be identified according to some criteria, such as their power to influence a project, or their ability to mobilize social, political and economic forces.

The success or failure of the projects, as written above, depend also on the ability of the Project Manager and the Project Management strategies to identify the needs and expectations of the stakeholders. Literature has developed three main theories over the power and the influence of stakeholders on a project: The social science stakeholder theory, the Instrumental stakeholder theory and the convergent

stakeholder theory.

Social science stakeholder theory is oriented towards a variety of concepts, such as justice, equity and social rights, which considerably influence the way in which stakeholders affect project management and change initiatives. This perspective defines stakeholder as the person who is affected by a project and has the moral right to influence the final results of this project.

Instrumental stakeholder theory argues that stakeholders and managers interact and the relation that they develop depends on the nature, the quality and the elements of their interaction. The convergent stakeholder theory encourages the creation of relations of mutual trust between project managers and stakeholders. These relations can lead to actions from the part of stakeholders and project managers, which are based on moral criteria, thus creating a competitive advantage for the organization (Gibson, 2000: Bourne Lynda, Walker H.T. Derek, 2005, pp. 1-3).

The Project Manager, for the implementation of the project, apart from the specification of the needs and interests of the various stakeholders, has to utilize and coordinate the Project Management Process Groups, in order to implement a project. The Project Manager utilizes these groups in order to apply the interactions and the tradeoffs among different requirements of the project, so as to accomplish the overall outcome of the project. Process groups should be aligned for a successful project (Streun, 2006: Dinsmore, Cabanis-Brewin, 2006, pp. 25-8).

2.5 Project Management Phases and Project Life Cycle

As it has been already mentioned, the key objective of Project Management is to provide projects, which are complete on time, within the limitation of budget and have certain quality characteristics. However, there are certain factors, such as poor project definition, low efficiency in productivity and communications, bad management of the interests and concerns of the stakeholders, which may lead to the project's failure. Thus, in order to avoid such uncertainties in project deliveries, many organizations have

developed a project management process for the better management and implementation of the projects. This process constitutes a systematic method for assessing and implementing the projects and consists of five phases. Every phase has specific and clearly defined goals and deliverables, which have to be achieved through some planned actions.

i. Conceptual phase, which happens before the proposal is translated and changed into a project. Project proposals may arrive from changing business or market opportunities, technological changes, changing trend. Any person in an organization may propose a project.

ii. Analysis phase, where the preferred project alternatives are selected. In other words, the various alternatives and approaches are assessed and compared in order to choose an optimum strategy for the project proposal. In the analysis phase, the project team, with the contribution of other teams (or even under the influence of stakeholders) evaluates the different options they have in order to achieve certain objectives.

iii. Definition phase, where the project scope, cost and schedule, as well as the project funding take their final form. In this phase, the basis from the chosen option is extended in order to include certain criteria and specifications.

iv. Execution phase, which has the objective to develop an operating asset consistent with the scope, the cost and the schedule. In this phase, there is also a mobilization of the available resources and an effective utilization of the facilities.

v. Evaluation phase, where it is controlled if the project's objectives have been met, according to certain criteria, such as ROI (Return on Investments) (Uppal, 2008, pp. 1-4).

Project life cycle determines the beginning and the end of a project. Each phase has certain goals, which requires the coordination of individuals and groups, as well as a very good communication (Oeligaard, 2013, pp.65-73).

Moreover, the project and the project's goals have to be achieved under very

specific budget and time limitation, aiming at specific quality requirements. That is why, in every phase of the project, Project Managers should have effective decision support mechanisms, which can help them to improve the efficiency of the allocation of the available resources, taking always under consideration the elements of cost, time and quality (Zeynalian et al., 2013, p. 51). Also, it has been suggested that flexibility is an efficient approach to deal with various uncertainties over the phases of the implementation of a project. Such uncertainties may occur due to the gap between the information needed to make a decision and the information that is available. There are many terms relative to flexibility, such as adaptability. Flexibility can also be understood as a way to make irreversible decisions more reversible, or to postpone some irreversible decisions, until the time when more information can be available (Olsson, Magnussen, 2007, p. 25).

2.6 Project Management Knowledge Areas

In this part, I will present briefly each of the nine those elements of Project Management. According to the Project Management Institute, there are nine core aspects of project management competence (McCalman, pp. 11-2):

1.   Integration Management

2.   Scope Management

3.   Time Management

4.   Cost Management

5.   Quality management

6.   Human Resource management

7.   Communications Management

8.   Risk Management

9.   Procurement Management

It is a very common practice in the organizations to use project teams in order to accomplish projects and their objectives. Thus, it is very important to understand the factors, which can influence the efficiency and the effectiveness of the project teams. Such factors are, for example, the type of project, the characteristics of the project team, such as its size, the communication channels between the teams, the culture of the company and the values of the individuals, as well as the interpersonal relations. The success or failure of the project depends on the good management of the various project phases and the efficiency of the project teams, as well as on the efficiency of each knowledge area (Chen et al., 2013, pp. 1-3).

Integration Management

In Integration Management, there are certain processes and actions that have as their objective the effective and efficient management and coordination of the aspects of the project. Project managers, through their experiences, their attempts, their errors and failures, have understood that Project Management does not comprise of individual procedures. On the contrary, it is an integrated series of processes and activities.

There are many actions that a Project Manager has to accomplish, during Integration Management. To begin with, the Project Manager has to allocate the initial activities and responsibilities to the members of the project team. The members of the project team are responsible for analyzing the scope of the project and need to understand which are the quality requirements of the deliverables, the possible risks and assumptions, during the implementation of the project. Moreover, the Project Manager has to understand the preferences, the interests and needs, as well as the values of the stakeholders and to determine a primary plan.

Also, the Project Manager needs to conduct a preliminary scope document (Project Charter Document), which determines the project and its deliverables. The Project Manager defines the characteristics of the project, its limits and its outcomes. The Project Manager should also determine the objectives of the project, the quality

requirements of the deliverables or any possible risks. Some of the questions that the Project Manager needs to answer are:

i.   What are the costs of the project that can ensure profit?

ii.   Who is the Project Manager and which is his authority?

iii. What are the initial milestones of the implementation of the project?

iv.   What are the primary cut assumptions and limitations of the project?

The project management plan is crucial for the successful execution of a project. However, the project manager should first perform all the necessary actions in order to determine, prepare and integrate the activities is the project management plan. The project management plan has certain content. It should address the following elements: what, who, the process and when (with cost).

The "what" question refers to the objectives and the deliverables of the project. The "Who" refers to the people and to the resources needed for the execution of the project. The "process" refers to the project life cycle that will be included into the project management plan. The "when and cost" refer to the planned due date for every deliverable and milestone. The project management plan should also include the project's production and delivery locations, as well as the communication requirements. In other words, what is needed to develop relations with the stakeholders and win their support.

Project Integration affects project execution significantly. Deliverables are created through the performance of the project team and the coordination of the project manager. During project execution, the members of the project team may also be trained, as well as tools may be obtained. Also, the project manager is responsible to monitor all the activities of the project team. In other words, the Project Manager receives, measures and analyzes information and compares it to specific benchmarks. Project manager is also responsible to identify any potential changes and to approve only those needed during the application of the project (Streun, 2006; Dinsmore, Cabanis-Brewin, 2006, pp. 69-72).

Scope Management

Managing the scope of the project is probably the most crucial aspect of the job of a Project Manager, as it determines not only the work needed for the project, as well as it can assure the achievement of the three dimensional goals, time, cost and quality requirements. Project scope management includes five sub-processes:

i.   Project initiation

ii.   Scope planning

iii.   Scope definition

iv.   Scope verification

v.   Scope change control

The most crucial part of project scope management is the Work Breakdown Structure (WBS), which is a hierarchical breakdown of the project into its elements. This can be translated into a more analytical monitoring and, consequently, in a more effective management of the project.

I will briefly present the five elements of project scope management. In project initiation, projects are initiated due to a business need or a market demand. When such a need or demand is identified and aligned with a firm's strategic goals, a project may be initiated, according to feasibility criteria, something that demands human resources (the first resource is a project manager) to conduct a feasibility analysis. The feasibility analysis examines technical, economic and financial issues.

Scope planning includes the actions, which are necessary to create a summary and intermediate level of WBS. Thus, after the decision to implement the project, the project manager has to work with the project team for the development of the project scope and for the definition of the three dimensional goals (time, cost, quality requirements).

In scope definition, the Project Manager chosen has formed the project team and conducted the feasibility analysis. They have conducted the WBS and they have determined the three dimensional goals. Thus, WBS has to become more detailed. Also, a Design Basis Memorandum (DBM) is prepared. The DBM includes crucial

information, such as key product characteristics or available infrastructure. DBM is used to invite bids from prospective bidders, in other words, to invite bids from a list of specific technology providers, known as process licensors.

The scope definition phase begins with the preparation of a Basic Engineering Package (BEP), where the project team collaborate6s with the process licensors. The elements and the various scope aspects are clarified gradually. The WBS and its components are important aspects of project scope.

Scope verification incorporates feedback for the processes done already. It includes monitoring of the deliverables, during the two previous processes. For example, in order for the Project Manager and the project team to make the payments to the contractors, it is necessary first to verify the progress of every payment invoice submitted. The last process of scope management is scope change control. It's necessary, during the scope planning phase to develop a scope change control mechanism in order to approve or disapprove unauthorized changes, due to the misunderstanding of instructions (verbal or written), in other words, because of bad communication (Khan, 2006, pp. 12-6).

Time Management

The term Project Time Management, also known as project planning or project scheduling, refers to the actions and processes, which are necessary to manage the completion of the project, according to a time schedule. Project Time Management includes some sub-processes.

i.   Definition: In this process, certain activities, which are necessary for the production of the project deliverables, have to be defined and identified

ii. Sequence: In this process, the Project Manager and the Project Team determine and document the relations among the various project actions.

iii. Resources: In this process, the Project Manager and the Team estimate the type and the quantities of the necessary material, as well as the personnel, the equipment and the supplies needed for every activity

iv. Durations: the number of the work periods needed to accomplish individual actions is determined, taking into consideration the available resources

v. Develop Schedule: In this process, activity sequences, durations, resource requirements and schedule constraints are analyzed and estimated in order to develop the project schedule

vi. Control Schedule: this is the last process of Time Management, where the status of the project is controlled in order to update the project progress and manage changes to the schedule baseline (Podean et el., 2010, pp. 156-7).

Cost Management

Project Cost Management includes the processes, which are necessary for the completion of the project within a certain budget. There are four sub-processes: Resource Estimating, Cost Estimating, Cost Budgeting and Cost Control.

It is important to note that the term "resource" includes people, money, supplies, equipment, material or space and, in general, everything that is required for the implementation of a project. Resource requirements can be determined through the analysis of each activity, by defining the types and quantity of each resource needed. Project resource requirements are equal to the sum of resource requirements of all the planned actions. This is why it is important to develop a schedule, taking also into consideration the availability of the resources in each time period.

In Cost Estimating, the Project Manager and the Project Team estimate the costs of the recourses needed for the project. These are valuable information for the successful completion of the project. An accurate cost estimate is one that falls within an acceptable 5% to 10% range. In Cost Budgeting, the Project Manager and the Project team allocate the costs to individual activities, developing a benchmark that will be used to compare project performance. The Cost Control process is responsible for the monitoring of costs and defines the changes in the budget that are necessary for the completion of the project (Abdomerovic, 2006; Dinsmore, Cabanis-Brewin, 2006, pp. 88-93).

Quality Management

Project Quality Management refers to a series of activities that determine the quality standards and criteria, goals and responsibilities, in order for the project to satisfy the quality requirements, as planned, and create an outcome that will meet the scheduled quality standards. There are three sub-activities in the Project Quality Management: Quality Planning, Quality Assurance and Quality Control.

Firstly, it is necessary to define "quality". There are various perspectives and definitions for the term "quality". ISO defines quality as "the totality of characteristics of an entity that bear on its ability to satisfy stated and implied needs".

Quality planning includes the determination of the appropriate quality requirements of the project, as well as the means to achieve them. Quality Assurance refers to the activities for continuous process improvement. Quality Assurance constantly improves the process through the reduction of waste or by helping processes to become more efficient. Finally, Quality Control includes monitoring of the deliverables and their comparisons to the set standards, as planned (Streun, 2006; Dinsmore, Cabanis-Brewin, 2006, pp. 119-122).

Human Resource Management

Project Human Resource Management includes four sub-processes, which organize and manage the project teams, in other words the people who work for the completion of the project. These four processes are:

i.   Human Resource Planning, also known as Organizational Planning

ii. Acquire Project Team

iii. Develop Project Team

iv. Manage Project Team

In the first process, the roles and the responsibilities of the members of the Project Team are determined, as well as the span of control (who reports to whom). Also, a plan is conducted for how and when the personnel will undertake the responsibilities in the

project. All the necessary information is documented. For the optimum allocation of responsibilities, it is important for the Project Manager to understand the context in which the project will be applied, the actions that will take place for the completion of the project, as well as the knowledge from lessons learned duriing similar cases.

Thus, the Project Manager needs to understand the departments of the organization that will be involved in the project, the relations among the personnel that already exist, any physical or geographical information etc. Also, there are "organizational process assets", which are templates and checklists derived from previous projects, based on lessons learned. Those templates may include past project organization charts or position descriptions. Also, another type of information is the list of activity resource requirements that appear as the deliverables of the project separate into work packages and, accordingly, into actions needed to develop the deliverables.

There are three types of outcomes, derived from the first process. Roles and responsibilities required to accomplish the project, the span of control (the relations among those responsibilities and who reports to whom), often in the form of an organizational chart, and a plan for recruiting, training, rewarding and managing the Project Team (staffing management plan). Every member of the Project Team is obliged to perform specific work, known as a set of responsibilities. The responsibilities of a person define his/her role. The efficiency of the Project Team depends also on how well the roles of its members are clarified.

There are certain techniques and tools to determine and document human resource responsibilities, such as organization charts, position descriptions, networking, organizational theory and Responsibility Assignment Matrix (RAM). Organization charts are mainly a set of boxes, arranged as a hierarchy, naming for example the Project Manager and the people responsible for marketing, communications etc. For large projects, which demand clear roles, position descriptions can list detailed responsibilities

for some or all project roles. Networking is the practice of creating relations among people (Towe, 2006; Dinsmore, Cabanis-Brewin, 2006, pp.136-9).

The creation of a linkage between roles and responsibilities and the objective of the project is very important. The RAM, which is a chart that lists people on one axis and actions or work packages on the other axis, is often used in this direction (Melnic, Puiu, 2011, pp. 476-7).

In the second process, as soon as responsibilities and roles are defined, the Project Manager has to acquire the people that will undertake them. This process begins from the end of the previous process. In other words, the starting point includes responsibilities and roles, project organization charts and staffing management plan. Also, elements of this process are the recruiting policies and the contribution for the HR Department, as well as a description of the people who are available to perform their work for the project. This description can include information, such as a person's availability, ability, competences, experience, interests and his/her labor cost for the project. The result of this process is the acquisition of the members of the Project Team. This output is also called "project staff assignments", in order to state the result as a document. Also, resource availability for the members of the Project Team is listed as a distinct output. Resource availability shows when someone is available to work and is crucial for the creation of a project schedule.

There are four different techniques for the acquisition of the project team members. The first is through pre-assignment, where people have made themselves available before the beginning of the project. Another technique is through negotiation, when people from the same organization are recruited for the project. On the contrary, when people come from outside the organization, the technique is called to as acquisition, a form of procurement. Also, a last technique is through listing virtual teams. Virtual team members are typically located far from other team members, making direct meetings not

practical during most or even the entire project (Towe, 2006; Dinsmore, Cabanis-Brewin, 2006, pp.139-140).

Through the second process, the Project Team is formed and its members can be distinguished into different groups. Thus, there can be the "Newly Hired Workforce" or the "Experienced Workforce". Such a differentiation is important for two reasons. Firstly, the newly hired employees are more possible to be less productive than the experienced ones. Also, it can determine the training needed for the personnel (Abdel-Hamid, 1989, pp. 21-25).

The third process, Team Development, consists of two main aspects: the development of the skills of the individuals and the development of the efficiency and the cooperation of the group. After the project team members and their responsibilities and roles have been defined, the staffing management plan implements training plans for the development of the personnel, depending on their availability. The output of the process is "team performance assessment", which is a continuous evaluation of the efficiency of the project team, giving, consequently, the opportunity to understand what training is needed. Training includes team-building activities, co-location, in other words, putting the team members together for part or for the whole duration of the project, as well as, recognition and rewards.

The final process is Team Management, which includes monitoring of the performance, providing feedback and encouraging change needed. This controlling process compares what was planned with what is happening. Information, such as the roles and responsibilities, the organizational charts, the project staff assignments, the staffing management plan, the team performance assessment are valuable for this process. Various outputs can derive from this process. For example, staffing changes, additional training or disciplinary actions, further role clarification etc.

There are various techniques that can be used in this final process: observation and conversation, project performance appraisals and conflict management. The first

technique includes the observation of the performance of the people, who are provided with feedback through informal communication. The second technique is giving feedback that derives from formal appraisal systems. Conflict management techniques will minimize the loss of team work and collaboration during the interaction among the team members. Examples of those techniques are communication planning, team building activities or role clarification (Towe, 2006; Dinsmore, Cabanis-Brewin, 2006, pp.140-1).

Communications management

Project Communications Management is responsible for the allocation, storage and distribution of the necessary information to the members of the project teams, the sponsors and the stakeholders, during every phase of the implementation of the project. The Project manager is responsible for sharing any necessary information with the team members and for holding meetings, where various issues may be discussed. The members of the project team have the duty to present the project development, based on their responsibilities.

In the first process of this knowledge area (Communications Planning), various issues are determined, such as the primary objectives of the communication plan, the timeframe of the delivery of the information, the mechanism and the frequency that the team members, the customers, the sponsors and the stakeholders will be informed. The output of this process is the Communications Management Plan, which has to address several questions, such as who will be the decision- maker, to whom the information will be delivered etc.

In the second process, known as Information Distribution, there are two outputs: The Project Management Plan and the Organization Process Assets. The PM Plan includes a perspective for securing and storing project records in a database or in the company's repository through emails, formal letters or status reports. There are many

ways of allocating information, such as symbols, signs, behaviors, verbal communications, and physical touch etc.

The third process is Performance Reporting. The Project Manager is responsible for documenting every project activity. The members of the Project Team can learn about previous projects and acquire new knowledge, which can be proved very useful for the implementation of the project. The project manager is responsible for applying the optimum processes for allocation of information by researching past project's lessons-learned documents and previous project records that are similar to the current project and by obtaining feedback from stakeholders.

In the final process (Administrative Closure), the outcomes of the project are verified and documented in order for the stakeholders, the customers, the clients or the sponsors to give their acceptance (Mepyans-Robinson, 2006; Dinsmore, Cabanis-Brewin, 2006, pp. 165-8).

Risk Management

Project Risk Management is responsible for searching, analyzing, preventing or eliminating project risks. Any unsure event or situation that, in case it happens, can affect in a positive or a negative manner at least one goal of the project can be defined as project risks. In other words, there are two types of risks. Risks that can produce threat and risks that can offer opportunities. Risk Management has as an objective to search and identify such uncertainties, which may affect the project, assess and evaluate them, and finally, propose and implement actions to prevent them or at least minimize their effects.

The first phase of Risk Management is Risk Planning. In other words, the first phase is to determine the objectives that are at risk and to define the scope of the risk process. Risk Identification is the next step, as it includes the identification of possible risks that may occur and influence positively or negatively the objectives of the project, as already defined. Those risks have to be documented.

After having identified those risks, it is necessary to be evaluated. By assessing the risks and their interactions, the Project Manager and the Project Team can determine the possible results of the project. Accordingly, it is necessary to plan the appropriate actions, in case those risks occur, in order to minimize the threats or exploit any possible opportunities. The final process is the implementation of those activities in order to address the effects of the risks (Hillson, 2006: Dinsmore, Cabanis-Brewin, 2006, pp. 184-190).

Procurement Management

The final knowledge area of Project Management is project Procurement Management. It refers to the activities that are necessary for the organization in order to offer services and products outside the organization.

The first step is to determine which are the needs of the project that can be better satisfied through the acquisition of services and products from outside the organization. How will this process be implemented, in which timeframes and in which quantities? Accordingly, after those products are identified, they have to be documented, including their specific requirements and the possible sources that can be found.

The next step for the Project Manager and the Project team is to acquire information and proposals from the possible sellers, describing how they can better satisfy the needs and the quality requirements of the project. Through a data base of candidates-sellers, the Project Manager and Team will choose those who have the more advantages, based on certain criteria. When the seller(s) are chosen, it is very important to clarify the conditions of the agreement. The final step is to sign the contract and complete the agreement (Edwards, 2006; Dinsmore, Cabanis-Brewin, 2006, pp. 196-202).

Chapter 3

"Talent Acquisition"

3.1 Recruitment and Selection

There are many ways to describe the activities that an organization utilizes in order to acquire new employees for its job openings, both from the external and the internal environment. One of the most modern terms that HR specialists use is "talent acquisition". Talent acquisition, in other words recruitment and selection, is one vital aspect of HRM. The need for capable employees and managers in the organizational environment, the high costs due to turnover, as well as the possibility of employees' dissatisfaction who do not fit in the firm's culture are some of the reasons that make it so important for an organization to concentrate on this field.

Recruitment is the procedure that an organization utilizes in order to search and attract possible candidates and employees, who would apply for job openings in the corporation. In other words, recruitment constitutes the first step for the acquisition of candidates for a position in the organization. After the first stage of the recruitment process, another crucial activity follows: selection, during which a smaller number of prospective employees is drawn from the initial pool of candidates and competes for the job opening through certain selection activities (Jain, 1974, p. 207).

The Talent Acquisition has become so challenging and competitive among different organizations, that in some western economies, many corporations organize events for admitted university students before their arrival on-campus in order to have the advantage and to attract the best talent (Nowalski, Alvarez, 2014, p.26).

The importance of recruitment and selection can be well demonstrated through the notice made by Jim Collins in his book "Good to Great: why some companies make the Leap and others don't". He states that "Great companies first got the right people on

the bus, the wrong people off the bus, and the right seats- and then they figured out where to drive it". Thus, a well-planned recruitment and selection process that satisfies the objectives of the firm, in combination with appropriate training programs, leadership development and compensation can give a certain competitive advantage to the organization, which will be able to search, recruit, hire and retain the most talented employees (Collins, 2001; Krishnaveni, Aravamudhan, 2015, pp. 58-60). The primary aim of any recruitment and selection process is to investigate and predict the employee's performance at the workplace. Through an appropriate recruitment and selection process, less time is needed for the interviews and there is a bigger chance to hire the appropriate candidate (Gheorghe, 2013, p. 161).

The recruitment and selection methods depend on multiple variables and factors, such as the chance to recruit people who will be paid a salary above the market rate, job security or even the portrait of the candidates that the organization wants to attract. Such factors can influence, for example, the "locations" where the corporation will advertise its job openings.

Any organization needs to conduct overtime an organizational analysis, through which the whole corporation will be assessed, as regards its objectives, human recourses, efficiency and the internal environment. After the organizational analysis, the recruitment and selection process begin with the job analysis. Job analysis constitutes the activity, in which the tasks of the job are analyzed and listed, the steps needed to conduct the job are described and the necessary requirements are presented. Information for the job analysis can be provided by human resources manuals, job descriptions, the practical experience of managers and supervisors and, finally, by the people who already do the job. The final step is the individual analysis, the assessment of the employees doing the job (Itika, 2011, pp. 75-6).

3.2 Organizational Analysis

If an organization wants to make the appropriate decisions, through the recruitment and selection processes, it is vital to conduct an organizational analysis first. The organization needs to make a self-assessment, and to evaluate its own needs and objectives, in order to define its recruitment and selection strategies and methods.

Different organizing models have been proposed for the recruitment procedure. However, the majority of them agree that, before an organization decides its recruitment methods, it must define its recruitment objectives first. Such a popular model is that of Breaugh (2008). The organization must determine the number of positions that have to be filled, the type of applicants that it is seeking to attract, taking into consideration elements such as their education, their work experience or their interests. Such elements certainly affect the type of recruitment methods and the "locations" of job advertisements of the company. For instance, if a firm is searching for applicants with little or zero working experience, it can advertise its job openings in Universities' career sites.

After the organization has determined its recruitment goals, it can create the appropriate recruitment strategy, which will address questions such as:

- When to begin the recruitment

- What message to communicate to the applicants

- Who the recruiters will be

Those questions should be related to the recruitment objectives. Accordingly, the recruitment activities, such as where the job advertisements will be posted, will be conducted, depend on the above analysis (Breaugh, 2008, pp. 103-5). The final phase is to assess the results of the first three steps of the recruitment process (Abraham et al., 2015, pp. 335-6).

Such an analysis is also important, as it can provide knowledge to the company for what modern employees are looking for in their job searches and, consequently, alter some of its policies and strategies, or even its culture. For example, many applicants in their job search take into consideration elements such as the reputation of the company, their familiarity with the organization, any contact within the company, the products and services of the organization or even its advertisements (Stevens, Collins, 2001, pp. 2-4). Thus, the employer's brand, in other words the reputation of a company, is vital for any organization willing to attract (and retain) talented and motivated employees (Starineca, 2015, pp. 58-60).

3.3 Traditional and Modern Advertising Tools for Recruitment

As mentioned above, the organization should first determine its recruitment objectives and develop the appropriate strategy accordingly. For the accomplishment of these goals and strategy, the organizations use certain tools. It is a fact that the development of technology and the changing needs and preferences of the people and, mostly, of young people, have significantly affected the tools that the companies use for the recruitment activities. Job advertisements are an important aspect of the recruitment process that has certainly been from the evolving technology and lifestyle.

Companies used to advertise their job openings through more traditional tools, such as job postings, brochures and websites. Also, organizations attempt to attract employees from very popular "pools", by building relations with the faculty and the career services offices of Universities and Business Schools (Stevens, Collins, 2001, pp. 6-7). Nowadays, companies try to use more modern tools, to which the majority of people have access, such as social networks, mobile applications and videos. For example, many companies, instead of receiving a cover letter for a job vacancy, accept a video in which the applicant will try to persuade the recruiters that he/she is the appropriate person for the job. Also, from the opposite perspective, it is common these days for many companies to use videos in order to advertise job vacancies. This is

really important, especially for companies in the IT industry, because the applicants may consider them as innovative. Social Networks are also a necessary tool for modern recruitment, as many people can find information for job openings not only from specified websites, but from their friends in the social networks (O' Mahony, 2015, p.48). In reality, modern recruiters have to deal with such a variety of data from new sources, such as the social media, professional networks and videos, that it would be impossible for them to perform their job without specified HR information systems. For example, recruiters now take into consideration even where people spend their holidays, or what their habits and interests are (Cottell, 2013, p. 12).

3.4 Job Analysis

McCormick and Tiffin (1974) have defined "Job Analysis" as the collection and study of any type of information, which are related to job, by any methodology and for any aim. Job Analysis can provide a wide variety of information within the corporate environment, which can be utilized for many purposes, such as the recruitment and the selection process, job allocation, development of training programs and performance appraisal (Mitchell, Driskill, 1996, pp. 119-120). Also, the accuracy of the information collected through the job analysis procedure significantly affects the effectiveness of the HRM field (Aguinis et al., 2009, pp. 405-6).

Job analysis is a tool that offers detailed information, by presenting the specific job duties, responsibilities, skills and competences required and the work environment of a given job. This tool is often utilized as an initial step for other activities, such as the creation of job descriptions, the redesign of inefficient jobs, the conduction of performance appraisals, which are often related to promotion, training and compensation issues (or even layoffs). In other words, job analysis can be used to ensure credibility in the activities carried out in the workplace and, consequently, it can help the organization avoid wasting its resources (Morganson et al, 2009, pp. 252-5).

If the HR department within a strategic-oriented organizations wants to be involved in the formation and the implementation of the business strategy, it should be able achieve certain (financial) goals, through HR policies and practices. This is why it is important to conduct an appropriate Job Analysis and to use its information effectively in order to materialize HR policies into outcomes. This is something that can give importance to HRM within the organization. Job Analysis is an integral unit of an efficient HR Information System, which is necessary for any organization that wishes to make proactive HR decisions Job Analysis can include information such as the Mission of the job, the key tasks and the reporting relations, performance indicators, the value that creates for the organization, rewards etc (Siddique 2004, pp. 223-227). On the other hand, if the job analysis is conducted roughly or it is well created but then ignored, this may be one possible reason for failure for any HR function (Murray, Jain, 1984, pp. 95-6).

3.5 Job Description

Job Description could be described as an organizational document related to a job position, which describes it in detail and includes the requirements that this position demands from the person or people that will fill it. Job Description determines a certain job's role for the accomplishment both corporate and individual goals. This document, which comes in many forms, also reflects the organizational structure, as it includes individual targets and support-elements that are necessary for the accomplishment of those goals, tasks, official authority, and responsibilities. Job Description mainly includes the following elements:

- The title of the job position
- The Department or Section, in which this position in included
- The reporting relations
- The name of the employee

- Internal and External relations (functional, cooperation, control, representation, relations with authorities and other public units, international organizations and other private firms)

- Key tasks and responsibilities

- Duties (daily, weekly, periodically)

- Evaluation Criteria

- Objectives

- Skills, knowledge, competences and qualifications

- Education level, training and certifications (Verboncu, Zeininger, 2015, pp. 604-9).

Basically, job descriptions are created to address answers such as: "what has to be done", "When?", "Why?", "Where?", ""How?", "With Who?", "In what circumstances?" (Pato, 2014, p. 69).

It is important that Job Descriptions are developed by the owners and the managers and not by the employees themselves. They can be used, obviously, in the recruitment and the selection process, when a company is searching for new employees. Thus, the candidates can understand what will be demanded from them and they can decide is they are suitable for this position. However, job descriptions are also important for the current personnel, as they produce clarified roles in the workplace, and consequently, fewer conflicts and bureaucracy. Moreover, they can be used as a guide book for the employees in the organization (Moskwa, 2009, pp. 53-5).

Job Descriptions are necessary for most of the HR functions and they can be used to warrant that the employees will be motivated, engaged and capable of performing the tasks of their positions. Also, they can used in order to group the employees into units and, in general, for the development of the structure of the company (Weathington, Hawkes, 2014, pp. 191-3). Moreover, job descriptions may have important legal implications for a company. Unless they are properly conducted, with detailed contents, the employer or the company is possible to become exposed to legal liability for

unsuitable decision making, which is related to accommodation for employees who may be disabled (Smith, 2015, pp. 97-8).

3.6 Person Specification

Person specification, known also as personnel specification, is another important element of the recruitment process. Usually, it is conducted simultaneously with the job description, describes the profile for the ideal person for the job position, as presented in the job description. It determines the working experience, the skills, the knowledge, the qualifications, the competences, the education and personal traits and characteristics that are necessary for that specific job. Also, person specification should contain any relevant information on the job will requirements of the employee.

It can be used as a tool for the objective evaluation of the candidates, as it can ensure that every part of the job requirements will be taken under consideration. Documentation in person specification is important as it can contribute to job advertisements and interviews and, certainly, it can be used again in a future recruitment of a similar job position. Also, it is useful for the appraisal performance of the employees.

There are two main categories for the information included in the person specification: the Alec Rodger Analysis and the Munro Fraser Five Point Plan. The types of information could be related to: physical abilities, qualifications, performance levels and working experience, natural abilities, interests, personality traits and others (Irwin, 1998, pp. 51-8).

3.7 Candidate's Screening and Selection

Personal biases are one common "mistake" from the part of the recruiters in the selection process (but also in performance appraisal) as they can determine their judgment. In the western countries, discrimination in pre-employment regarding sex or gender, marital and family status, religion, nationality, color, disability, age, political

opinion and sexual orientation are prohibited. However, physical attractiveness is not included in the above list. Physical attractiveness is normally not combined with better or worse performance, however it's an element that is taken into consideration in some positions (Johnston, Watkins, 2000, pp 76-8).

Based on the person specification, the job description and the available CVs of the candidates, the recruiters conduct an initial screening of the prospective employees in order to reduce their number and create a shorter list. In other words, screening (and selection) is the activity through which the organization can make the right decision. They include multiple steps and can be conducted with different methods (Money Marketing, 2004, p. 51).

The candidates that pass the screening phase are usually required to pass an initial interview, in order for the recruiters to have a short communication with the applicant and understand if he/she is suitable for the job (Canadian Human Rights Commission, 2007, p. 4). During the first interview with an applicant, it is important that the recruiters clarify to him/her the requirements and the expectations of the position and the objectives of the job. The recruiters should give space to the applicants, listen to them and observe their moves. However, they should also give directions, when they avoid answering to certain questions (Sami et al., p.3).

There are numerous methods that the recruiters utilize in order to assess the candidates during the selection process. There are different types of interviews and tests, which evaluate the behavior and the skills of the applicants. There are also assessment centers, simulations and group exercises, role plays and case studies and many other assessment methods. Thus, I will try to present briefly some of the most popular methods that the companies use in order to select the proper candidates. The final step will be the agreement between the company and the applicant.

Personality tests give the opportunity to the HR people to receive information relative to the thoughts, the feelings and the behavior (for instance the reliability) of the

candidates. There are no right or wrong answers. Recruiters look at traits and behavioral preferences of the candidates.

Cognitive ability tests are a commonly used assessment tool, which evaluates the general intelligence and the ability of the candidates in certain areas. There are verbal reasoning tests, numerical reasoning, diagrammatic or abstract reasoning, as well as spatial ability tests, which ask the candidates to solve some problems, concerning small texts, mathematical problems and diagrams within a limited period of time (Klotz et al., 2013, p. 110).

Also, interviewing the applicants is another commonly used assessment tool during the selection process. There are different types of interviews. There are individual interviews, where the interviewer communicates with the applicant. There are interviewing panels, where two or more people interview one person. Usually, the interviewers are one HR specialist and one line manager. Also, there are selection boards, which are more formal and many people can participate in the procedure (Itika, 2011, pp. 78-9).

Biographical Data, address questions to the candidates, concerning their background, their individual characteristics and interests. They concentrate on past performance, because they follow the sense that past performance is the best predictor of future performance. This is why the questions try to evaluate how the applicants behaved or performed in past situations, which are similar to those that the job vacancy requires.

Assessment centers are mostly used by large multinationals and evaluate managerial and supervisory competencies. The applicants have to accomplish a series of exercises, which simulate real situations and issues in the workplace and they are asked to deal with them as real. HR specialists observe and evaluate the performance and the behavior of the applicants during the assessment center (Pulakos, 2005, pp. 9-15).

Chapter 4

"Job Allocation"

4.1 (Mis)allocation and work (in)efficiency

The distribution of the responsibilities and of the work tasks is an important function of HRM, after the recruitment and selection of the employees, is. Allocation and Scheduling are processes that relate a project to the work tasks. Thus, Scheduling is the activity, in which the tasks of a project are ordered to be executed over time. Allocation is the activity of assigning the available resources or responsibilities in order to accomplish a task (Leadprathon et al., 2013, p. 35).

Responsibility can be perceived as a tripartite relationship; the existence of an agent of responsibility, an event or circumstance for which the agent is responsible and a recipient to whom he/she is responsible. Responsibility can also be understood through the following three questions:

- Who is responsible?
- For what he/she is responsible?
- To whom is he/she responsible? (Neuhauser, 2014, p. 234).

Appropriate scheduling is necessary for the efficient exploitation of the resources and, especially, of human resources (Blanco et al., 2011, p. 395). The allocation of Human resources should take into consideration the element of "efficiency" (Waldman, 1984, p. 95).

Time in such processes is a crucial element as it can affect the efficiency of an organization. Thus, an appropriate Job Allocation can develop an effective use of time in the implementation of projects and, consequently, can affect the long term success of the company, through the enhancement of the individual and overall performance

(Falade, Ogundipe, 2014, p. 65). Consequently, organizations can obtain cost minimization and time efficiency (Chen, 2004, p. 135).

Performance has historically been the key criterion for resource allocation and efficiency (Fry, Russell, 1993, p. 1098). It is an important criterion, due to the fact that it can provide the conditions for the reduction of cost and for the efficient utilization of (human) resources and the time completion of projects (Wang et al., 2012, p. 1). Also, it is a criterion for determining compensation packages, which are related to the work tasks that an employee needs to accomplish, as well as to his/her performance (Visser, 1994, p. 438). The fact that the performance of the employees can be observed and evaluated gives useful information, which can lead in better job allocation (Hartog, 1981, p. 312). However, conversely, the job allocation system that is used is one of the determinants of work performance (Sullivan et al, 2004, p. 26).

Indeed, Job Allocation constitutes a crucial factor for success or failure in the organizational context, as it can enhance or decrease the efficiency and the productivity of an individual or the overall performance. Promotion policies and decisions allocate work tasks and define employee's compensation packages.

Unless work tasks are well distributed among the personnel, conflicts can occur and, consequently, the organization will be less efficient and effective. This is something that can occur, when employees are promoted and undertake tasks that are not appropriate for their competences and abilities. As a result, employee's remuneration and bonus will also be reduced, as they will not achieve the individual or organizational goals.

A question that hasn't been answered yet is whether the employees can be more efficient and productive by selecting their responsibilities in the organization themselves, compared to a certain organizational policy for job allocation or promotion. However, such a self-selectin policy may be risky, because it is possible that many employees don't have the know-who or they may be overconfident or may underestimate their skills (Dickinson, Villeval, 2011, pp. 2-3).

4.2 The necessity for job-allocation tools

An appropriate job allocation contributes to the success of the organization as it can enhance job satisfaction and, consequently, commitment, engagement and productivity of the employees (Houston et al., 2006, p. 18). This is why, organizations base their job-allocation policies on the job analysis, descriptions and person specifications which they have already developed (they are presented in Chapter 3: "Talent Acquisition") in order to distribute work tasks among the employees appropriately.

For this reason, organizations have developed tools in order to allocate responsibilities in an appropriate way. These tools utilize assessment methods for the employee's job allocations, in order to distribute the work tasks efficiently (Lobo et al, 2014, pp.1210-1). Also, these tools and their outcomes, through job allocation, can explain the differences in the compensation packages among the employees and, consequently, prevent conflicts (Hartog, 1988, p. 113). However, they cannot always explain the differences in the payroll between male and female employees, which are often a matter of organizational culture or discrimination (Schippers et al., 1994, p. 138).

A Responsibility Chart, which defines "who-does-what-and-who-helps" would be such a tool, which can also be used as an internal official document (valuable for performance appraisal and other uses),. A responsibility Chart can be useful when working groups are created or new work tasks appear in the organizational context. It can be used to clarify roles and to distribute work tasks appropriately. A responsibility chart includes the purpose of the job (what projects the members of the group will undertake), the people who are involved in the group and the work tasks and responsibilities required by them (Dezieck, pp. 1-3).

The allocation and the distribution of work tasks to the employees can occur in various ways, either organized or random. Thus, for job categories and job families, in which many employees are working, job allocation can be a matter of negotiations

between groups of employers and employees, whereas job positions in which fewer employees work, personal negotiations can occur before the responsibility distribution (Tinbergen, 1984, p. 23).

Negotiations between sub-units in organizations often create conflicts for departmental power. This incident becomes an important factor for decisions and, especially, according to Cyert et al., for job allocation decisions (Cyert et al., 1963; Welbourne, Trevor, 2000, p. 762). What is more, the organizations follow different job allocation policies, depending on their size. Thus, small and medium companies usually adopt a centralized job allocation policy. On the contrary, large organizations follow a decentralized job allocation policy (Leu et al., 2006, p. 2).

4.3 Determinants in responsibility distribution

Job allocation, promotion opportunities and career development are some of the most important challenges in the career of an employee. There are many factors that affect the employee's career and the work tasks that are undertaken. Kirchmeyer notices that women experience less significant career development and less important work tasks compared to men. Berlew add that the working experience can define the responsibilities of individuals in the workplace. In general, the working experience affects the job allocation policy in a company, where it is possible that women are discriminated due to the lack of such experiences. This can be explained by the underrepresentation of women in managerial positions. Male employees undertake more challenging work tasks and, as a result, they have better promotion opportunities and higher compensation packages (Berlew et al, 1966; Van Vianen et al, 2010, pp. 433-5).

In general, two types

of factors can be distinguished, which play a major role in job distribution and, consequently, in career advancement: organizational and individual factors.

Organizational determinants are, for instance, the nature of the industry, the existence of informal social networks and stereotypes and biases in the workplace (for example, against women or certain nationalities, religions etc). The individual determinants can be categorized into three different types: traits, family status and human capital. As traits we can define for example the ambition of the employees, a proactive personality, the emotional stability of the personnel. Family status also determines the job allocation within a workplace; for example, many women don't see themselves progress in their career, due to a marriage or their children. Human capital factors are the personal investments that people make in order to enhance their employability. As human capital we can define the investments of individuals in education, in training and work experience, factors that increase their employability, in other words, their value in the labor market. Indeed, an employee with higher education, with good training and important work experience can certainly claim more challenging responsibilities and work tasks from his/her employer or supervisor.

As regards work experience, Taylor considers it as the "level of difficulty and stimulation", while McCauley et al., describe it as "being in dynamic settings with problems to solve and choices to make under conditions of risk and uncertainty". Many authors conclude that previous work experience has a positive effect on the career development and the undertaking of challenging work tasks of the employees. Employees who have experienced more challenging job assignments in the first steps of their career can claim more demanding job roles in the future (Berlew et al, 1966; Van Vianen et al, 2010, pp. 435-7). Moreover, is the years that the employees have been unemployed before their current job position are an additional variable that may affect negatively job allocation, because they are usually considered as a negative element from the part of the employer or the supervisor (Gorter et al., 1993, p. 257).

Chapter 5

"Training and Development"

5.1 The need for training and developing Human Resources

In general, organizations try to obtain their strategic objectives by exploiting their competitive advantage. Companies, in their attempt to retain their competitive advantage in the market, create and develop policies and practices in order to optimize the utilization of their resources. This demand is even more important, when the market or the organization deals with uncertainties in the economic and business environment. Training and Development are important strategic tools for individual and organization performance (Ojo et al., 2014, pp. 161-2).

The terms "training" and "development" usually appear together, however, it is argued that intend to satisfy different goals. Training has the objective to equip the person with specific skills and knowledge in order to be able to perform a job. Development has a broader perception as it takes into consideration long-term goals, aiming to keep and improve the current and future performance of employees (Ensour, Kharabsheh, 2015, pp. 138-9).

The Human Resources, as mentioned above, is the key resource for any organization. Thus, the need for their optimum management is bigger than for any other resource. Consequently, organizations train and develop their employees in order to maximize their contribution to the accomplishment of their strategic goals. That's why they create Talent Development Departments and training programs, which they try to align with the strategic objectives of the organization and the outcomes of the performance appraisal system.

Certainly, in many organizations business leaders consider training programs as unnecessary costs, as many other internal processes. However, the indirect contribution to the value creation and the accomplishment of the organizational goals should be taken into consideration (Pangarkar, Kirkwood, 2015, pp. 26-8).

Another reason that makes Training and Development practices necessary for an organization is to avoid the loss of talent. It is certain that talented employees try to develop themselves during their professional career and there are great possibilities to leave the company, when there are not offered training programs that will increase their employability.

Also, if the expectations from the training programs are not fulfilled or the developmental practices are badly structured, this could make them leave the company. Thus, In order to avoid turnover and the loss of talent, which produces very high costs for the organization (as analyzed in Chapter 3: "Talent Acquisition"), the organizations need to organize to develop training programs, which will give employees the opportunity to explore new opportunities and aspects of their personalities and skills (Dunlap, 2015, p. 20).

5.2 The requirements of efficient Training Programs

In any training and development program, it is crucial that its objectives and expected outcomes are aligned with the strategic goals of the organization. In other words, they should demonstrate how they will contribute to the value creation and to other objectives of the company. The effectiveness of the training and development system is depicted by the concept of "transfer of training, which designates the extent to which what is learned in training and development initiatives, is transferred to improved job performance (Sulthan, Jayakumar, Sam, 2014, pp. 57-8).

Every training program requires that a minimum amount of knowledge and skills exist in the beginning of the training. The minimum amount of knowledge required

depends on the category of employees, to whom the program is addressed. For example, if the training program is needed for new hirings, it requires the skills and knowledge that are presented in the job description.

There are specific factors that can contribute to the achievement of the objectives and the success of the training program.

The first factor that can positively influence a training program is that a successful training program requires everyone's work style to be taken into consideration. An effective training program is the program where trainers and trainees have similar work styles, or at least work and communication styles that can be aligned.

Also, an effective training program demands clear stated objectives and expectations, both for the trainers and the trainees. It should include steps and plans, structured in such a way that every initiative can be coordinated with others in a logical manner. The program can also set specific deadlines, according to which the progress can be observed and evaluated by the participants of the program.

Motivation is a third factor is. Motivation should be addressed by the trainers and the employer to the trainees. It is very important that the trainees are rewarded for their success, as well as for their effort. Of course, it is absolutely necessary that the trainers are motivated, engaged and committed to the training program and to its stated objectives.

Moreover, it is important that during the training program, there is an ongoing evaluation process for the progress of the trainees. Thus, there should be meeting between the employer or the trainers and the trainees, in order to assess the progress of the participants in the program and if they meet the expectations, as defined in the beginning.

The materials used in training and development programs should include all resources, reference material, programs, as well as the contacts of people who can help the trainees

The quality of communication among the trainers and the trainees constitutes a fifth factor for the success and the effectiveness of a training program is. The trainers should inform the trainees about the expectations of the program, giving to them feedback during the training and encouraging them to express their opinions, or their doubts about the program (Dunlap, 2015, pp. 20-21).

It is really essential that the training program gives space and time to the trainees to acquire new knowledge and develop new skills. This is something that can give trainees the necessary inspiration and motive to accomplish the goals of the program (Funt, 2016, p. 111). An effective training and development program should be able to inspire, especially the low-qualified employees, who have very little participation level in training activities (Kyndt et al., 2013, pp. 315-6).

Thus, the role of the trainers is really important. They can be facilitators (they can provide guidance but they are not involved in the process), consultants (they act as advisers), coaches (they provide guidelines and direction, observe the trainees and give feedback to them) or instructors (they provide detailed directions, material and structured learning events) (MCardle, 2015, p. 65).

5.3 The outcomes of a training program

Generally, training is a critical part of success for the organizations, as it can improve and develop employee's skills and knowledge and give necessary information, both for trainers and trainees (Rodriguez-Costacamps, 2016, p. 39-40).

Learning comes either from experience or from formal and systematic processes, which have clearly identified goals. Learning consists of two elements: Actions and Reflection. Action refers to all the initiatives undertaken for the acquisition

of knowledge and the development of new skills, whereas reflection refers to the part that follows those initiatives, where the individuals or the teams look back in an effort to see what went wrong or right. This is the part where they can identify the gaps and weaknesses, the strengths and the advantages, they evaluate the results and search for the necessary changes that can add to optimum results (Shahid et al, 2011, pp. 160-2).

Every training program aims to develop the skills and competencies of the trainees in order to increase their individual performance and, consequently, the performance of the organization. However, the performance is not the only criterion or objective of an effective training program (Mpofu, Hlatywayo, 2015, p. 134).

Job satisfaction, loyalty, commitment and career development, as well as opportunities for advancement also are some of the objectives and outcomes of a training program. Job satisfaction is a crucial factor for the individual performance and the commitment of an employee to the organization. It can contribute to reduced turnover and increased productivity (Jones et al, 2015, pp.141-3). In addition to that, a well-structured training program can be used as a recruitment tool. It is part of the employer's brand, due to the fact that the employees seek for new opportunities and challenges and for the development of new skills, which they can help them pursue a career development path (Cairns, 2012, p. 23).

Training can be considered as a way for Learning. Learning and Development can develop a sense of progression in the organizational context and, thus, they can lead to organizational commitment. Also, they can influence productivity, employee and customer satisfaction, which increase the brand value. Generally, training can reduce the possibility for failure, as it develops skills and competencies. The most important influence, however, is the development of a climate for learning within the organization, including also self-managed learning practices, such as coaching and mentoring.

There are various suggestions about the definition of job satisfaction. Locke (1969) was the first one who tried to give a definition for job satisfaction, describing it as

the pleasurable emotional condition than an employee has, because of his/her recognition at work. Camp (1994) defined job satisfaction as the reply of an employee to this work conditions. Generally, job satisfaction can be defined as the employee's attitude toward his/her job. Thus, if an employee is satisfied from his/her job, then it is less possible for him/her to leave the company. As a result, there is reduced turnover and, consequently, minimized costs, as written above.

Loyalty is another indirect advantage and outcome of a successful training program. Loyalty can be defined as an employee's faithfulness to a firm, without necessarily having an emotional attachment to the company. Loyalty is about showing pride of the organization. Loyalty can show to what extent an employee feels personal responsibility for the job and which are the possibilities to search for a new job. Loyalty can also be translated in lower turnover and, consequently, lower recruitment costs.

Organizational commitment is another outcome. It expresses how an employee feels about the company as a unit. It can be defined as the emotional and psychological bond between the employee and the corporation. It can also be considered as the desire, willingness or likelihood of an employee to stay at the organization and focus on the achievement of the organizational objectives. An employee committed to his/her organization shares its values and goals and works in order to achieve them. Also, it is more possible that he/she stays and, consequently, turnover is reduced.

The development of the existing or of the new skills is a primary goal of a training program. Employees have the opportunity to develop their skills, to acquire new knowledge and increase their employability. Thus, they can undertake new and more challenging responsibilities, increase their performance and search for new chances for promotion in the organization (Costen, Salazar, 2011, pp. 273-6). In general, the outcomes of a training and development program are more important for the organizational context, when the training is continuing. Indeed, they can be even more beneficial, both for the individuals and the employees, as they increase the chances of

the employees for career development, as well as the necessary skills, which are crucial for the individual and overall performance and, consequently, productivity (Sirkova et al., 2014, p. 4).

5.4 Obstacles within Formal Training

On the other hand, very often barriers and obstacles exist in the creation and implementation of effective training and development programs. The lack of financial and other non-monetary resources, the failure of the organization to communicate to the employees the expectations and the objectives of the training and the benefits for each one of them (usually, they cannot understand the long-term objectives and, consequently, these goals have to be clearly defined from the beginning) are some of the factors that make it difficult for small and medium enterprises to develop efficient training programs (Hutchinsson, Allnock, 2014, p. 5).

Barriers and obstacles in training programs are more often observed in Small and Medium Enterprises (SMEs), due to the cost of such practices. These costs include the cost of the training and development courses, as well as the opportunity cost of the working time that the employees use in training instead of their job positions. Moreover, in many SMEs the content of the training program is determined by a supply-driven rule, without taking into consideration the needs of the company.

Moreover, in smaller enterprises, uncertainty is often higher, compared to large companies. This is why the owners-managers of the SMEs focus mostly on short-term goals and, consequently, they don't recognize any value in the outcomes of training, which are mainly beneficial for long-term and medium-term objectives. They are used to adopt an ad hoc attitude towards training. Also, another barrier in SMEs is that there are fewer opportunities for career advancement. Thus, the owners-managers believe that training could increase the employability of their employees who will seek for a bigger challenge outside the organization (Coetzer, Redmond, 2011, pp. 119-124).

In small enterprises, employees need to be self-motivated, in order to participate in training programs, as it is often in their own discretion. A very strong motive is that through training they will have the chance to develop skills that are not common in the labor market (Tech-Hua, Yeung, 2015, p. 114).

Age is an additional barrier in training, both for small and large organizations. as they become older, employees tend to demonstrate less willingness, as well as less smaller ability to acquire new knowledge and develop new skills (De Pater et al., 2010, p. 228).

A fact that is still being investigated is the correlation between the previous training and the desire of employees for new knowledge or skills, as there are opposite theories and empirical data about this issue (Lambert et al., 2012, p. 170).

5.5 Creating a Training and Development program

In order to create a training program, the first step is to identify the problems and the needs in the organizational and individual context. The second step is to establish the design of needs analysis. From this process, all necessary information can be collected and analyzed. The next step is the feedback from this analysis, which leads to the appropriate practices and training programs (AlMarri, Taresh, 2015, p. 50).

As written above, the Organizational Need Analysis (ONA) is the starting point for the creation of a training program. ONA can be used to search for the key objectives and future organizational goals, performance challenges and weaknesses, skills and knowledge to be acquired and goals to be achieved.

There are three main processes for the creation of a Training Program. The first is to identify the scope, the objectives and the needs that require the training, something which is conducted from a Training Needs Analysis. The second is the creation of the program. Finally, the last step is the implementation of the training program (Regina, Ferreira, 2012, p. 397).

Thus, the first step is to determine the goals and objectives of the training program. This will help to identify the target group. It can help them determine if the training program will be for new employees or for the old employees. In this section, many questions should be answered. What are the learning objectives of the training? Which materials and training methods should be used? How much time is available for the training? In this initial step, it is important to understand the personal gaps and goals of each individual and the problems they are facing. The second step is the creation of the training program. This process uses all the information collected and analyzed during the initial phase in order to develop the appropriate training practices, which are aligned to the stated objectives, within certain time frameworks and with the available resources, which are available. The final step is the implementation of the program and its evaluation in order to change some elements, which may not contribute to the achievement of its expectations and goals (Kalaiselvan, Naachimuthu, 2011, pp. 372-9).

5.6 Training methods and techniques

There is a wide range of training methods and tools that the organizations use more or less frequently for their training purposes. Tools, which can be either traditional or modern (Baird, 2003, p.47). Mihiotis (2005) has presented and analyzed the most important HR training and development methods and techniques.

On-the-job training is training of the employee while he/she is performing his/her job. It is organized on a one-to-one base in the working place of the trainee. It is selected as a training technique when there is little available time.

Mentoring is another popular training method, where an experienced person (mentor) guides a less experienced one (mentee, protégé). The mentor guides and encourages the mentee spiritually, emotionally and financially. This kind of training technique is applicable to any person in any phase of his/her career. Mentorship can be formal or informal and can take place either face to face, or by other means of communication, such as e-mail (in this case, it is called e-mentorship).

Apprenticeship is a combination of on-the-job training and classroom instruction and it is always paid. Apprentices work with more experienced people in order to gain, skills and increase their salary. Apprenticeship programs can be financed by the individual or a group of employers, labor groups or employer's associations.

During Vestibule training/Simulators, the trainees perform their job, under working conditions that are close to the real ones. In vestibule training, the area where training takes place is different from the main productive areas of the plant. As a result, there are fewer accidents and the trainers give a more personal approach to the trainees. Classroom instruction can also be used, especially when there are large numbers of trainees.

Web-based learning uses special training software, interactive multimedia and teleconferencing programs deployed through internet. It doesn't demand allocation of physical materials, it is interactive and leads to minimum costs, as the trainees don't have to travel. On the contrary, they have the chance to learn any time, anything, from anywhere.

Instructor-led classroom training is a face to face training process, among the trainer and the trainees, who can be either an individual or a group of people. There is an ongoing process of feedback during the training. Instructors should be knowledgeable and experienced in order to motivate and deliver the material to the trainees effectively.

Programmed self-instruction is a training method, where the trainee can study the material (booklets, manuals) without the contribution of a trainer or instructor. It demands the achievement of specific tasks, such as defining the goal and keeping on task.

Case studies-Role playing are methods, also used in the recruitment and selection process. The trainees have the chance to experience or analyze real workplace matters, while at the same time they also have the chance to make their own recommendations.

Finally, systematic Job rotations and transfers give the opportunity to employees to move around different job roles and positions, deal with various challenges and acquire valuable experiences and knowledge. It can be used to minimize the boredom of employees and to increase their motivation. Employees can use it as a path for career advancement (Theotokas et al., 2012, pp. 662-9).

5.7 Evaluation of Training Programs

Organizations invest large amounts of money, human resources and time in training and development programs and they have specific expectations from them. Thus, their evaluation, from the employers, the trainers and the trainees is an important aspect of training programs (Osborn, 2016, p. 121).

Kirkpatrick's (1994) four level hierarchy is a classical model of evaluation for the training practices. The first level refers to the reactions and the reflections of the participants, which are included in the feedback that is collected during and after the end of the training program. The second level measures the learning and training that have taken place, through the observation and the analysis of the inputs acquired during the training program. The third level measures the changes in the attitude due to the transfer of learning back to the job conditions. The fourth level measures the business outcomes, acquired through the training program. Phillips (1997) added a fifth level, which measures ROI, which is used to compare the monetary outcomes and the investments/costs of the training program. He has proposed training measures, which correlate training to productivity, quality, cost, time and soft data. There are two types of productivity measures: The performance measures and process measures. Quality measures include reject rates, scrap rates, rework, error rates, defects and downtime. Cost measures are categorized into performance measures and process measures. Time measures include performance measures and process measures. Finally, soft data included the feedback provided from the participants, their learning and measures that include skill application

Several criteria have been proposed for the evaluation of training programs. Some of them are the number of training days and of the programs that take place each year, the cost for each trainee per hour, the percentage of the employees who participate in the training programs, the number of courses taught for each subject, the time for new program design and others (Srimannarayana, 2011, pp. 117-9).

Chapter 6

"Performance Appraisal"

6.1 What is Performance Appraisal

Performance management is a systematic process, which is used from an organization to evaluate the performance of the employees, identifying their weaknesses and strengths. Besides, how performance is managed determines to a large extent the success or the failure of an organization (Gable, Muczyk, 1987, p. 41). The organization can use various tools to measure performance. One tool is Performance Appraisal (Leong, 2015, p. 96).

Performance Appraisal constitutes one of the most important aspects of the Human Resources Management and of the organizational environment, as it provides information on various issues and affects personnel decisions in a company. For instance, Performance Appraisal can influence the training of individuals or of a group of employees, their promotion or even layoffs, as well as the compensation and the benefits that they can be offered (Landy, Farr, 1980, pp. 72-3). Fletcher (2001) defined Performance Appraisal as "a general heading for a variety of activities through which organizations seek to assess employees and to develop their competence, enhance performance and distribute rewards". In the past it was mainly a communication process. However, now the organizations invest big monetary resources in them (Vrolix, Van De Mieroop, 2014, p. 2)

Performance Appraisal generally includes four decisions: 1) what to assess, 2) who should make the assessment, 3) which assessment procedures to use and 4) how to communicate assessment results (Baruch Yehuda, Harel Gedaliahu, 1993, pp. 96-7).

There are many objectives that can be satisfied by a Performance Appraisal System (Mount, 1983, pp. 99-102). Thus, a major aim of performance appraisal is to change work behavior (Tziner et al., 1992, p. 281).

Fairness within the organization (as promotion, rotation, training and layoffs are determined by the employee's evaluation), especially when the employees have participated in the creation of the Performance Appraisal system (Silverman, Wexley, 1984, pp. 706-7), decision making based on the information collected on appraisal, the development of employees, according to the feedback they receive (Sheridan, Carlson, 1972, pp. 339-340) and documentation, which is important for legal purposes in case of layoffs or transfers for example are some of the key objectives of Performance Appraisal (Field, Holley, 1982, pp. 392-3).

However, many times there are concerns regarding the effectiveness of the Performance Appraisal systems. Do they really satisfy the needs and the objectives of the organization, for which they were created? This is why the evaluation of the program itself by all the participants (evaluators and people who are assessed) is an important aspect of Performance Appraisal in order to recommend and implement the necessary changes (Mount, 1983, pp. 99-102).

One of the possible reasons that a Performance Appraisal System is not so effective, is that the employees believe it is not so fair and objective (the defensive mechanism that every person and employee demonstrates towards criticism). This is why the evaluators should be experienced in order to avoid possible mistakes, which can influence their judgment or their way to deliver their feedback negatively (Meyer, 1980, pp. 292-3).

6.2 Designing a Performance Appraisal System

Many researchers have pointed out the importance of Performance Appraisal System. Performance Appraisal is one of the core aspects of Human Resources, as it can create the appropriate conditions for the improvement of the performance of the organization (Hu et al., 2014, p. 1316). Also, it is related to various functions of the Human Resources Management and the organization (Addison, Belfield, 2008, pp. 521-2). Every organization creates an appraisal system in order to provide feedback to the employees, develop their competencies, improve their performance and allocate rewards (Mulvaney et al., 2008, p. 127).

There are certain steps for the creation of a Performance Appraisal System. An organization can choose between outsourcing the creation of such a System (as well as other HR systems too) and developing this system itself.

The first step is to get every person of the organization on board. The people who work for the organization must be motivated to use it properly, either as evaluators or raters, in order to achieve the objectives of the system. This demands that the people (employees, managers and top management) are asked about the Appraisal System and its design, before its creation. The second step is to decide the uses of the appraisal system. It can be used as a basis for decision making (payroll system, promotions or layoffs) or/and of Talent Development, through Training and Feedback. The third step is to determine what Performance is and what will be evaluated during the appraisal (Aguinis, 2014, pp. 17-30).

Performance management systems commonly measure and assess behaviors and outcome. Generally, there are three approaches, which can be used to measure performance: behavior, results and trait approaches. The "behavior approach" focuses on what the employees do during their job tasks and does not measure the traits or the outcomes of the work. It evaluates how the employee undertakes the job. The "results approach" focuses on the outcomes of the job, without taking into consideration the

traits and behaviors of the employee. It focus on results, such as numbers in production or sales, time spent on the telephone with the clients, or the amount of errors they do. Finally, the "trait approach" focuses on the traits of the employee, assessing his/her cognitive and personality abilities, skills or competencies. After the designers of the Appraisal System choose one or more of the above approaches, they have to select specific criteria for the performance appraisal (Khan, 2010, pp. 4-6).

It is a very important step, both for the creation and the effective implementation of the appraisal system, to communicate the system to the users, the raters and ratees. They should be informed about its uses, about the rating method, and the evaluation criteria. Of course, it is also absolutely necessary to define who will be the ratees (the people who will be evaluated) and the raters (Aguinis, 2014, pp. 55-60).

Except for the employees, the managers can also be ratees. The supervisors can be raters, as they can assess the performance of the employees, taking also into consideration the strategic objectives of the company. Also, the peers can be raters, in order for the company to evaluate team work and spirit. Subordinates can also be raters, as they can assess, for example, the leadership competences of managers. Moreover, the employees can evaluate themselves too. This is something that can increase the acceptance of the appraisal system from the part of the ratees, as it is possible that they feel a sense of fairness in this process. Finally, customers and other important stakeholders can also be evaluators (Steel, Ovalle, 1984, pp. 667-9).

After having defined the raters and the ratees, it is important to choose the rating method that will be used. It can be any of the comparative or absolute rating methods. Then, the system should be tested in order to find possible errors and malfunctions. The users should be trained, especially the raters should be able to make objective evaluations and to deliberate feedback. Finally, the last step is to audit, to evaluate the system itself after its implementation. It should be evaluated by all the participants,

raters and ratees in order to develop a more objective statement and make the necessary changes (Aguinis, 2014, pp. 130-153).

6.3 Performance Rating Methods

The formal performance appraisal systems try to satisfy various objectives within the corporate environment. During the previous decades, the evaluations were mainly conducted by the supervisors, with particular rating methods (Facteau, Craig, 2001, p. 215). However, different rating methods for the valuation of the performance have been developed. The distributional rating method was a suggested rating method, in which the evaluators recorded an estimated frequency of various levels of the ratee's behaviors in every performance dimension (Fox et al., 2005, p. 165).

Generally, the rating methods can be included into two big categories: Comparative rating methods and Absolute rating methods.

In comparative performance appraisal systems, employees are compared to each other. There are different types of comparative rating methods. The first one is a simple rank order system, where the employees are ranked from the best to the worst performer. In a different rank order process, the evaluator lists all the employees and then he/she selects the best performer, then the worst performer, then the second best and the second worst performer and so on, until all employees are ranked. Another type of comparative system is paired comparisons. The evaluators systematically compare the performance of every employee to the performance of all the others. The number of pairs of employees to be compared can be found through the equation: $n(n-1)/2$, where n represents the number of employees to be assessed. The relative percentile method is also a type of comparative method. The evaluators consider all employees at the same time and estimate the relative performance of every rate by using a 100-point scale. Forced distribution is another comparative method. The employees are divided, according to a normal distribution. For instance, 20% of the employees must be

classified as "excellent performers", 60% as "average performers", and the last 20% as "bad performers" (Aguinis, 2014, pp. 115-8).

The comparative rating methods have certain implications. Thus, it is very easy to explain the results and decision making. For example, Social Comparison theory, which was developed by Festinger (1954) argued that comparative methods give the opportunity to the evaluators to be more effective in the appraisal process, compared to using an absolute system. On the other hand, they may lead to inequalities, as they often compare employees who have different roles, skills and working experience. Also, they often lead to bad competition among the employees (Goffin et al., 2009, pp. 251-3).

In the second category of rating methods, the absolute methods, the employees are assessed, without being compared to their colleagues. The simplest absolute method is an essay that the evaluator writes for the ratee, describing the strengths and weaknesses and making recommendations for improvement. Another absolute rating method is a behavior list, which includes a form listing behavioral statements, which are indicators of certain competencies to be assessed. The evaluator checks the statements believed to describe the ratee. Many times, due to the fact that such behavioral statements exist to some extent, the checklist includes descriptions, such as "always", "often", "occasionally" and others.

The critical incidents rating method requires the collection of reports of situations in which employees exhibited behaviors that were especially effective or ineffective in the accomplishment of their work tasks. Those critical incidents can be used as a starting point for evaluating employee's performance. There are different variations of the critical incidents method. One type is to summarize critical incidents and to give them to evaluators in the form of scales from "strongly agree" to "strongly disagree". Another type is to determine core competencies and classify them as core values, skill group competences or performance essential. Then many examples of different levels

of performance on each competency are written, from ineffective to highly effective. Finally, the evaluators circle the behavior that best describes every employee.

Another variation of the critical incidents method is the use of behaviorally anchored rating scales (BARS), which are one of the various types of graphic rating scales. BARS use graphic rating scales that present critical incidents as anchors (Aguinis, 2014, pp. 118-124).

6.4 Rating Errors

The performance appraisal systems are created to satisfy certain objectives. However, even though they are developed in order to function in an objective way, they often become ineffective, due to errors from the part of the evaluators. The biases from the part of the evaluators may be the source of such errors many times may be. Thus, there is a variety of errors that can affect the objectives and the effectiveness of performance appraisal negatively (Murphy, Constans, 1987, p. 574).

Similar-to-me-error, is the error that an evaluator can make, when he/she is in favor of someone, due to the fact that the employee-ratee is similar to him/her. Thus, it is possible to give them a better evaluation, when they see that the ratees have similar behaviors, attitudes, preferences or other elements, such as ethnicity or gender.

The contrast error can take place in absolute rating methods, in which the evaluators tend to assess the employees, not only based on specific criteria, such as traits, behaviors or outcomes, but also compared to other employees, even though the rating method is not a comparative one. This error is more likely to appear when the evaluator rates many employees at the same time.

The leniency error takes place in case the evaluators give high ratings to the employees generally. This error is mainly intentional, as it happens, due to the fact that the evaluators are very generous with their ratings in order to increase the bonuses and the merits, which are linked to the performance of the evaluators

Severity error happens when in general the evaluators give low ratings to the ratees. This error is also intentional, due to the fact that the evaluators give low ratings so as to give a shock to the employees and to send them a message for their performance.

The central tendency error happens when the evaluators give only average ratings to the ratees, without using low or high ratings. This error is intentional, as the evaluators assess the employees as "average" in order to feel safe and not to be criticized by the employees, because of his/her ratings.

The Halo error happens when the evaluator doesn't achieve to differentiate among the various elements of performance. Thus, if a ratee is assigned a high rating in one performance dimension, he/she will take also high ratings in other performance aspects, even though his/her performance based on those criteria is not so good.

The primacy error happens when the rating of one ratee is mainly based on the information collected during the first stages of the evaluation. Thus, the evaluation is not objective and valid, as it omits incidents during the later stages. On the contrary, the recency error happens when the rating is mainly based on the information collected during the last stage of the review period.

The negativity error takes place when ta evaluator is mainly based on negative information and omits positive or neutral data. Thus, the rater may base his rate on one negative incident, omitting the general positive behavior, and give a low rating

The first impression error happens when the evaluator bases his/her rating on a primary judgment for the ratee, either positive or negative, and omits the information and data collected during the whole review process, even though they may be opposite to the initial judgement.

The spillover error happens when previous rating from past performance appraisals affects the current evaluation. Also, the stereotype error takes place when

the evaluator demonstrates an oversimplified view of individuals of specific groups, based on his/her own beliefs. Thus, if he/she is biased about specific groups of people, such as for women or immigrants, it is possible to base his/her evaluation and rating on this stereotypes.

The attribution error occurs when different raters take into consideration the environment, where the employees work and perform in different ways. Thus, it is possible to avoid certain situations and incidents that affect the performance of the employees (Aguinis, 2014, pp. 177-180).

6.5 An Effective Performance Appraisal System

Every Performance Appraisal System is created in order to satisfy certain organizational goals. However, it is very often for an Evaluation System not to be executed in an effective and efficient way. Many times, there are factors, many of which unexpected, which may negatively affect the success of the implementation of an Appraisal system, such as the lack of the necessary funds.

Thus, due to the subjective way of the implementation of most of the appraisal systems, employers often hesitate to use the information of the appraisal in compensation or promotion decisions (Stock et al., 1982, pp. 75-6). In order to be successful, an Appraisal System needs to have certain characteristics, such as to clarify the goals of the appraisal system and to give feedback during all stages of an ongoing process. However, the success is not certain (Kondrasuk, 2012, pp. 123-4).

The first characteristic can be described as strategic congruence. The Appraisal system should be aligned with the organization's strategy. The individual goals should be aligned with the organization's goals. Also, "context congruence" is another characteristic is. This means that the Appraisal System should be aligned with the organization's culture, as well as with the culture of the region, the society or the country, where the company has its operations.

Thoroughness is a third characteristic is. An appraisal system can be thorough, according to four criteria. Firstly, every employee should be assessed, with the managers included. Secondly, every important job task should be assessed, including outcomes and attitudes. Thirdly, the appraisal should include performance spanning during the entire review period. Last but not least, feedback should refer both to positive and negative aspects of the employees.

What is more, the appraisal system has to be meaningful. Thus, the criteria and assessments that are used in every job task should be important. Furthermore, the appraisal should be conducted only for those tasks and functions that are under the control of the employee. Moreover, the evaluations should be done in appropriate periods and should include both formal and informal assessment.

Also, an effective appraisal system should be specific, giving detailed guidance and directions to employees about what is expected from them and how they can meet those expectations. Moreover, the evaluation system should be able to distinguish between bad, average and excellent performance. This is why, specific criteria should be determined for the evaluation of the employee's performance.

Reliability and validity are two other necessary characteristics of a successful appraisal system. An effective system should contain criteria and measures of performance, which are free of error and can make the whole process as objective as possible. Also, the measures of performance should be valid. In other words, they have to be relevant to important and specific performance elements, which are under the control of the employee.

A successful appraisal system is acceptable by the participants and can guarantee fairness and objectivity. The only way to know if a system is perceived as fair and if it guarantees justice is to ask the employees to express their opinion. Also, the system should take into consideration information and data from various sources.

Also, effective appraisal systems should be open. The employees should be able to receive feedback on an ongoing basis. This demands good communication channels within the organization. Another characteristic is correctability, which allows the system to be as objective as possible, minimizing the chances for subjective ratings. Finally, standardization and ethicality should be included in the list of the necessary characteristics for a successful appraisal system. Such systems should be standardized. The evaluation should be an ongoing process and aligned with ethical standards (Aguinis, 2014, pp. 16-22).

Chapter 7

"Compensation and Benefits"

7.1 What is Compensation

The term "employees' compensation", which represents the most significant costs for organizations, has various definitions, depending on the identity of an individual or a group of people. Thus, the definition of the word "Compensation" differs, depending on the perspective someone has. Compensation has a different meaning for a member of the society, for a stockholder, for a manager and for an employee.

A member of the society understands compensation as an expression of justice and fairness. For example, it can demonstrate inequalities between men and women, if they earn different salaries for the same jobs. Some stockholders determine compensation as a way to increase the commitment and engagement of the employees. Thus, if the employees are also paid in stocks of the organization where they work, then they develop a sense of ownership. This increases their motive and engagement and, consequently, their performance. As a result, in the long run, they will also increase the wealth of the stockholders. On the contrary, there are also stockholders who believe that giving too many stocks to the employees, have a negative impact on their wealth. Managers perceive compensation as an element, which affects their success in two ways. Firstly, for them it is a significant expense. Labor costs represent, at least 50% of the overall expenses for any organization. On the contrary, it influences the employee's performance and productivity. Higher compensation usually reflects higher quality and productivity from the part of the employees. It also represents their willingness to develop themselves, their flexibility and their customer orientation. Finally, employees perceive compensation as a part of their agreement with their employers. For them, it can be a reward for their work, or an entitlement for working for a company. The

employees have invested in their education and training and, as a return, they receive compensation (Milkovich et al., 2011, pp. 4-9).

The definition of Compensation is very important, as it can be used for various reasons. For instance, it can be used to estimate if the payroll structure of a company satisfies the non-discrimination requirements, provided by the law (Guldberg, 2013, p. 62). Furthermore, it can be used to develop and estimate the retirement plans of the employees (Pratt, 2003, pp. 40-41).

7.2 Forms of Compensation

There are various types of compensation, which can be divided in two categories: total compensation and relational returns. There are non-monetary (relational returns) forms of compensation, such as learning opportunities, recognition and status, employment security and challenging work. They are psychological. On the contrary, total compensation mainly includes monetary returns and can be divided into two sub-categories: Cash compensation and benefits. Cash compensation includes base pay, merit and cost of leaving or long term incentives. Also, there is a wide variety of benefits, such as Income Protection, Work life Balance and Allowances (Milkovich et al., 2011, pp. 10-11).

When the employees are asked about their compensation, most of them give answers, which refer to the cash compensation and, more specific, to their basic salary. The cash compensation they receive for the work tasks they undertake reflects the value of the work, and not the special attributes or skills the employees have (Aquila, 2007, pp. 11-3).

Merit pay is another type of cash compensation. They are adjustments (increases) in an employee's base pay, as a recognition of his/her past performance (Campbell et al., 1998, p. 131). On the contrary, there are cost-of-living-adjustments, which are adjustments in the base pay of an employee, which are related only to the

increases in the level of living costs and it's the same to everyone, as they are not related to performance (Laffer, 1954, pp. 278-9).

Also, incentives, either short or long-term, are other form of cash compensation, which is used to increase the motivation, productivity and efficiency of employees. They are related to performance. However, they do not have the form of increases in base pay, as merit pay. They are a tool, which is used to motivate employees, who can see their total salary increase, if they achieve specific results and demonstrate certain (future) attributes and behaviors (Rodgers et al., 2012, pp. 1343-5).

Compensation includes employee's benefits. There are various forms of benefits; Income protection, various allowances, work-life balance programs. Benefits are becoming more and more important, taking a bigger part of the compensation package (in some organizations, they constitute the 60% of the compensation of an employee), offering security to employees. Also, they are a very useful tool for employers for the purposes of recruitment, retention and engagement. Thus, many organizations offer retirement, health care, life insurance, survivor benefits, voluntary benefits, paid holidays, vacation, disability benefits, paid and un-paid leaves of absence, work-life benefits and many others too (Held, 2016, p. 1-3).

Finally, there are also the relational returns, which are non-monetary, psychological forms of pay and have a very important role for the recruitment of employees, as well as for their motivation and productivity. They are related to challenging work tasks, to learning and training opportunities, to the prestige of the company's brand that reflects on them (Deng, Gao, 2013, pp. 197-8).

7.3 Building a Pay Model

Any organization has to focus on its pay model and to care for the satisfaction of the needs and the goals of the company. In order to create and develop a pay model, the company has to determine three clusters:

i. The compensation objectives
ii. The policies of the compensation system
iii. The techniques of the pay system

The compensation systems, in order to be effective and valuable for the organization, should attempt to satisfy certain goals. The objectives are very important, as they determine the form of the pay system and its elements. There are four main compensation objectives:

Efficiency is related to the improvement of performance, to the raise of quality, to the reduction of costs and the satisfaction of customers and stockholders.

Fairness can be defined as fair treatment to the personnel and recognition of personal and family well-being.

Ethics is related to the means that the organization uses in order to achieve its goals. During decision making, it is inevitable that many ethical dilemmas occur. For example, manipulating (or not) results in order to ensure the bonus of the executives, manipulating statistics and other fraudulent actions are often found in organizations.

Finally, compliance with the legal framework and regulations is a necessary objective, which may alter in the long run or may vary among different countries.

After the identification of the compensation objectives, the organization needs to determine the policy decisions. There are four different policy choices:

In Internal Alignment, jobs and skill levels are compared within the company, on the basis of their contribution to the achievement of the organizational objectives. It refers to the pay rates for all the employees, despite their work and position.

External competitiveness pertains to comparisons with the competitors regarding their compensation policies. Thus, there are organizations that argue that they are market-driven, which means that probably they pay higher salaries to the employees in order to attract the best talent.

Employee contributions are a third policy, which relates performance to the pay level. Most of the organizations use a mix form of pay, including base pay, incentives and benefits. Thus, by having an objective system, which relates employee's performance and their contribution to the achievement of the organizational goals to their compensations, it can develop a sense of fairness in the company.

The forth policy is management of the pay system, in other words, the existence of a system, which has to ensure that the right employees are in the right positions, serving the appropriate goals, and getting the suitable compensation.

The techniques of the pay model coordinate the four policies with the compensation objectives. There are many examples of techniques that are being used, such as surveys in order to identify the market's pay levels, incentives in order to relate performance to compensation, job descriptions, which are used to compare the job positions within the organization and communication channels to demonstrate the advantages of the appraisal system (Milkovich et al., 2011, pp. 15-21).

7.4 Creating a compensation strategy

Every organization, after forming its pay model, needs to create and develop aa compensation strategy, which will attempt to follow the business strategy of the company. There are four steps in the creation of the compensation strategy:

i.   Assess compensation implications

ii.   Map a Compensation Strategy

iii. Implement the strategy

iv.   Reassess the Strategy

For the creation of a compensation strategy, the primary step is to identify the industry, where the organization operates, and its specific characteristics. How the organization tries to compete in this industry, what factors have helped the company to succeed until now, what is important to change in the future in order to retain the competitive advantage, how should the compensation strategy support the business strategy are some of the questions that the organization should answer in this initial phase.

Also, the compensation strategy should fit in the HR strategy. It can be used as a catalyst for change, or it can be used in order to achieve higher performance and productivity, or even team work spirit. Thus, the compensation strategy should take into consideration various factors, such as the business and HR strategy, or even the culture of the organization. The compensation system should represent and reflect the core values and principles of the organization, such as the respect to work-life balance, or the focus on individual and collective performance.

Furthermore, the organization should take into consideration the social and political context, in order to formulate the compensation strategy. It should consider the legal framework of the region(s) in which it operates the cultural differences among the countries, the workforce demographics that change overtime, the political system and others.

Moreover, a compensation model and strategy should satisfy the needs and preferences of different generations. Thus, employees should be offered alternative choices. Some employees may wish to pay fewer taxes, by putting their compensation into retirement funds. Other employees, from younger generations, may wish to receive higher compensation in cash in order to be able to create their own family and to buy a house or a car. Some other employees may wish to focus on personal development and training, choosing the appropriate benefits. Of course, there is a debate for giving or not giving the chance to employees to choose the compensation system that fits them best, because often they are not mature enough to make the appropriate decisions.

Finally, the compensation strategy should take into consideration the union preferences, their interests and their relations with top management.

The second step is to map the compensation strategy, which consists of the compensation strategy consists of the elements of the pay model, in other words, the objectives, the policies and techniques of the pay model. Mapping those elements and decisions can be useful as it can communicate the organization's priorities and goals.

The third step is the implementation of the strategy. Finally, the compensation strategy, after its execution, needs to be evaluated and, if it is necessary, to be realigned (Milkovich et al., 2011, pp. 43-50).

7.5 Employee's Benefits

The last decades organizations increasingly use benefits as part of the employee's compensation packages. Benefits have certain advantages. Their main advantage is that they are cost effective, as they are not taxable and their cost is lower, compared to the cost that each employee would be obliged to pay, in case he/she tried to acquire the benefit individually. What is more, they can limit the debate concerning the high pays of the executives (Cebon, Hermalin, Benjamin, 2015, pp. 1667-8).

There are issues to be analyzed and be solved by the organizations that wish to include benefits in the compensation packages of their employees. The first question refers to the people who will be offered benefits. Companies have many employees, who undertake different work tasks at different job levels. So, benefits should be offered only to managers or to everyone?

A second issue is related to the freedom of choice the employees should have. There are organizations, which give standard packages of benefits. There are also organizations that give the opportunity to their employees to form their own benefit package, in an attempt to satisfy the needs of different generations of employees, who have different needs and preferences.

A third issue is related to the sources that will be used to finance those benefits. This issue becomes more and more important, as benefits occupy a big part of the compensation package of the employees. That is why, this issue should be taken into consideration in the development of a benefit plan.

The primary element of a benefit plan is the preferences and needs of the employers. There are various factors that can influence the preferences of the organization about the list of benefits, such as the relation of benefits to the total compensation costs, the benefits that the competitors offer to their employees or how benefits can be used as a tool in the recruitment, the retention and the motivation of the employees.

The preference of the employees is the second element that determines a benefit plan is. It is crucial that the employees feel the sense of fairness and equity within the organization, through the benefit plan. Also, the benefit plan should try to satisfy the needs and preferences of all employees, who may belong into different generations or diversity groups, depending on their sex, religion, ethnicity or age.

Based on those elements, the organization can develop its benefit plan, which can include a wide variety of benefits. Social security, unemployment insurance,

retirement and saving plan payments, life insurance, paid time off during working hours, child and elder care are some of the various benefits that the organizations offer to their employees (Milkovich et al., 2011, pp. 420-468).

Chapter 8

"Employee's Communication"

8.1 Employee's Performance and Communication

The performance of the employee is influenced by various factors. Training programs, performance appraisal systems and pay models are few of the many factors, which affect the performance, the productivity and the efficiency of the employees. One other factor, which can support the improvement of the performance of the employees, is "communication".

Communicating the strategy is one of the core functions of Management. Communication includes all the actions that are necessary in order for the employees to be informed and to understand the strategic objectives. Through communication, the goals and priorities, as well as the plans for the achievement of those goals are presented to the employees and, in general, to the stakeholders. Communication is an integral function in the organization, having as a key objective to prepare the employees to deal with possible changes or problems and serve the priorities and the goals of the organization.

According to Michlitsch (2000), communication of the organization's strategy is the solution for breaking the vicious circle between the management and the employees of the company. A good communication between the management and the employee means better realization of the company's strategy and a deeper involvement of the employees in the implementation of the strategy, as well as increase in the organization's value due to stronger commitment and loyalty.

Internal communication refers to the processes and activities, in which employees and management share information, develop relations and create organizational culture and values. It is considered as a vital part of the organizations,

having various effects in the organizational environment, promoting employee's trust, loyalty and commitment, job satisfaction and relations between employees and management. These elements can lead to enhanced productivity and performance, as well as the organizational learning (Men, Stacks, 2014, p. 301). Generally, internal communication can develop a sense of community and trust among employees, be developing relationships between the organization, supervisors and employees. The employees may experience various relationships within the organization. However, the most important relations are those with the organization and with their direct supervisor (Karanges et al., 2014, p. 330).

Regardless of the design and the good implementation of those HR systems (training, appraisal, compensation), their efficiency depends on how well are diffused to the personnel. Management should develop a good communication with the employees, in order to be able to demonstrate the objectives and the results of the HR systems. For example, many times the employees are not aware that they are being evaluated, or do not know what the criteria used for their assessment, or which the results of the evaluation are. Thus, it is very difficult for them to understand their inefficiencies and to try to improve their performance (Goje, Prada, 2014, pp. 218-220). Consequently, if they fail to develop themselves and to increase their job satisfaction and their performance, it is very likely that they will leave the company, a fact which will lead to increased turnover for the organization (Nwagbara et al., 2013, p. 14).

Indeed, communication can reduce organizational myopia, as the employees can understand and realize the long term goals of the organization, as well as the long term consequences of their actions on the organization's performance (Farrell et al., 2012, p. 78).

8.2 Methods for Communication

Performance and the outcomes in the organization can increase, if the strategy, the objectives and the means utilized to achieve those goals, are communicated to the employees. There are various methods that an organization can use in order to keep its employees informed, so that they feel as important members of the organization.

One of the main conditions for the good and effective implementation of the strategy, in other words of the strategic goals and priorities of the organization, is the extent to which the employees are informed about the strategy and how well they have understood it. The success or the failure of the strategy depends mainly on the management of the company's Human Resources who undertake various tasks and participate in decision making that may affect the implementation of the firm's strategy. Employees are more committed to the implementation of the strategy, if certain conditions are ensured by the top management. Thus,

- The employees should be informed about the strategy and their role in its implementation
- Employees should participate in the formulation and the execution of the organization's strategy
- The employees should be informed about how well the strategy is implemented and what has to change

There are various methods of communication. Klein (1996) noticed that communication between the employees and the managers can be oral, written or electronic. Many employees prefer direct oral communication in groups, instead of individual or written communication.

Also, communication can be either direct or indirect. Direct communication means that management informs employees themselves and not the representatives of employees (Croucher et al., 2015, p. 2420-1). The internal communication tends to be

more transparent and honest when it comes directly from a manager (Mishra, 2014, p. 144).

Communication can be conducted in an organized way, such as during regular assemblies, meetings and training sessions. Indeed, the majority of the companies prefers and uses formal methods of communication. The use of brochures, newsletters, posters and various announcements are formal ways of communication. Companies also use informal ways of communication, such as informal meetings or contacts with management, so as to deliver their strategy to their employees (Sotoducho-Pelc, 2013, pp. 45-54).

The advancement in technology has given the opportunity to the organizations to find and use new methods in order to share their values, their vision and strategy with their employees. This is important, due to the fact that many organizations operate at global level and, consequently, they have to deal with various challenges. Apart from the traditional methods of communication, such as memos or newsletters, organizations use modern ways of communication, such as e-mails, voice messages, the company's intranet site, as well as on-line social networking, which have substituted or supplemented the traditional methods.

An intranet is a private network, accessible only be the employees of the organization. It gives organizations the opportunity to develop a safe, virtual environment, where the employees can interact and share information and news (Lamp, 2011, p. 34).

In addition, social networking applications have managed to enhance and develop informal relations, information sharing and learning in companies. Organizations, especially large organizations, have created social networking sites in order to encourage employees contact each other, as well as management, and, thus, to facilitate communication. According to Hastings (2009) and Violino (2008), social networking sites in the organizational context have facilitated communication and

collaboration among employees, as well as between the employees and the management, due to easier file sharing capability and knowledge/information sharing (Bokunewicz, 2014, pp. 1-3).

When the organizations offer both online and off-line (face-to-face) methods of communication, employees can choose different ways to interact with each other, according to their preferences. Employees who prefer to use on line communication methods, create online networks, in which they can develop weaker bonds (Zhang, Venkatesh, 2013, p. 702)

8.3 Determinants for effective employees communication

As aforementioned, internal communication constitutes a significant determinant for the effectiveness and the efficiency of the organizations. Communication, which can be upward, downward or horizontal, has a vital role for the employee's and the organizational performance. Thus, organizations can use the suggestions of their employees in order to improve internal processes, or they can develop change agents among the staff, reducing defensive mechanisms and inertia. Generally, effective communication leads to job satisfaction and, consequently, to commitment, loyalty and reduced turnover.

There are many factors, which affect the efficiency of communications. The communicational skills of managers are an important determinant for the success or the failure of internal communications. Many managers don't have effective communicational skills and organizations don't provide them with the appropriate training in order to improve those skills. As a result, the lack of education and training leads to ineffective communication, misunderstandings and confusion (Raina, Roebuck, 2016, pp. 97-102).

Scholars have noticed the positive correlation between leadership and internal communication. Whitworth (2011) noticed that communication between leaders and

followers is a crucial determinant of the organization's communication system. Managers/leaders contact with employees/followers on a daily basis and are considered as a preferred and credible source of information.

Dozier et al. (2002) suggested that internal communication is positively influenced by a participative organizational culture, an organic structure, a symmetrical communication system and diversity. All these elements are connected to one concept: organizational leadership (Men, 2014, p. 257).

Grunig (1984) proposed a two-way symmetrical communication, in which the willingness of a company to listen and respond to the concerns and issues of the employees is important. Such a model highlights the attempt of employees and management to use communication to adjust their ideas and interests, instead of trying to manipulate each other.

A symmetrical communication focuses on trust, credibility, openness, sincere and reciprocal relations, feedback, and adequacy of information, negotiation and tolerance for disagreement. A symmetrical internal communication is based on the empowerment of employees and on their participation in the decision-making processes, which is connected to a participative organizational culture and an organic structure.

Various studies (Kim and Rhee et al., 2011) have proven the positive correlation between symmetrical communication and employee's outcomes, such as job satisfaction and identification, commitment and engagement, employee communication behavior and employee-management relations.

Also, the transparency within the working environment is positively connected to employee's communication. In general, transparency consists of three distinct elements: substantial information, participation and accountability. The informational element means that the organization publishes all the necessary information. The purpose of this disclosure is not only to increase information flow, but also to improve understanding

from all the employees and in general, the stakeholders. The participation element refers to the involvement of employees and other stakeholders in finding the information that is necessary for the decision making process. The third element of transparency is accountability. An organization in order to be transparent has to be accountable for its words, activities and decisions. Generally, transparent communication is the internal communication in an organization, which makes available legally releasable information to employees, both positive and negative, in an accurate, timely and balanced way in order to improve the understanding of employees and, therefore, their commitment and performance (Men, Stacks, 2014, p. 302).

The office environment is another factor that affects the effectiveness of communication at a workplace. Various studies have shown that the office environment can influence both job satisfaction and communication satisfaction and effectiveness. Thus, an open office environment can reduce job satisfaction and, consequently, efficiency in communications, due to decreased privacy. Also, a non-territorial office enhances the sense of privacy, as well as, better coordination and communication (Inamizu, 2015, pp. 335-6).

Also, the culture of the organization is an important factor, which affects the effectiveness of communication. If the culture of the organization can be described as a listening environment, then the employees can develop a common understanding of the situation and evaluate their fit as members of the organization, though reciprocal communication in the company (Reed et al., 2016, pp. 327-330).

Chapter 9

"Health and Safety"

9.1 Safety at work

In the modern era, workplaces are much safer for employees, compared to the past decades. However, dangers, risks and accidents still exist. In 2011, 4,693 workers were killed on the job, 7.6-11.4 million employees were injured and 50,000 died because of occupational diseases (Shapiro, 2014, p. 831).

The International Labor Organization celebrates the 28th April as the World Day for Safety and Health at Work. This day was set from ILO, at the initiative of World Trade Union in 2003, in memory of the workers who had died at work all over the world, having as an objective the improvement of health and safety at the workplace (Djurovic, 2013, p. 343). Several studies indicate the positive correlation between good health and job satisfaction (Gupta, Kristensen, 2008, p. 51)

The law demands from the organizations to identify any possible risks, dangers and hazards, which can harm the health of employees at the workplace. Companies are obliged to develop and implement measures to reduce such risks, for the protection of the employees and the organization itself. In the modern era, the management of safety and health at the workplace is one of the most significant challenges and duties for any organization (McLain, 1995, p. 1726).

It is certain that injuries in the workplace have always been happening. However, as the work tasks began to be accomplished in a more professional and standardized way, the members of the organizations understood that such injuries could be avoided, by following certain rules. In the modern era, globalization has given the opportunity to national legal frameworks to adopt various international regulations about safety and health at the workplace.

Safety at work has various aspects that have to be identified and analyzed: legal, economic, organizational, psychophysiological, technical, sociological, medical and others. In order to define safety at work, we should take into consideration its three basic components.

i. Occupational safety includes the actions, the measures and the means, which have as an objective the development of safe working conditions

ii. Safe working conditions can be created only with the contribution of modern technical, social, health, economic, educational, organizational and other methods, which influence the development of a safe workplace

iii. All those methods should have a preventive aim and should be used to prevent and efface the causes of injuries at the workplace.

In other words, health and safety at work can be defined as the forecast of such working conditions, which can reduce injuries, occupational diseases or diseases, which are related to work, and that can develop conditions for the physical, mental and social well-being of the employees.

As regards the beginning of the research that is relative to health and safety at work, the peak of industrialization, during the 19th century was the first period of time when the primary rules for safety at the workplace were set. These rules about health and safety at work were put in place in work areas with the worst working conditions, such as the mining industry. Such an example was the law which prohibited child work in chimney sweeping operations, which was set in England in 1788.

During the years, the importance of health and safety at work increased for the society and became a criterion of order and progress of the society itself, as it got the meaning of increased quality of life. In the modern era, health and safety at the workplace are one of the primary human rights, adopted by all basic international documents and national legislations.

Since international and national regulations determine the concepts of health and safety at work, it is also necessary to define the meaning of the concept workplace. Workplace is the space, where there are indoor or outdoor activities, performed for the employer, as well as temporary or mobile construction sites, facilities and equipment, in which the employee resides or has access and which are under the control, either direct or indirect, of the employer. Also, the workplace can be defined as the space, in which the work activities take place, including working places, working conditions, procedures and relations (Zinkovic, Petrovic, 2015, pp. 165-9).

9.2 Legislation for Health and Safety

Health and Safety at Work is a subject, which has been regulated from various International, European and national documents and legislations. For example, International Labor Organization has introduced more than 70 texts and recommendations for this issue, which also interfere in the national legislations of many countries (www.ilo.org). Some of the basic conventions are:

- C155 Occupational Safety and Health Convention, 1981
- C161 Occupational Health Services Convention, 1985
- C 167 Safety and Health In Construction Convention, 1988
- C184 Safety and Health in Agriculture Convention, 2001

Also, European Union has tried to regulate Health and Safety at Work issues, through its legal actions (http://europa.eu/). Some of the most important are following:

- Article 137 of the EEC Treaty, which promotes the "improvement in particular of the working environment to protect worker's health and safety"
- Council Directive 89/391/EEC (12/6/1989) on the introduction of measures to encourage improvements in the safety and health of workers at the workplace
- 19 individual directives on the minimum health and safety requirements regarding the exposure of workers to hazards, which arise from physical agents

In Greece, Article 662 of the Civil Code is the main legal basis, according to which the employer is obliged to organize issues, which are relevant to work, residence, facilities and machinery or tools, in order for the life and the health of employees to be protected. There are various other regulations about the obligations of the employers, the duties of Labor Doctor and others.

Also, Act.1568/1985 on "Worker's Hygiene and Safety" was a significant attempt for the harmonization of the Greek legislation with the requirements of the EEC legislation. The employer has various obligations that derive from Act.1568/1985. Thus, he/she is obliged to:

- Take the required measures for the protection of the employees and third parties in the workplace from any risk that may threaten their health or physical well-being
- Implement every recommendation of the technical and hygiene work inspectors and facilitate their work in the organization
- Supervise the correct implementation of work hygiene and safety initiatives
- Take collective measures for the employees
- Inform the employees about work risks
- Provide the appropriate training to employees about the work hazards to which they are exposed
- Notify the employees about the legislation in force, which is relevant to work hygiene and safety and the method of its implementation by the organization
- Prepare a program for protective initiatives and improvements of work conditions in the organization
- Keep a special accidents book, in which he/she must record the causes and the description of work accidents

9.3 Risk Assessment

Employers and managers need to conduct risk assessment in order to identify the possible risk factors, the possibility of their occurrence and the maximum possible effects upon the health of the employees. The objective of risk assessment is to prevent and reduce the professional risks. Through risk assessment, the employer can have the opportunity to adopt certain prevention and protection measures, such as:

- Prevention of professional risks

- Training of the employees

- Information to the employees

- The development and implementation of a management system, through which the appropriate prevention and protection measures can be applied

Also, it is necessary to conduct a reassessment of professional risks, when there are changes at the workplace, such as the implementation of new materials, equipment, methods, procedures and others, or when the members of the organization demand it (Turof, 2016, pp. 152-4).

Hazards and Risks

Over the years, the types of risk that can occur at a workplace, as well as the attitude towards safety alter. Work-related accidents, as well as occupational diseases and pathological symptoms of behavior in the workplace are the most important factors, which suppress market growth. As significant changes occur in the organizations, new risks and challenges, relative to work safety regulations, arise. Such changes are, for example the expansion of temporary agency work, known also as labor hire or leased employees (Underhill, Quinlan, 2011, p. 397).

The term "hazard" can be defined as every factor, which can cause harm and can be divided into two categories: there are various hazards and risks in the working

environment. There are physical hazards (such as biological, biochemical, chemical and radiological), due to the nature of the work, especially in heavy industry or in the agricultural operations. These hazards occur mainly for immigrants workers, who often undertake very challenging jobs (Arcury et al., 2014, p. 2445). However, there are also psychological hazards, due to the fact that the majority of people in the advanced economies work in the services sector. Thus, the uncertainty for the maintenance of work, the pressure to achieve challenging outcomes increase people's stress and threatens the safety and the health of the employees. By including psychological risks in the definition of "hazards", the meaning of the workplace gets wider. Thus, it should include both the material environment conditions (physical, chemical and biological factors) and the non-material (psychological) factors. There are various psychological hazards, such as job content, workload and work schedule, organizational culture, interpersonal relations, the role of the employee in the organization, career development or home-work interface (Sadlowska-Wrzesinska, 2016, pp. 25-9). The International Labor Office determines psychological risk factors as the interaction between job content, management and the organization of work process and other organizational or environmental factors on the one hand, and employee's needs and expertise on the other hand.

9.5 Emergency Plan

One of the important regulations, concerning the employee's health and safety is the development of an emergency pan, in other words, the creation of a set of instructions and directions, guiding the employees what they should do in case of emergency at their workplace. An emergency plan should include:

- Emergency procedures, including an effective response to an emergency
- Evacuation procedures
- Notifying emergency service organizations at the earliest opportunity
- Medical treatment and assistance

- Effective communication between the person authorized to coordinate the emergency response and all other people at the workplace
- Test of the emergency procedures, including the frequency of tests
- Information, training and instruction to the employees, relative to the implementation of the emergency actions

Emergency plans should be easily understood by the employees and should take into consideration the nature of the work tasks, the size and the location of the workplace and the hazards that may occur in the workplace. Also, the emergency plan should include the contact details for the key staff, which have specific roles and responsibilities in the emergency procedures, the contact details for local emergency services, such as the police. Moreover, it should contain the actions to notify the employees at the working environment in case of an emergency, such as the use of a siren, as well as evacuation processes (Pagura, 2016, pp. 1-2).

It is crucial that the employees are informed about the emergency plan, as well as, , about their rights and obligations, relative to health and safety at work issues in general (Pagura, 2013, p. 117).

9.6 The costs and benefits of Health and Safety policies

Organizations implement specific measures and invest in their human-resource functions, such as in programs relative to the health and safety of the employees, not only because it is an obligation they have to follow that derives from international or national legislation, but also because they can avoid several costs and exploit various benefits.

Through the improvement of the workplace conditions, the organization has the potential to increase its productivity and, consequently, its profitability. The company can achieve reduced costs, due to lower absenteeism, reduced employee turnover, lower health care coverage, as well as increased productivity and efficiency through the health and job satisfaction of the employees. Productivity and efficiency can be higher

due to the fact that healthier employees will need less input, produce more output with better quality and, in general, will perform better (Odegaard, Roos, 2014, p. 2191). On the contrary, bad health may encourage absenteeism and reduce job performance, which can affect the profitability of the organization and the employability of the employees negatively (Cottini, 2012, p. 76).

Several researches show the significant costs that the absence of provision for Health and Safety issues at the workplace have for the organization. Thus, well-respected international organizations, such as the World Health Organization, European Union, International Labor Organization (ILO) and the World Bank have studied and estimated some of the costs, related to work issues:

- 3% of lost life years, because of the factor "work"

- social insurance expenditure on organizational health and safety issues, such as statutory sick pay, disability allowances or incapacity benefits, is estimated to mount to 2%-3% of GDP in the developed economies

- Work-related diseases and accidents can be estimated to 4% of the global GDP

- the socio-economic costs of sick leave in developed economies are estimated to account for 2%-3% of their total GDP

- 4 million accidents at work result in more than 3 days of leave occurred in the EU-15 in 2005

- 2%-4% loss of contracted work hours because of sick leave

On the other hand, organization's health and safety policies have certain benefits for the company, the employer and the employees. Some of the most significant benefits are the lower rates of workplace injuries and illnesses and the higher degree of job satisfaction from the part of employees. Thus, more positive results can be generated from such benefits, such as the ability of the organizations to offer lower salaries to employees and to pay lower insurance premiums or worker's compensation (Pouliakas, Theodossiou, 2011, pp. 166-173).

Chapter 10

Conclusions

Over the years, Human Resources Management in large organizations has been evolving, by abandoning its administrative role and acquiring a strategic orientation. It is one of the most crucial functions in the organizational context, since it manages the most important factor for the success (or failure) of a company: people.

Human Resource Management is responsible for recruiting and promoting employees, for allocating responsibilities and work tasks according to the requirements of every job position and the skills and competences of the personnel, for training and developing their skills, their attitudes and their employability, for evaluating their performance, according to various criteria, such as their behavior, for determining their compensation and benefit packages, for communicating the strategy of the organization to the employees, and for creating conditions at the workplace, which will guarantee the health and the safety of the personnel.

Every aspect of the HRM can be considered as a Project. Indeed, HR Manager has also the role of a Project Manager. He/she tries to accomplish various projects, such as the creation and implementation of a training program, the recruitment and the selection of employees for job openings, or the evaluation of their performance, which can determine their compensation, their promotion, the necessary training, or even their layoff.

Human Resource Management has its own objectives, its own tools and policies. However, those policies should follow the overall strategy and the strategic goals of the organization and take into consideration the culture of the company. For example, an organization that regards investment in innovation needs to have training programs, which will keep its employees informed about the new trends of technology. Also, it will need a recruitment and selection system, which will examine and select those

employees, who can demonstrate excellent skills in creativity and innovation. Moreover, it will need systems of communication and, in general, a culture that will provide a sense of freedom and space to the personnel.

HRM has to take into consideration various variables, in order to demonstrate its importance for the organization. The HRM Department and the HR Manager him/herself will have to win their position at the board. That is why, the practices and the policies of HRM need to be "translated" in financial outcomes for the organization. How can the training programs help the organization to increase its profitability? How can the creation and implementation of a performance appraisal system contribute to the increase of revenues of the company? How can the compensation and benefit system raise the efficiency of the firm? These are some of the various questions that the HRM Department and managers should answer based on specific financial proofs.

It is true that the success or failure of the organization depend mainly on the people of the company. The right people, in the right positions, having the appropriate skills and trainings, and working under the appropriate conditions can guarantee that the organization can achieve its objectives.

Hiring the right people means that the organization will have to develop and implement the appropriate recruitment and selection processes. The right people will reduce turnover, due to the fact that they will fit in the organization's culture and they will be efficient and effective in their job, achieving the company's goals. On the contrary, if the organization hires the wrong people, the people who cannot fit in the culture of the company, who cannot produce the outcomes that the company wants, will mean extra costs for the organization, as those employees will need excessive training programs or they will leave, thus, increasing the costs of turnover and the costs of new hiring processes.

Having the right people in the right job positions means that the employees will undertake those work tasks, according to their skills and their competences. Thus, they

can be more productive, more effective and more efficient while performing their job, contributing in the achievement of the organizational goals. The organization itself will be more productive and effective, and, thus, it can develop the conditions to increase its profitability.

Creating and implementing the appropriate training programs, according to the needs of the employees and the gaps or challenges that the organization faces, will increase and develop the skills of the employees, who will have the opportunity to develop themselves and, thus, to be more productive and efficient in their jobs. For instance, in an organization, which is customer-oriented, the employees can develop their communication or selling skills and, consequently, increase the revenues of the organization. Also, the training program can give the opportunity to the employees to develop their employability and increase their value in the labor market. This can increase the loyalty and commitment of the employees to the company, as they will have the chance to develop themselves, but also, apart from retention, it can help the organization attract the best talent. The training program can directly increase the profitability of the company, but also indirectly give the opportunity to the company to attract and retain the best talent due to the fact that appropriate training programs can enhance the employer brand.

The Performance Appraisal System should be the basis for various aspects of the HRM. Promotions, training programs, compensation and benefits need to depend on the outcomes of a system, which will assess the performance of the employees. What are the benefits of a well designed and implemented performance appraisal system? Firstly, it can distinguish between average, good and bad employees, giving the opportunity to the organization to decide, based on specific proof, who among employees will be promoted, who have to be transferred to other departments, where they will fit better according to their skills, who need training and what kind of training, which who must be fired, and who deserve to be offered certain bonuses and benefits.

The compensation and benefit system should serve the overall strategy of the organization. For instance, if the organization seeks to improve performance, it can offer incentives, both short and long term, or individual and collective, to the employees in order to increase their motive and enhance their productivity.

Also, the organization needs to provide a safe working environment to employees, which can decrease absentees, increase productivity and job satisfaction of the personnel. Consequently, the employees who are healthy and happy can achieve better outcomes for the organization.

Finally, it is important for HRM functions to follow the strategy of the organization, as well as its culture. It is necessary that the strategy of the company, and how the HRM functions can help, both the employees and the organization, to achieve their goals, are communicated clearly to the employees. The employees need recognition from their employer, need to feel proud of their organization. These feelings can be achieved, if they feel that they are vital parts of the organization and its success.

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