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ΤΜΗΜΑ ΛΟΓΙΣΤΙΚΗΣ ΚΑΙ ΧΡΗΜΑΤΟΟΙΚΟΝΟΜΙΚΗΣ

Human Resource Management



ΣΥΝΤΑΚΤΕΣ

ΜΑΝΤΖΟΥΚΗΣ ΚΩΝΣΤΑΝΤΙΝΟΣ

ΜΠΑΛΟΜΠΑΣ ΙΩΑΝΝΗΣ

ΕΙΣΗΓΗΤΗΣ

ΓΚΙΟΥΡΗΣ ΘΕΟΔΩΡΟΣ

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A. Introduction to the operation of Human Resource Management

A1. Introduction in the concept of Management

The concept of Management as a science, was formulated in 1911 by Frederick Winslow Taylor(1859-1915) via his book titled “The Principals Of Scientific Management”. Frederick Taylor was an American engineer of production and is considered to be the “father” of scientific Management because of the pioneering ideas which he expressed in his writing.¹

More specifically, he formulated the four defining principles of Management below:²

- I. The Development of Management as a science which deals with labor, whose goal is to determine “fair working day” and the “regular limit of performance per day”.
- II. Scientific selection and progressive development of personnel.
- III. The combination of the science of labor and people, who are selected and scientifically trained. It’s very important that these two resultants are considered as one inseparable unit.
- IV. Continuous and sincere collaboration between the Administrative Board and the personnel.

The official term “Management” has prevailed internationally to such level that in the Greek language, we ‘ve got used to using it like being a Greek one, so much that we are used to writing it using letters of the Greek alphabet(Μάνατζμεντ).

Even if Management, as a science, exists for over a century, there is no definition which is considered official and acceptable by the whole scientific community. However, the definition that was given by the French engineer Henry Fayol (1841-1925)in 1916 is considered fundamental. He formulated that Management and its function are based on five basic axes that interact and constitute it. Those are:³

- I. PLANNING
- II. ORGANISING
- III. STAFFING
- IV. CONTROLLING
- V. DIRECTING

More specifically, Fayol’s principles of Management are:⁴

1. Division of work

¹ <http://users.sch.gr/kpapakons/?p=811> ΕΠΑ.Λ. ΜΥΚΟΝΟΥ

² Μ. Βαξεβανίδου – Π. Ρεκλείτης, Management Ανθρώπινων Πόρων – Θεωρία & Πράξη, Εκδόσεις Προπομπός, 2η έκδοση, 2012, σ. 18.

³ https://en.wikipedia.org/wiki/Henri_Fayol

⁴ <https://sites.google.com/site/managementteaching/klasikes-scholes-theorias-tou-management/h-fayol>

2. Authority and responsibility
3. Discipline
4. Unity of Command
5. Unity of Direction
6. Subordination of Individual Interest
7. Remuneration
8. The degree of centralization
9. Scalar chain
10. Order
11. Equity
12. Stability of tenure of personnel
13. Initiative
14. Esprit de Corps (The involvement and unity of the employees)

A2 Historical retrospection in the evolution of Human Resource Management

Studies on management issues such as the individual needs of personnel, the motivation, the evaluation of their work and the need for training have been conducted since the 1950s. This is how the boom of a new science, Personnel Management, begins.

At the start of the following decade the evolution of technology creates a fertile ground for productivity growth and as a result, the specialized executives who contributed to the increase of production are rewarded. Gradually, more and more staff are recruited as staff managers, resulting in the establishment of the role of the problem-solving consultant and the development of pay systems, job evaluation and awareness about the working conditions. At the same time, the "Theory of Systems" is created, with the main characteristic of feedback and mutual information and communication between the individual systems.

In the late 1970s, realizing that the human factor is a resource of equal or even higher importance than other resources, Personnel Management expands its scope and systemizes many of its management tools and is evolving into Human Resource Management(HRM).

In the early 1980s, the necessity for specialized executives to meet the needs of modern management was identified in Europe. HRM takes on a strategic role as it is called upon to create a new organizational culture and devise new techniques for human resource development. Finally, the HRM executives have a very wide-ranging subject of work and are called upon to deal with staff subjects as training, education, succession and hierarchy, taking into account all the factors which are related to the internal and external environment of economic organizations such as the international economy and the continuing demographic changes that have been occurring over the last three decades.⁵

⁵ Μ. Βαξεβανίδου – Π. Ρεκλείτης, Management Ανθρώπινων Πόρων – Θεωρία & Πράξη, Εκδόσεις Προπομπός, 2η έκδοση, 2012, σ. 22-23

A3 Introduction to the concept of Human Resource Management

Being a complex and multidimensional sector, Human Resource Management HRM has made it difficult for the scientific community to give a commonly accepted and comprehensive definition. The most common distinction between the theoretical approaches to the definition is among those that emphasize the effectiveness and the achievement of objectives, while others set as primary goal the satisfaction of the human resource, itself.

An example of the aforementioned first subclass is the theory that the HRM is defined as the process of achieving the company's objectives through: recruitment, retention, dismissal, development and proper use of human resources in the enterprise.

From the opposite perspective, Gary Dessler approaches the concept of HRM, claiming that it deals with the practices and policies needed to handle staff-related aspects. In particular, this includes recruiting, training, evaluating, remunerating and providing a secure, ethical and fair environment for the employees of a business. These practices and policies include:⁶

- Carrying out job analysis (Defining the nature of each employee's job)
- Planning workforce needs and attracting prospective employees
- Selection of the appropriate employees
- Providing guidance and training for employees
- Performance appraisal
- Wage management
- Motivating and rewarding the staff
- Communication (interviews, counseling, discipline)

A more combinational definition is given by Mathis and Jackson (2000), in which HRM is a well-structured and designed system which is aimed to achieve a more effective use of human skills and knowledge for the achievement of their goals. Even if by this approach the goals of the particular economic organization seem the most noticeable part, the proper consideration is given on how essential the human resource is and how important it is to recruit, develop and exploit it in appropriate way.

In conclusion, we can say that HRM is all the aspects of Management that aim at the optimal return of human resource, all the appropriate benefits, so that the staff itself will be willing to contribute their utmost to the achievement of the company's goals.⁷

⁶ Gary Dessler, Διαχείριση Ανθρώπινου Δυναμικού, Εκδόσεις Κριτική, 2012, σ. 24

⁷ Μ. Βαξεβανίδου – Π. Ρεκλείτης, Management Ανθρώπινων Πόρων – Θεωρία & Πράξη, Εκδόσεις Προπομπός, 2η έκδοση, 2012, σ. 27

A4 Organization of the HRM Managerial Group or HRM Department

The first decision that needs to be made for the organization of the Managerial group or the HRM department is about which level of the hierarchy will be authorized for the policy related to the utilization of human resource. The two choices that exist are this duty to be assigned to the top of the hierarchy or to be decentralized - to be shared at all levels of administration. Moreover, the assignment of the person who'll be pertinent for the HRM is equally important, since his responsibility sector is the entire staff.

In addition, the structure of the Managerial Group or Department, it is determined depending on the size of the economic entity, as it is presented in the table below.

Table 1

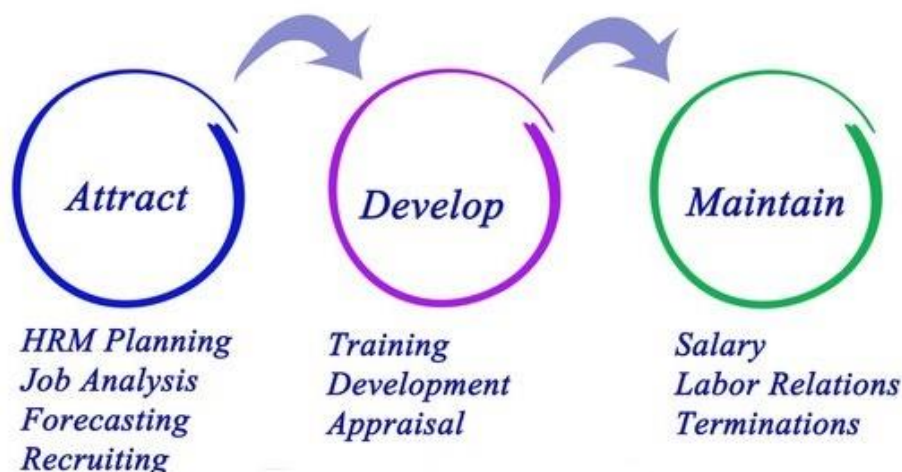
SIZE	STAFF	ORGANISATION TYPE
Small	<100 employees	One Manager
Medium sized	100<X<150	H.R.M. Managerial Group
Large	>150 employees	H.R.M. Department

Among the core activities of the Managerial group or HRM Department are:

- The planning of human resource, which is initially carried out by analyzing the needs of the economic entity and then by staffing through the labor market
- The qualitative job analysis, in a descriptive way regarding the requirements of the enterprise in level of knowledge and dexterities
- The recruitment of the appropriate staff in relation to all the factors of both the internal and the external environment of the enterprise that need to be taken into consideration
- The training of personnel, the overall coordination of the educational process and its costing
- The staff appraisal after selecting the suitable appraisal system
- The implementation of modern remuneration and motivation systems based on the performance, the job, the corresponding pay levels in the labor market, and last but not least, in compliance with the current legislation
- The establishment of a high-quality work environment that guarantees the safety and continuous updating of staff on the above issues. Equally important is the creation of spaces and an atmosphere that provide the worker a relative quality of life within his workplace and make him feel convenient

Diagram 1

Strategic Goals of HRM



A5 The role and tasks of the Human Resource Manager

In modern forms of business, it is supposed that the role of the Human Resource Manager is particularly crucial and momentous, and that is why it requires thorough training. It is also easy to see that this is a catalytic factor for the economic entity owing to the fact that the manager “stands between” the Board and staff requirements. As a consequence, impartiality is judged to be more than necessary in an effort to create a channel of communication between the two sides, which must understand that they are part of a group that is committed to achieving the same goals. The main tasks of the Human Resource Director are as follows:⁸

1. The planning of human resource development policy.
2. Suggestions and advice to the business for troubleshooting.
3. The implementation of human resource development policy.
4. Checking the implementation of the enterprise policy determined by the Senior Management.

⁸ Μ. Βαξεβανίδου – Π. Ρεκλείτης, Management Ανθρώπινων Πόρων – Θεωρία & Πράξη, Εκδόσεις Προπομπός, 2η έκδοση, 2012, σ. 26

B. Selection and recruitment of staff

B1 Recruitment, service change and retirement procedures

The procedure of selection, recruitment, service change and retirement of a company's staff includes the following stages:

1. Job scheduling: A process used to ensure that an organization has the right number of people with the right skills.
2. Competence to fill the jobs: It's included in the tasks of the Staff Manager, who must be in direct contact with the Director and the supervisors of various departments.
3. Attracting candidates from internal and external sources: This means that business-related candidates, such as active and former employees, and even customers, along with the new candidates who have seen job advertisements on the Internet, the Manpower Employment Organization, employment agencies, and even in interconnection offices of universities, they can register and submit their CV.
4. Evaluation of candidates: The evaluation process must be reliable and valid. This means that one who achieves a high score in a specific rating is actually more likely than others to be the highest performing employee in the job. The evaluation tools can be reference letters, curriculum vitae, competency tests, honesty tests, interviews and recommendations review (Gomez, 2014).
5. Board's decision about the job
6. Direction and socialization of recruits: It includes informing new employees about the organization's policies and processes and expectations of them, as well as assisting new recruits to adjust (Gomez, 2014).
7. Evolution Prospect: It's about the ability to evolve and change the role of an employee within the company.
8. Removal of an employee from the organization for reasons such as retirement, dismissal, resignation, illness, disability, death and firing.

B2 The purpose of the staff selection

During the recruitment phase, the enterprise must select the most suitable person for employment, among a sufficient number of candidates. In addition, it is required to predict their future performance in the task that they will be assigned, how they will do to the company's data and requirements, along with the future requirements of the individual himself. The above forecasts are carried out by the relevant executives on the basis of the indications exported through the evaluation tools they'll choose to use for the candidates.

It is a fact that the frequent changes of personnel damage the enterprise in a lot of sectors. Firstly in the economic level, secondly, they disturb the atmosphere between the workers, as well as probably creating a sense of insecurity and finally, they probably tarnish the picture of the entity in the job market and also in the shoppers. From all of the above,

we understand that the evaluation and selection process must be conducted and monitored by well-qualified executives as it constitutes an important part of any economical organization.

B3 Staff selection tools

Some of the most widespread staff selection tools are:⁹

- Reference Letters: They provide basic information for the candidates before the interview. However, they lack of elements related with performance and focus mainly on the characteristics of the candidate. It is extremely important who writes them.
- Curriculum vitae: It is the first means of communication and acquaintance of the candidate with the executive recruiter. This constitutes the professional identity of the interested person in the job offered and represents a realistic praise of his qualifications.
- Cognitive tests: They estimate the candidate's ability in a specific field.
- Physical fitness tests: With that kind of examinations, it can be confirmed that the candidate is fit for the physical requirements of a particular job (e.g. strength and endurance), as well as revealing any medical limitations to be taken into account.
- Drug tests: The candidates are asked to analyze urine before recruitment. In some companies, control is carried out on a random or periodic basis or when there are symptoms in a person's behavior.
- Personality Tests: They estimate key personality features such as extroversion, patronage, conscientiousness, emotional stability, and receptivity to experiences. Many of them function as follows: The person is called to interpret ambiguous stimuli through projection, such as a blurry image. The utility of these tests depend on that a measurable personality element can be connected with the successful execution of a job.
- Interviews: "It is a selection process that is designed to predict future work and performance based on the candidate's verbal requirements in verbal exploratory questions." There are four types of interviews.¹⁰ The insubstantial ones, the structured ones, the ones using a computer and via telephone. An interview is characterized as insubstantial when the executive who conducts the interview asks whatever comes to their mind without following a specific structure. Instead, in a structured interview, the order and content of the questions is defined, as well as the acceptable answers in some occasions. Normally, however, there is a scoring scale appropriate to the candidate's answers. As far as telephone interviews are concerned, they can prove to be more effective than they seem to be because of the sense of surprise of the candidates. Their expressions are more spontaneous and moreover, the misinterpretation of body language is avoided.

⁹ Gary Dessler, Διαχείριση Ανθρώπινου Δυναμικού, Εκδόσεις Κριτική, 2012, σ. 187-213

¹⁰ Michael McDaniel, The Validity Of Employment Interviews: A comprehensive review and meta-analysis, Journal of Applied Psychology, 1994, τ. 4, σ. 599

- Management Evaluation Centers: In such centers, prospective managers come together and take part in tests that they're called to make decisions in realistic simulation conditions. These are evaluated by experienced supervisors while the whole process usually lasts from two to three days. Employers make use of the evaluation centers for selection, training and staff development. Although the creation of such a center is a costly investment, it is considered that with the appropriate staffing of a rating team it is an advantageous move for a large business.
- Reference controls: It is the examination of the professional background of the candidates. It is a cheap means for employers, but it requires discretion and does not guarantee its results.
- Writing character analysis: The study of the way we write can prove to an expert over 3.000 elements related to our personality according to researches.
- Social network profiles check: At the dawn of the 21st century the importance of the social networks for most people is something that can't be denied. This particular way of investigating, albeit unofficial, is a good means of disseminating information to candidates. Seeing a profile on Facebook enables you to make conclusions about the personality of the candidate, as well as in extreme cases, as it has happened in the past, can make you realize something unacceptable. For example that the candidate has drug relations, violent behaviors or daily alcohol consumption, data not revealed with other tools, via the interview for instance.

C. Staff performance appraisal

C1 Definition and reasons for appraisal

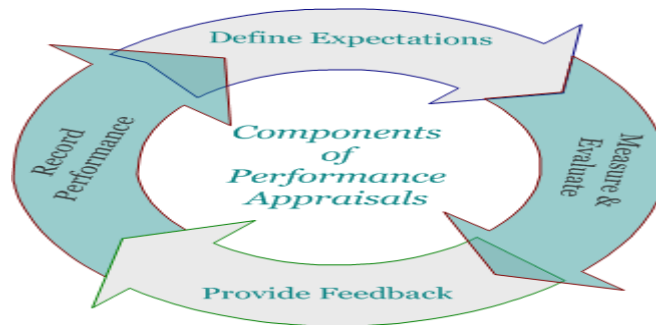
«Performance appraisal means an estimate of a worker's current or past performance in relation to the performance standards set for his job»¹¹. The appraisal is conducted for many different reasons. For example, the Board of an organization can make decisions about production policy, staff training or replacements. Decisions for wage increases or additional benefits can be made as well. Needless to say that due to the very extensive implementation of the bonus award policy as a motivation, the appraisals have become more and more frequent. Another kind of conclusion that might be drawn from the findings of an evaluation is the identification of weaknesses of employees in need of training in order to optimize their effectiveness. The information provided by the appraisals can also be used as the foundation for the programming of the steps of the human resource development. The employees who achieve satisfactory standards of performance and delivering the desired results need to evolve further within the business as a mark of appreciation of their contribution to the business objectives. Finally, through such a process, the employees themselves observe their contribution to the business and can see which points they fall short in, so as to improve themselves and what their strong points are.¹²

¹¹ Gary Dessler, Διαχείριση Ανθρώπινου Δυναμικού, Εκδόσεις Κριτική, 2012, σ. 275

¹² Μ. Βαξεβανίδου – Π. Ρεκλείτης, Management Ανθρώπινων Πόρων – Θεωρία & Πράξη, Εκδόσεις Προπομπός, 2η έκδοση, 2012, σ. 287

There is a diagram showing the stages of performance appraisal and an indicative form below.

Diagram 2



Appraisal Form 1

PERFORMANCE APPRAISAL AND DEVELOPMENT PLAN:

(1) Employee's Name	(2) Department	(3) Division
(4) Period Covered By This Appraisal	(5) Supervisor's Name	(6) Supervisor's Payrol Title

Performance Evaluation

APPRAISAL RATINGS

- O = Outstanding.** Performance exceeds expectations and is consistently outstanding.
- M = More than Satisfactory.** Performance consistently fulfills the job requirements and exceeds expectations.
- S = Satisfactory.** Performance consistently fulfills the job requirements.
- I = Improvement Needed.** Performance does not consistently meet the job requirements.
- U = Unsatisfactory.** Performance consistently fails to meet the job requirements.

Job Responsibilities:	Unsatisfactory	Improvement Needed	Satisfactory	More than Satisfactory	Outstanding	Not Applicable
PRODUCTIVITY						
Meets productivity standards						
Makes realistic goals						
Completes work in a timely manner						
Works accurately						
Comes in under budget						
Achieves established objectives						
Works smarter, not harder						
Looks for efficiencies						
OTHER:						
COMMENTS:						
ADAPTABILITY AND DEPENDABILITY						
Adapts to changes in the work environment						
Manages competing demands						
Performs well under pressure						
Follow instructions; responds to management direction						
Meets attendance and punctuality guidelines						
OTHER:						
COMMENTS:						

C2 Who conducts an appraisal

The appraisers vary and they can be:

- Direct superior: He is considered to be the most appropriate person because he permanently supervises the evaluated employee, so he has been totally aware of his work. His view about the service performance of the evaluated is considered valid and accountable, but in order to avoid incidents of favor or injustice, the assessor himself is also checked by his superior. Finally, it is the most common appraisal practice.
- Peer staff (colleagues): The evaluated employee chooses a person responsible for his / her appraisal. The person in charge is now obliged to select a supervisor and three colleagues so as to check the performance of the appraised worker. That kind of tactic is now quite widespread and it is considered particularly suitable for those who would be capable of managing positions.
- Appraisal Committees: They are usually composed of the direct superior of the assessed employee and four to five executives belonging to the senior hierarchical rank. The appraisal is usually done through a special form distributed to each one and an individual average score is finally obtained. It is considered objective in terms of its effects, because of its structure, which avoids the possibility of impartiality.
- Self-appraisals: They are quite interesting considering that the executives of the enterprise obtain the view of the evaluated employee for himself related to his job performance. However, studies have proven that 50% of workers are evaluating themselves higher than the other appraisal methods have shown.
- Subordinates: In this way, the subordinates have the ability to characterize and judge their supervisor's behavior, leading ability, insight and effectiveness. It is customary for ratings of this type to be anonymous. It is a rare phenomenon, however there are giant companies implementing this practice like XEROX, CHRYSLER and FEDEX.
- Customers: It is a common method for employees who are in daily and direct contact with the clients they serve. Typical criteria for such assessment are staff behavior, speed of service, willingness and knowledge. Finally, they are conducted by phone and specially shaped forms.
- Multiple appraisers (360° appraisal): In this form of assessment, the evaluators are multiple and from different grades, making it more comprehensive. More specifically, information is collected by superiors, colleagues and customers as well. While it is considered to be the most objective method and it provides a complete outline of the professional profile of the evaluator, it is offset by the time required to collect and manage multilevel information.

C3 Before the appraisal

For a staff appraisal to be conducted there are some necessary procedures that have to be performed. These procedures are:

- I. Job Analysis: It is a process through which we are thoroughly informed about the tasks and the requirements of a job, their importance and, finally, the qualifications and knowledge required. Note that the analysis focuses on the job itself rather than the person who does it. The main purpose of the job analysis is to document the job relatedness with the basic processes of the HRM, as the staff appraisal is.
- II. Clarification of success in a particular job: The overall context that contributes to a work outcome that is deemed successful must be determined in advance. In this context, it includes the hours worked, the means used, the financial resources, the behavior of the particular employee and clearly, the economic benefit ultimately obtained by the enterprise.
- III. Development of methodologies and appraisal systems.

C4 Personnel comparison methods

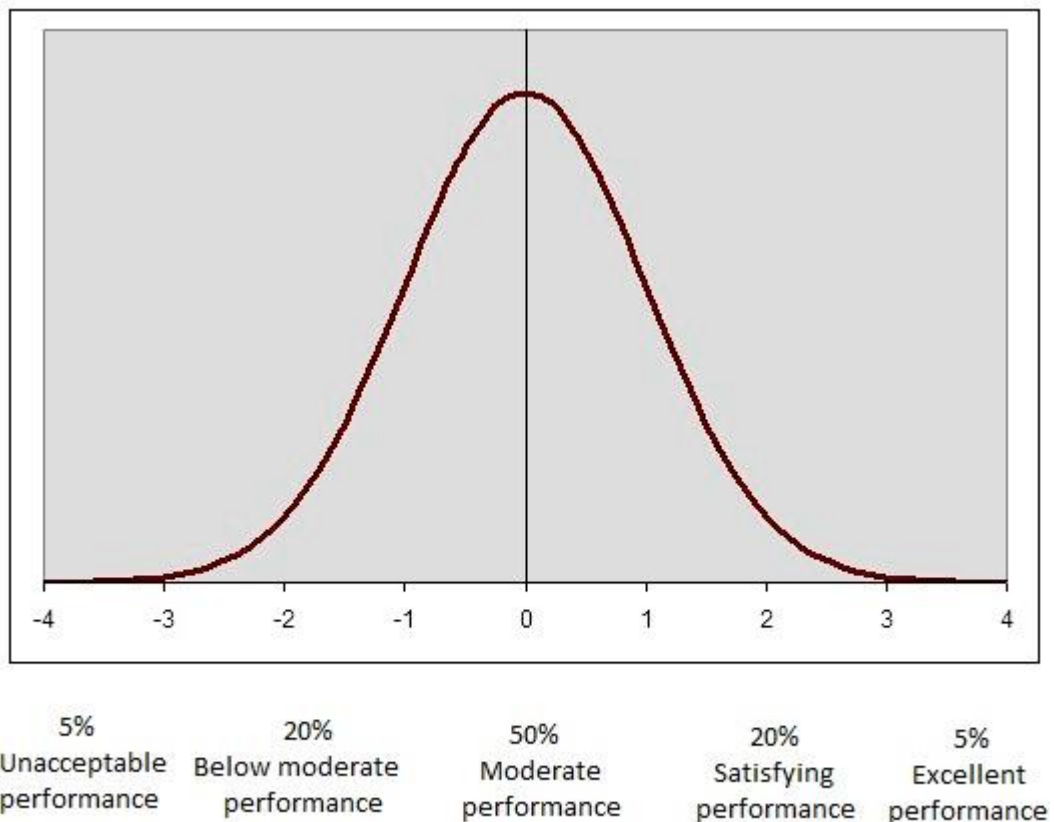
As it can be easily understood, this is a category of methodologies used for a certain number of employees to be benchmarked by ranking. There are several techniques to achieve this kind of comparison, some of which are:

- Ranking Method: The employees are ranked in a simple arithmetic order (1st, 2nd ... etc) based on the comparisons made between them. It is mainly used by small businesses because of the small amount of information it provides and because it is considered unreliable for comparing employees of different tasks. It is also considered questionable as the worker is judged to be an entity without any analysis of its individual characteristics.
- Alternative Tanking Method: This method is a variation of the simple ranking that following a different process. The manager authorized for appraising, is initially asked to identify the worst and best-performing employee. Then he begins to fill in the list in the reverse direction, from the worst to the best.
- Method of ranking distribution: The employees are assessed based on a specific scale of typically 100 units. We understand that this is a method that is strongly characterized by subjectivity as the rating is shaped by the general image of the evaluator without strict and defined criteria.
- Paired Comparison Method: It is a technique in which same-grade employees are compared per pair for a set of characteristics. There is no limit in the number of the people we want to appraise, but at the same time only two of them are compared. For example, if we assume that we want to compare warehousemen A, B and C, the process will be as follows:
 - i. A-B
 - ii. A-C
 - iii. B-C

So we have three comparisons for one feature. If we examine them for 5 features, there will obviously be 15 pairwise comparisons. The number of comparisons per attribute is derived from the mathematical formula $N(N-1)/2$ where N is the number of workers under appraisal. We conclude, therefore, that it is a method that is appropriate for the evaluation of employees of the same hierarchical rank and it requires much time.

- **Forced Distribution Method:** With this method, workers are ranked with a tiered score, e.g. "excellent performance". This classification is made in percentage and in proportion to the standard deviations of the normal distribution. It implies that the evaluator is obliged to classify workers in certain categories with the predefined quotas of the normal distribution, as shown in the figure below. Finally, with this method there is a risk of incorrect classification because, for example, in a part with moderate performance, it is imperative that 5% of the workers are considered to perform extremely well and in reverse that in a section with excellent performance, 25% of the employees have from below moderate to unacceptable performance.¹³

Diagram 3



¹³ Μ. Βαξεβανίδου – Π. Ρεκλείτης, Management Ανθρώπινων Πόρων – Θεωρία & Πράξη, Εκδόσεις Προπομπός, 2η έκδοση, 2012, σ. 304-309

C5 Appraisal method based on criteria

With this category the employees are assessed depending on their fixed characteristics. These characteristics are mainly qualitative and not comparative and relate to the employee's dedication, consistency, behavior, decision-making, and so on. This category includes the methods below:

Essay: This is a simplified form of appraisal in which the assessor draws up a report on each of his subordinates describing the weak and strong points of each one. In addition, he briefly provides recommendations and ways of improvement for each individual. The subordinate has the opportunity to ask to be informed about his evaluation, but this must be done in an analytical way to obtain all the information he needs. We should emphasize that this method is characterized by subjectivity due to the lack of clear evaluation criteria.

- Critical Incidents Method: The assessor continuously monitors his subordinate by recording in chronological order his / her positive and negative elements in his / her work. The appraiser should have the critique of distinguishing features that play an important role in his effectiveness. When the supervisor is judged to be able to draw conclusions, the evaluated employee is invited to be informed and with examples of calendar accuracy about which sectors he performs well in and in which ones he needs to increase his performance. To sum up, the fact of achieving objectivity by setting out tangible incidents is offset by the time it takes and that surveillance must be permanent for every employee.
- Rating scale Method: Each person evaluated is graded on specific scale criteria. This can be an "excellent, very good, etc." type, and finally the average comes off on a scale of "0-10" type for every characteristic and finally, summing all of them, the employee is marked by the scale (e.g. "91-100" excellent). This method includes the simplicity and comparability of the method, while the negative ones include the time and skill required for the preparation of the appraisal forms.
- Weighted Checklist: By this method the evaluator judges on the basis of some characteristics by adding the word yes or no next to these ones. For example, a feature could be if the employee provides a pleasant service. The important thing in this method is that each characteristic corresponds to a specific significance factor (e.g. 10%). Therefore, this is a method which, with the avoidance of partiality, it provides safe conclusions.

C6 Appraisal methods based on results or performance standards

The employees set their personal goals co-operating with their supervisors and as a result these methods are meant to be objective. In this category two basic methods are classified:

- I. Productivity Measurement Based On Standards: By this method, employees are evaluated for their performance in numbers on specific items such as the percentage increase in sales. Lacking points is the difficulty of applying to all jobs as well as the fact that there are external factors that directly affect efficiency. However, it requires attention in order to avoid

competitive relationships between the employees, as well as continuous focusing attention to both the short and long-term objectives of the company, because the appraisal is made in the short term and the workers are easily disoriented.

- II. Management By Objectives-M.B.O: The method of M.B.O. formulated in 1954 by Peter Drucker is nowadays a widespread management tactic that serves as an analogous way of evaluating employees. In this way, they have acceptable per-job targets to be achieved within acceptable time limits. The results of this method are obtained by comparing the results achieved with those expected. The steps taken to implement this method are as follows:
- a) Accurate set of the tasks of each employee. This is done by the supervisors and the subordinates together.
 - b) Supervisors and subordinates decide in common about the objectives to be achieved within one financial period so that they are acceptable to everyone.
 - c) The subordinates plan a strategy on their jobs.
 - d) Regular reviews of the progress of the subordinates' being able to use feedback.
 - e) The supervisors appraise whether the objectives, either original or revised, have been achieved and discuss about it.
 - f) Finally, with the fresh results of the overall effort to achieve the objectives set, the planning of the new objectives is done.

This method is very widespread because the appraisal is clear and contains specifically comparable data. However, it is important to point out that the objectives to be set by subordinates and supervisors should be realistic and practical.

In the end, the disadvantages are a) the difficulty of comparing the employees because it is difficult to compare the goals each person undertakes b) the unrealistic individual targeting and assuming tasks and its consequences and c) the difficulty of rewarding personal performance.

CONCLUSION

As an extension of the science of management, HRM constitutes the sector of Administrative science which is defined as the process of managing people in organizations in a structured and thorough manner, from a macro perspective. Human resources are considered to be the key resources in any financial organization. At the same time it is the easiest and the most difficult to manage. So it's easily understood why it is thought and treated as an issue of high importance for an enterprise and generally, it possesses so a significant role in modern management. Some of the overall goals of human resources management are to ensure that all employees perform their duties to promote the goals of the organization. Also, human resources are responsible for taking the full advantage of the capabilities of the employees and placing the right employees in the right job.

One of the most important elements of HRM is the choice and utilization of employees. After a detailed analysis of the job and the tasks and requirements of the job are communicated, the stakeholders from the internal or external environment of the enterprise declare interest in the position create a tank through which the desired number of interested parties will be selected to take up work. There are many recruitment methods, some of which are CVs and interviews, which are the most widespread, but many large financial organizations also make use of various tests such as personality tests, intelligence tests, performance tests etc.

Last but not least, an equally important part of HRM is the performance appraisal, i.e. the assessment of the work supply and behavior of a company's staff. Through evaluation procedures, decisions are made on important issues such as employee adequacy, employee training, employee wages, etc. Necessary stages before the assessment is the correct job analysis, clarification of what we mean success in a job (outcome, means, time, money, etc.), formulation and selection of the appropriate evaluation tools and, finally, assignment of evaluation competence (existing, heads, customers or group of evaluators of all levels of hierarchy). Every single method has its pros and cons and its availability according to the size and structure of the enterprise. Consequently, the data that arises not only relates to the present and the past of the organization but also to the future. We therefore conclude that every employee is a link in the organization chain, thus they not only have to be controlled as a whole but also as individuals in order for this chain to remain powerful and stable so that a number of satisfied employees can function as a team to achieve their goals. It is certain that negligence will bring about unwanted results.

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