

Chapter 1

HRM

in a Changing Environment

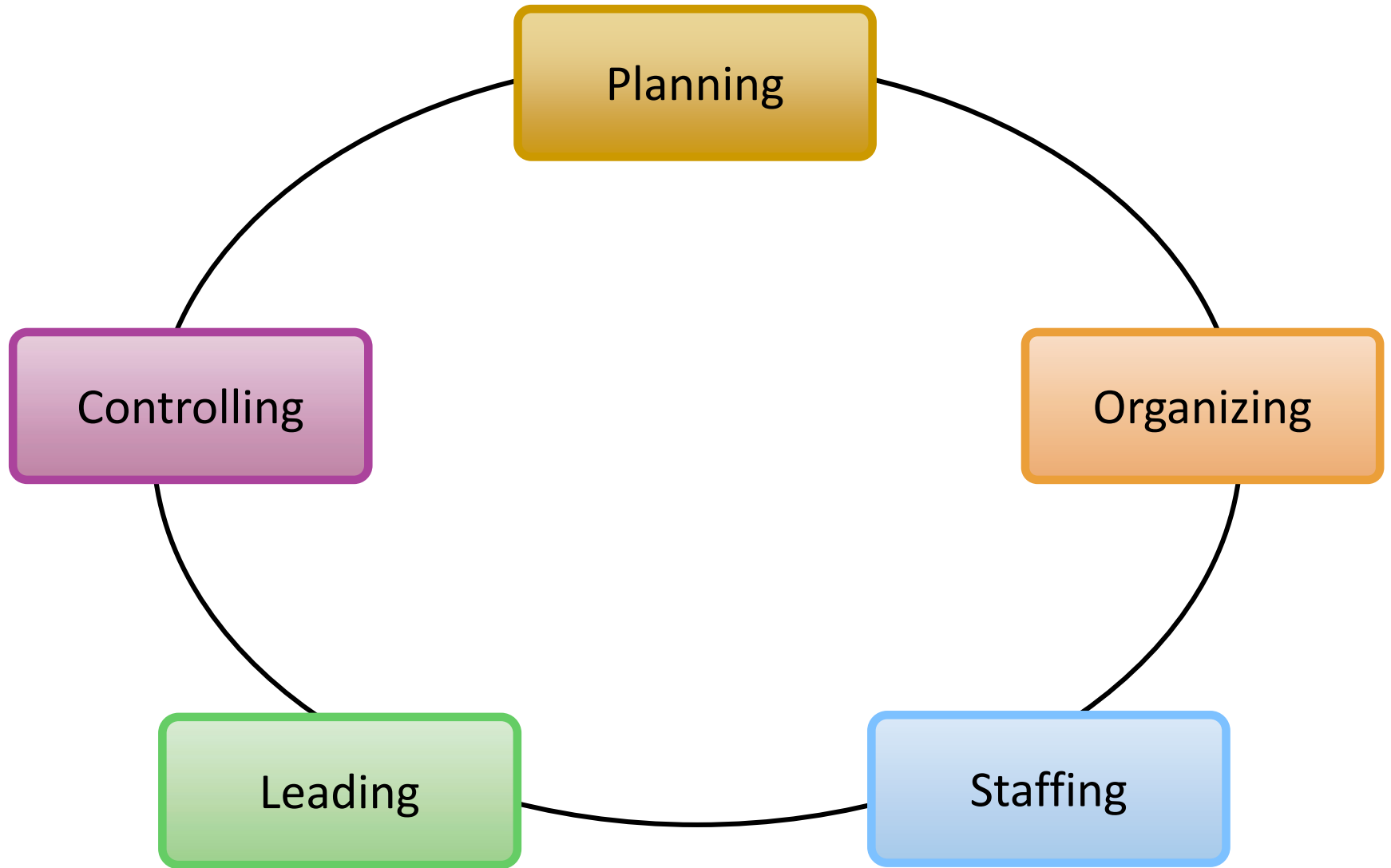
Global Village

- No national boundaries in the world of business
- Human resources must ensure that the appropriate mix of employees in terms of knowledge, skills, and cultural diversity is available to handle global assignments.
- Knowledge of the language of the country
- Knowledge of the country's culture

Changing Skills Requirement

- Skill deficiencies translate into significant losses for the organization in terms of poor quality work and lower productivity, increases in employee accidents, and customer complaints.

The Management Process



Human Resource Management

- The function performed in organizations that facilitates the most effective use of people (employees) to achieve *organizational* and *individual* goals.
- Achieving organizational goals can't be done without human resources. It's people, not buildings, equipment, or brand name, that make a company.

HRM and Organizational Effectiveness

- Performance
- Legal compliance
- Employee satisfaction
- Absenteeism
- Turnover
- Training effectiveness
- Training return on investment
- Grievance rates
- Accident rates

Objectives of the HRM Function (1 of 2)

- Helping the organization reach its goals
- Employing the skills and abilities of the workforce efficiently
- Providing the organization with well-trained and well-motivated employees
- Increasing to the fullest the employee's job satisfaction and self-actualization

Objectives of the HRM Function (2 of 2)

- Developing and maintaining a quality of work life that makes employment in the organization desirable
- Communicating HRM policies to all employees
- Helping to maintain ethical policies and socially responsible behavior
- Managing change to the mutual advantage of the organization's stakeholders
- Managing increased urgency and faster cycle time

Who Performs HRM Activities

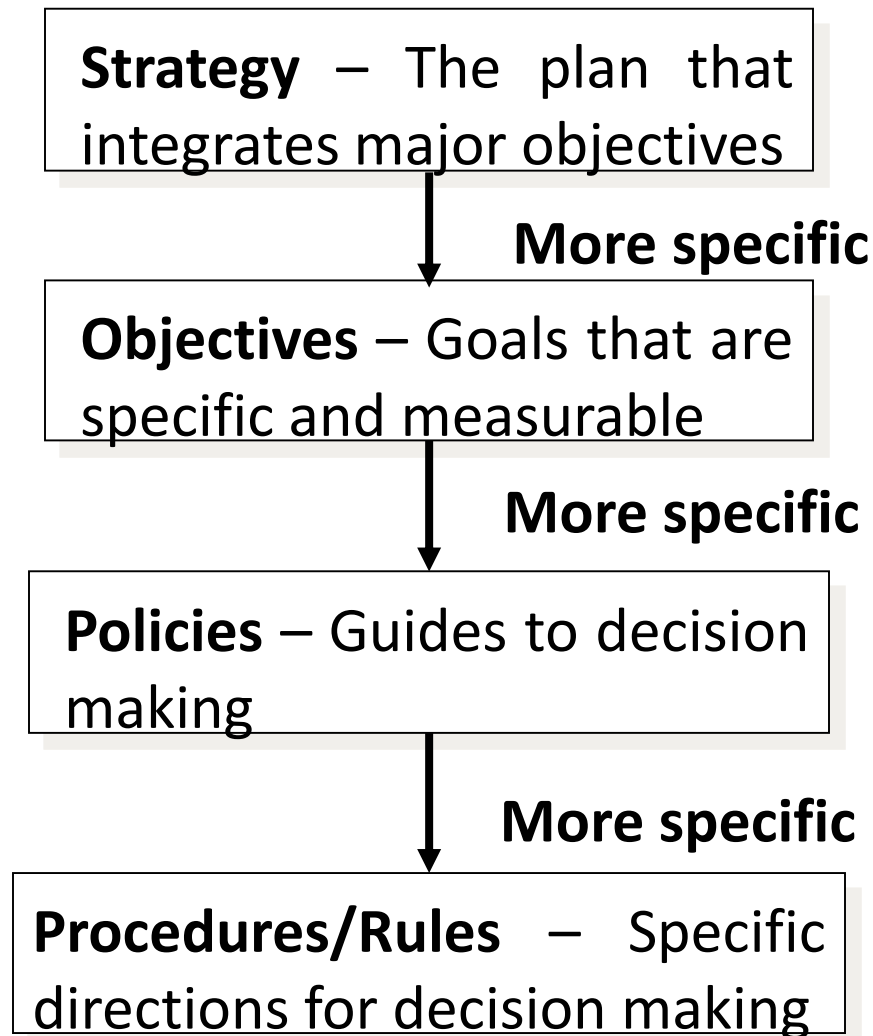
In most organizations two groups perform HRM activities:

- 1) HR manager-specialists (*staff*)
- 2) Operating managers (*line*)

Competencies Needed by HR Professionals

- Communication skills
- Problem solving
- Leadership
- Recruiting/staffing
- Employment law
- Training and development
- Technology
- Forecasting
- Compensation design
- Benefits design and administration
- Record keeping
- Customer Service Orientation

Relationship Between Strategy, Objectives, Policies, and Rules



Corporate Downsizing

- Downsizing = rightsizing = restructuring = retrenchment = de-layering
- Concept behind downsizing is to create lean and mean organizations.
- Foreign competition, mergers, and takeovers forced organizations to trim the fat or the inefficiencies from their ranks.

Corporate Downsizing

- HRM must ensure that proper communications occur during downsizing.
- HRM must minimize the negative effects of rumors and ensure that individuals are kept informed with factual data.
- HRM must prepare individuals for the change. This requires clear and extensive communications of why the change will occur, what is to be expected, and the effects it will have on employees.

Contingent Workforce

- Core employees and contingent workers
 - Core employees are workers who hold full time jobs in organizations. These employees usually provide some essential job tasks that require commitment in the organizations.
 - Contingent workers include individuals who are typically hired for shorter periods of time. They perform specific tasks that often require special job skills and are employed when an organization is experiencing significant deviations in its workflow.

Decentralized Worksites

- Work is where computer is
- HRM and decentralized worksites
- Employee involvement
 - Employees should do more, faster, better, and with less.
 - How?
 - Through delegation, participative management, work teams, goal setting, and training – employee empowerment.