

Human Resource Management

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HRM 611

Lecture 1





مجموعة جامعة
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Human Resource Management

Lecture 1

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Introduction to HRM

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Chapter

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Introduction to Human Resource Management



The purpose of this chapter is to explain what human resource management is, and why it's important to all managers.



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LEARNING OUTCOMES

Explain what human resource management is and how it relates to the management process.

Why human resource management is important to all managers.

Illustrate the human resources responsibilities of line and staff (HR) managers.

Briefly discuss and illustrate each of the important trends influencing human resource management.

List and briefly describe important trends in human resource management.

Define and give an example of evidence-based human resource management.

Human Resource Management at Work

What Is Human Resource Management (HRM)?

The process of acquiring, training, appraising, and compensating employees, and of attending to their labor relations, health and safety, and fairness concerns.

Organization

People with formally assigned roles who work together to achieve the organization's goals.

Manager

The person responsible for accomplishing the organization's goals, and who does so by managing the efforts of the organization's people.

Human Resource Management at Work

Most experts agree that managing involves five functions: planning, organizing, staffing, leading, and controlling. In total, these functions represent the **management process**. Some of the specific activities involved in each function include:

Planning: Establishing goals and standards; developing rules and procedures; developing plans and forecasting.

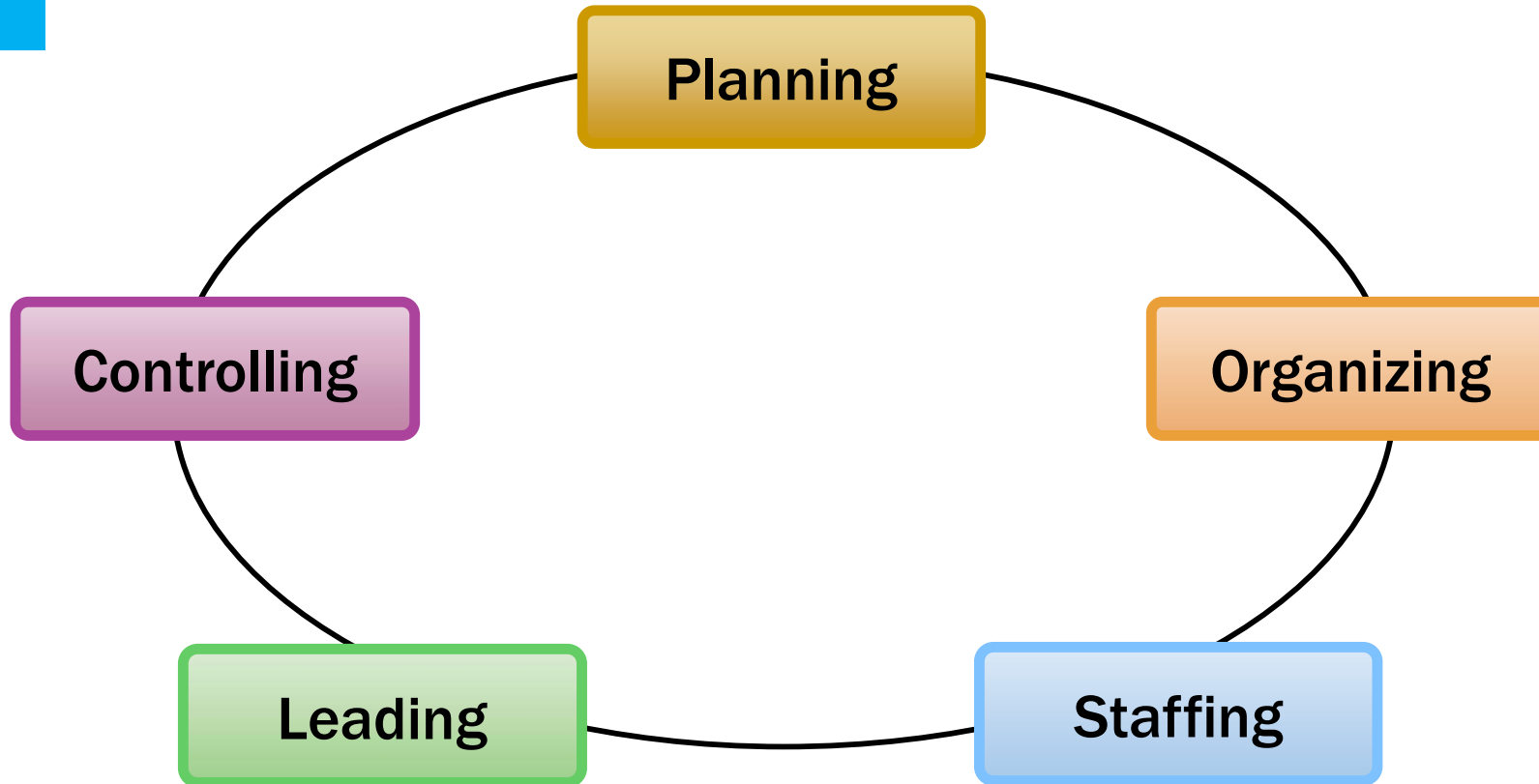
Organizing: Giving each subordinate a specific task; establishing departments; delegating authority to subordinates; establishing channels of authority and communication; coordinating subordinates work.

Staffing: Determining what type of people, you should hire; recruiting prospective employees; selecting employees; training and developing employees; setting performance standards; evaluating performance; counseling employees; compensating employees.

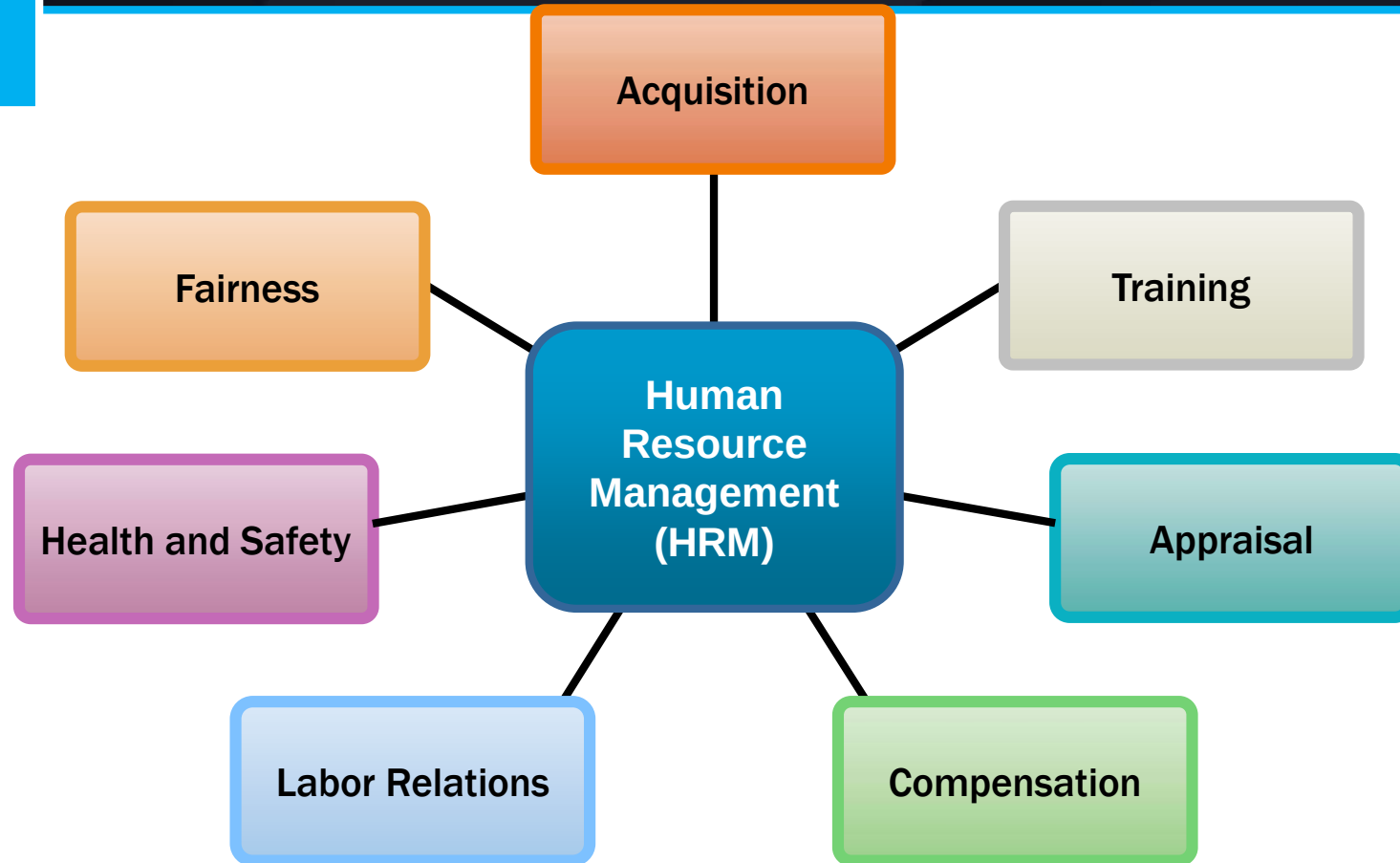
Leading: Getting others to get the job done; maintaining morale; motivating subordinates.

Controlling: Setting standards such as sales quotas, quality standards, or production levels; checking to see how actual performance compares with these standards; taking corrective action, as needed.

The Management Process



Human Resource Management Processes



Human Resource Management Processes

Human resource management is the process of acquiring, training, appraising, and compensating employees, and of attending to their labor relations, health and safety, and fairness concerns. The topics we'll discuss should therefore provide you with the concepts and techniques you need to perform the people or personnel aspects of your management job.

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Personnel Aspects of a Manager's Job

- Conducting job analyses (determining the nature of each employee's job)
- Planning labor needs and recruiting job candidates
- Selecting job candidates
- Orienting and training new employees
- Managing wages and salaries
- Providing incentives and benefits
- Appraising performance
- Communicating
- Training and developing managers
- Building employee commitment

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Personnel Mistakes

- Hire the wrong person for the job
- Experience high turnover
- Have your people not doing their best
- Waste time with useless interviews
- Have your firm in court because of discriminatory actions
- Have your firm cited by OSHA for unsafe practices
- Have some employees think their salaries are unfair and inequitable relative to others in the organization
- Allow a lack of training to undermine your department's effectiveness
- Commit any unfair labor practices

Improve Profits And Performance

Effective human resource management can help ensure that you get results through people. Remember that you can do everything else right as a manager lay brilliant plans, draw clear organization charts, set up world-class assembly lines, and use sophisticated accounting controls but still fail, by hiring the wrong people or by not motivating subordinates. On the other hand, many managers presidents, generals, governors, supervisors have been successful even with inadequate plans, organizations, or controls. They were successful because they had the ability of hiring the right people for the right jobs and motivating, appraising, and developing them.

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Line and Staff Aspects of HRM

All managers are, in a sense, human resource managers, because they all get involved in recruiting, interviewing, selecting, and training their employees. Yet most firms also have human resource departments with their own top managers. How do the duties of this human resource manager and department relate to the human resource duties of sales and production and other managers? Answering this requires a short definition of line versus staff authority.

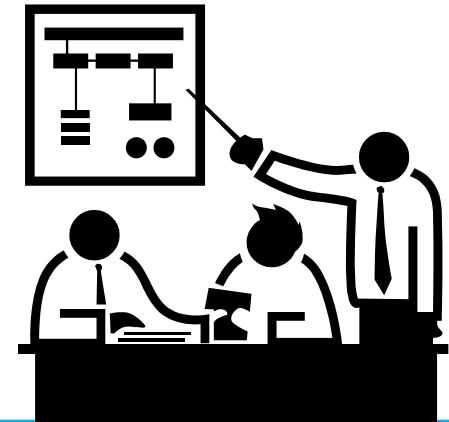
Authority is the right to make decisions, to direct the work of others, and to give orders. Managers usually distinguish between line authority and staff authority.

line authority traditionally gives managers the right to issue orders to other managers or employees.

Staff authority gives a manager the right to advise other managers or employees. It creates an advisory relationship.

Line and Staff Aspects of HRM

- **Line Manager**
- Is authorized (has line authority) to direct the work of subordinates and is responsible for accomplishing the organization's tasks.
- **Staff Manager**
- Assists and advises line managers.
- Has functional authority to coordinate personnel activities and enforce organization policies.



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Line Managers' HRM Duties

- **Placing the right person on the right job**
- **Starting new employees in the organization (orientation)**
- **Training employees for jobs that are new to them**
- **Improving the job performance of each person**
- **Gaining creative cooperation and developing smooth working relationships**
- **Interpreting the firm's policies and procedures**
- **Controlling labor costs**
- **Developing the abilities of each person**
- **Creating and maintaining department morale**
- **Protecting employees' health and physical condition**

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Human Resource Manager s Duties

In providing this specialized assistance, the human resource manager carries out three distinct functions:

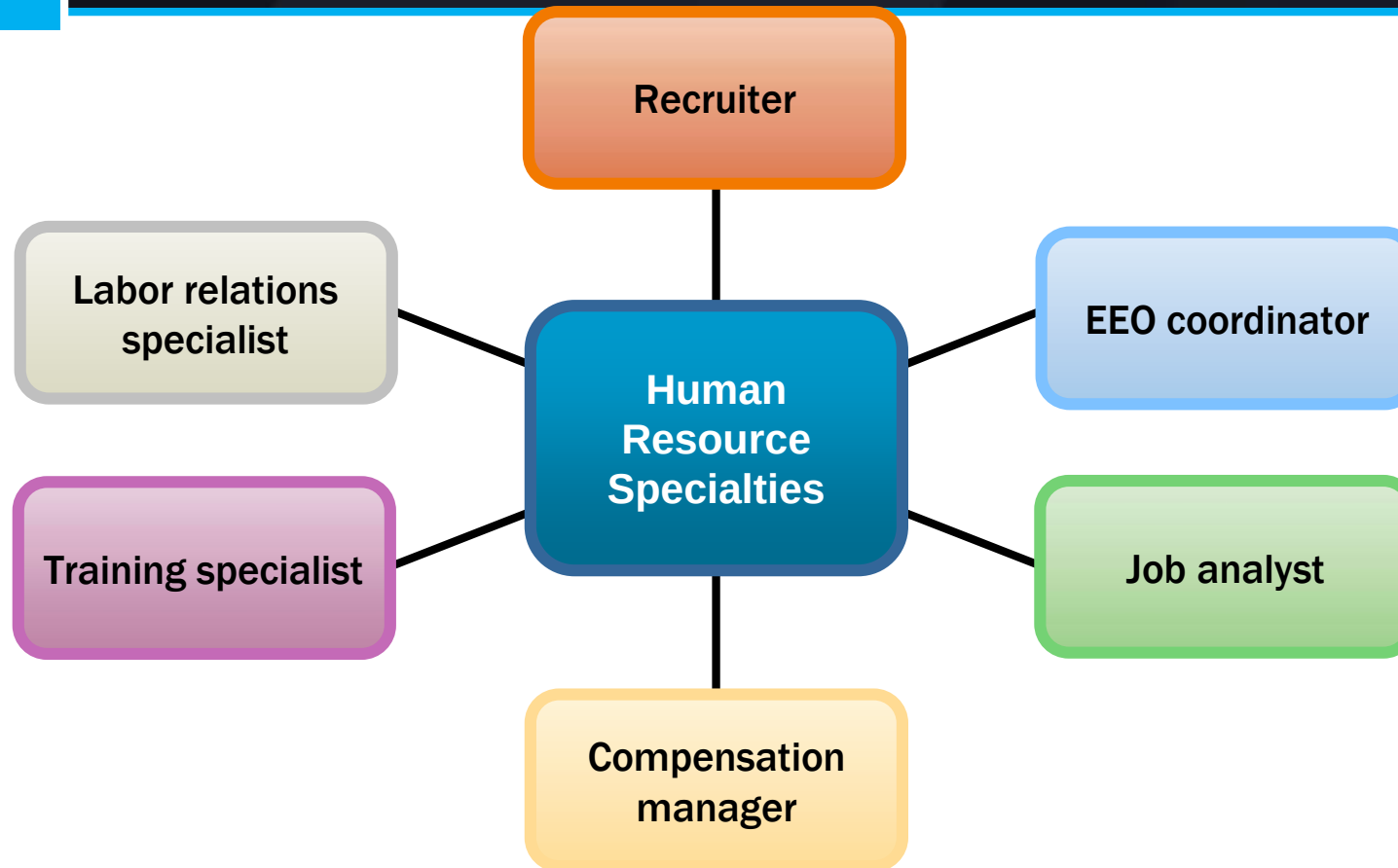
A line function: The human resource manager directs the activities of the people in his or her own department, and perhaps in related areas.

A coordinative function: The human resource manager also coordinates personnel activities, a duty often referred to as functional authority (or functional control). Here he or she ensures that line managers are implementing the firm s human resource policies and practices.

Staff (assist and advise) functions: Assisting and advising line managers is the heart of the human resource manager s job. He or she advises the CEO so the CEO can better understand the personnel aspects of the company s strategic options. HR assists in hiring, training, evaluating, rewarding, counseling, promoting, and firing employees.

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Human Resource Specialties



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Human Resource Specialties

- **Recruiters.** Search for qualified job applicants.
- **Equal employment opportunity (EEO) coordinators.** Investigate and resolve EEO grievances; examine organizational practices for potential violations; and compile and submit EEO reports.
- **Job analysts.** Collect and examine information about jobs to prepare job descriptions.
- **Compensation managers.** Develop compensation plans and handle the employee benefits program.
- **Training specialists.** Plan, organize, and direct training activities.
- **Labor relations specialists.** Advise management on all aspects of union management relations.

New Approaches to Organizing HR

Employers are also offering human resource services in new ways. For example, some organize their HR services around four groups: transactional, corporate, embedded, and centers of expertise.

- The *transactional* HR group uses centralized call centers and outsourcing arrangements (such as with benefits advisors) to provide support for day-to-day transactional activities (such as changing benefits plans and employee assistance and counseling).
- The *corporate* HR group focuses on assisting top management in top level big picture issues such as developing and explaining the personnel aspects of the company's long-term strategic plan.

New Approaches to Organizing HR

- The *embedded* HR unit assigns HR generalists (also known as relationship managers or HR business partners) directly to departments like sales and production. They provide the localized human resource management assistance the departments need.
- The *centers of expertise* are like specialized HR consulting firms within the company for instance, they provide specialized assistance in areas such as organizational change.

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New Approaches to Organizing HR

Example:

Randall MacDonald, IBM's senior vice president of human resources, noted that the traditional human resource organization often isolates HR functions into silos such as recruitment, training, and employee relations. He says this silo approach often means there's no one team of human resource specialists focusing on the needs of specific groups of employees.

MacDonald therefore reorganized IBM's human resource function. He segmented IBM 330,000 employees into three sets of customers: executive and technical employees, managers, and rank and file. Separate human resource management teams (consisting of recruitment, training, and compensation specialists, for instance) now focus on serving the needs of each employee segment. These specialized teams help ensure that the employees in each segment get precisely the talent, learning, and compensation they require to support IBM's needs.

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Trends Shaping Human Resource Management



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THE TRENDS SHAPING HUMAN RESOURCE MANAGEMENT

From the trends shaping human resource management include globalization, deregulation, changes in demographics and the nature of work, and economic challenges.

Globalization and Competition Trends

Globalization refers to the tendency of firms to extend their sales, ownership, and/or manufacturing to new markets abroad.

Examples: Toyota produces the Camry in Kentucky, while Dell produces PCs in China. Free trade areas agreements that reduce tariffs and barriers among trading partners further encourage international trade. NAFTA (the North American Free Trade Agreement) and the EU (European Union) are examples.

For businesspeople, globalization means more competition, and more competition means more pressure to be world-class to lower costs, to make employees more productive, and to do things better and less expensively.

THE TRENDS SHAPING HUMAN RESOURCE MANAGEMENT

Indebtedness (Leverage) and Deregulation

Other trends contributed to this economic growth. Deregulation was one. In many countries, governments stripped away regulations.

In the United States and Europe, for instance, the rules that prevented commercial banks from expanding into stock brokering were relaxed. Giant, multinational financial supermarkets such as Citibank quickly emerged. As economies boomed, more businesses and consumers went deeply into debt.

THE TRENDS SHAPING HUMAN RESOURCE MANAGEMENT

Technological Trends

Everyone knows that technology changed almost everything we do. We use smartphones and iPads to communicate with the office, and to plan trips, manage money, and look for local eateries. We also increasingly use technology for many human resource management type applications, such as looking for jobs.

Trends in the Nature of Work

Technology has also had a huge impact on how people work, and therefore on the skills and training today's workers need.

THE TRENDS SHAPING HUMAN RESOURCE MANAGEMENT

Workforce and Demographic Trends

All of this is occurring along with big changes in workforce and demographic trends

DEMOGRAPHIC TRENDS Most importantly, for example the U.S. workforce is becoming older and more multiethnic.

GENERATION Y Also called Millennials, Gen Y employees are roughly those born 1977 2002. They take the place of the labor force's previous new entrants, Generation X, those born roughly 1965 1976 (and who themselves were the children of, and followed into the labor force, the Baby Boomers, born just after the Second World War, roughly 1944 1960).

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THE NEW HUMAN RESOURCE MANAGERS

Trends like these mean changes in human resource management practices, and in what employers expect from their human resource managers. We'll look at some specifics.

Human Resource Management Yesterday and Today

For much of the twentieth century, personnel/HR managers focused on day-to-day transactional types of activities.

Today, we've seen that trends like globalization, indebtedness, and technology confront employers with new challenges, such as squeezing more profits from operations. Employers expect their human resource managers to have what it takes to address these challenges.

They Focus More on Strategic, Big Picture Issues

Today's human resource managers are more involved in longer term, strategic big picture issues.

THE NEW HUMAN RESOURCE MANAGERS

They Have New Competencies

Adding value, strategizing, and using technology all require that human resource managers have new competencies. They still need proficiencies in human resource management functional areas such as selection, training, and compensation. But they also require broader business competencies.

Six competencies for the HR profession



THE NEW HUMAN RESOURCE MANAGERS

THE HUMAN RESOURCE MANAGERS COMPETENCIES

Professor Dave Ulrich and his colleagues say that today's human resource managers need the knowledge, skills, and competencies to be:

Talent Managers/Organization Designers, with a mastery of traditional human resource management tasks such as acquiring, training, and compensating employees.

Culture and Change Stewards, able to create human resource practices that support the firm's cultural values.

Strategy Architects, with the skills to help establish the company's overall strategic plan, and to put in place the human resource practices required to support accomplishing that plan.

Operational Executors, able to anticipate, draft, and implement the human resource practices (for instance in testing and appraising) the company needs to implement its strategy.

THE NEW HUMAN RESOURCE MANAGERS

THE HUMAN RESOURCE MANAGER'S COMPETENCIES (*cont.*)

Business Allies, competent to apply business knowledge (for instance in finance, sales, and production) that enable them to help functional and general managers to achieve their departmental goals.

Credible Activists, with the leadership and other competencies that make them both credible (respected, admired, listened to) and active (offers a point of view, takes a position, challenges assumptions.)

PROPOSAL FOR HUMAN RESOURCE MANAGEMENT IN THE NEW WORLD ORDER

Companies have been repeating the adage “people are our biggest asset” for a long time. However, relatively few businesses have begun to implement HRM systems consistent with this viewpoint.

Human resource managers in the IT business have their job cut out for them in order to “identify the ideal applicant” and create a “conducive work environment” that would benefit not just the company but also its employees.

People management, incentive to adapt to technological change, talent acquisition, education, development, and remuneration are additional challenges. Because of these difficulties, businesses should reconsider their personnel policies and practices.

PROPOSAL FOR HUMAN RESOURCE MANAGEMENT IN THE NEW WORLD ORDER

Managing People

The changing nature of many industries has resulted in a need for more people with specialized skills. Despite the flood of applications, many firms are still looking for exceptional candidates. Professionals with a lot of experience and education usually have a lot of leverage in negotiations.

Boosting Employee Morale

With the global IT market becoming increasingly competitive, having access to a strong talent pool and cutting-edge technology is essential for success. As a result, it's not surprising that initiatives to expand technological capabilities are consistently prioritized by all businesses. HR professionals are now expected to inspire their knowledge workers to embrace change.

PROPOSAL FOR HUMAN RESOURCE MANAGEMENT IN THE NEW WORLD ORDER

Construction of Competence

Human resources (HR) play a crucial part in any company's success by attracting, developing, and maintaining its most valuable resource: its employees. Any company's success rate is directly tied to the HR department's efforts in this area.

Recruitment and Training

Particularly in the information technology sector, recruitment has evolved into a critical HR role. HR managers are crucial in any company since they are responsible for developing valuable resources like skilled workers. Smaller software organizations may place less emphasis on talent acquisition than their larger counterparts. Human resource managers also face the difficulty of designing procedures to ensure that all employees are a good cultural fit for the organization.

Chapter Summary

All managers should understand the importance of human resource management. Doing so helps managers avoid problems like hiring the wrong person for the job. And more important, it can help ensure that managers get results through people. Line managers human resource duties include placing the right person on the job and orienting and training new employees. The human resource manager s duties include supervising his or her own employees, coordinating the company s overall personnel policies, and assisting and advising line managers in the areas of human resource management.

A changing environment today is influencing what human resource managers do and how they do it. Globalization means more competition, and more competition means more pressure to lower costs and to make employees more productive and quality conscious. Technology is requiring more employees to be technologically well informed and pressuring employers to improve their human resource processes by applying new technological tools. There is more emphasis on knowledge work and therefore on building human capital, the knowledge, education, training, skills, and expertise of a firm s employees. Workforce and demographic changes mean that the workforce is becoming older and more diverse.

1. Explain what HR management is and how it relates to the management process.
2. Illustrate the HR management responsibilities of line and staff managers?



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DISCUSSION QUESTIONS



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