



**Everyone's Smart
University**

Human Resource Management

Chapter- 5 lectuer-2

MGM111

Principle of Management

Learning Objectives

Human resources define

Function of human resources

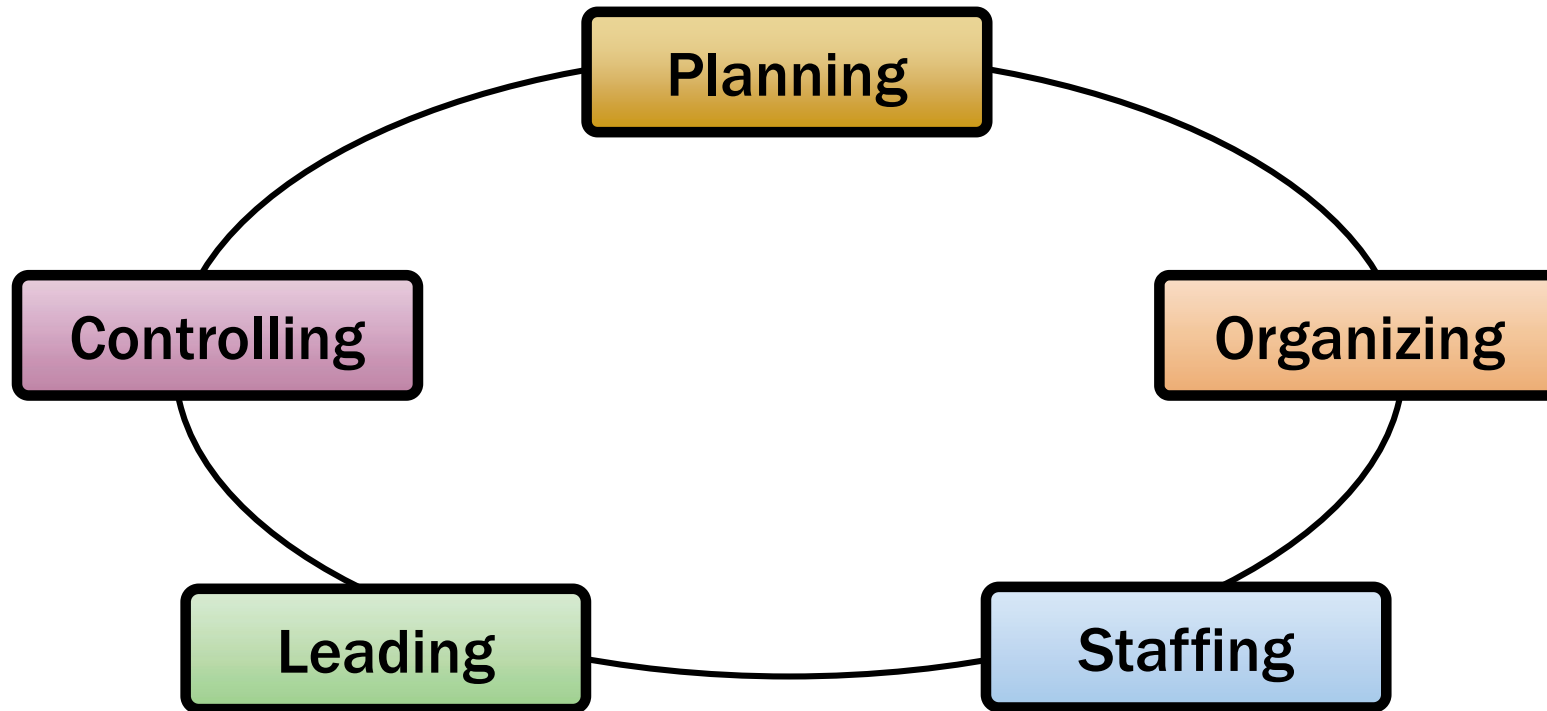
Human Resource Management

Human resource planning

Human Resource Management Functions

**Dynamic Human Resource Management
Environment**

The Management Process



Most experts agree that managing involves five functions: planning, organizing, staffing, leading, and controlling. In total, these functions represent the management process.

Human Resources (HR)

- **Human resources define:**
 - Human resources (HR) is the division of a business that is charged with finding, screening, recruiting, and training job applicants, as well as administering employee-benefit programs.
 - Human Resources (HR) are the people an organization employs to carry out various jobs, tasks, and functions in exchange for wages, salaries, and other rewards.

Function of human resources

- ☐ Human resource planning
- ☐ Recruitment and selection
- ☐ Training and development
- ☐ Maintenance of personnel records
- ☐ Legislation
- ☐ Employee relations
- ☐ Grievance and discipline

Human Resource Management

- **Human Resource Management** The process of planning, organizing, directing (motivating), and controlling the procurement, development, compensation, integration, maintenance, and separation of organizational human resources to the end that organizational, individual, and societal needs are satisfied.
- **Human Resource Management** The process of acquiring, training, appraising, and compensating employees, and of attending to their labor relations, health and safety, and fairness concerns.

Human Resource Management activities

❑ Human Resource Management includes all activities used to attract & retain employees and to ensure they perform at a high level in meeting organizational goals.

These activities are made up of:

- 1. Recruitment & selection.**
- 2. Training and development.**
- 3. Performance appraisal and feedback.**
- 4. Pay and benefits.**
- 5. Labor relations.**

Importance of human resource management

- ☐ **Formulation of HR policies**
- ☐ **Implementation of HR Policies**
- ☐ **Review of employee needs**
- ☐ **Development of social welfare**
- ☐ **Utilization of Human Resources**
- ☐ **Development of Labor-Management Relations**
- ☐ **Overall development of organization**

Contemporary Human Resource Management Perspectives

❑ In most organizations today, the role of human resource management has become quite important. This results partly from a growing realization of the importance of people as a source of competitive advantage, but there are more practical reasons, such as:

Human Resource Management in Larger and small Organizations

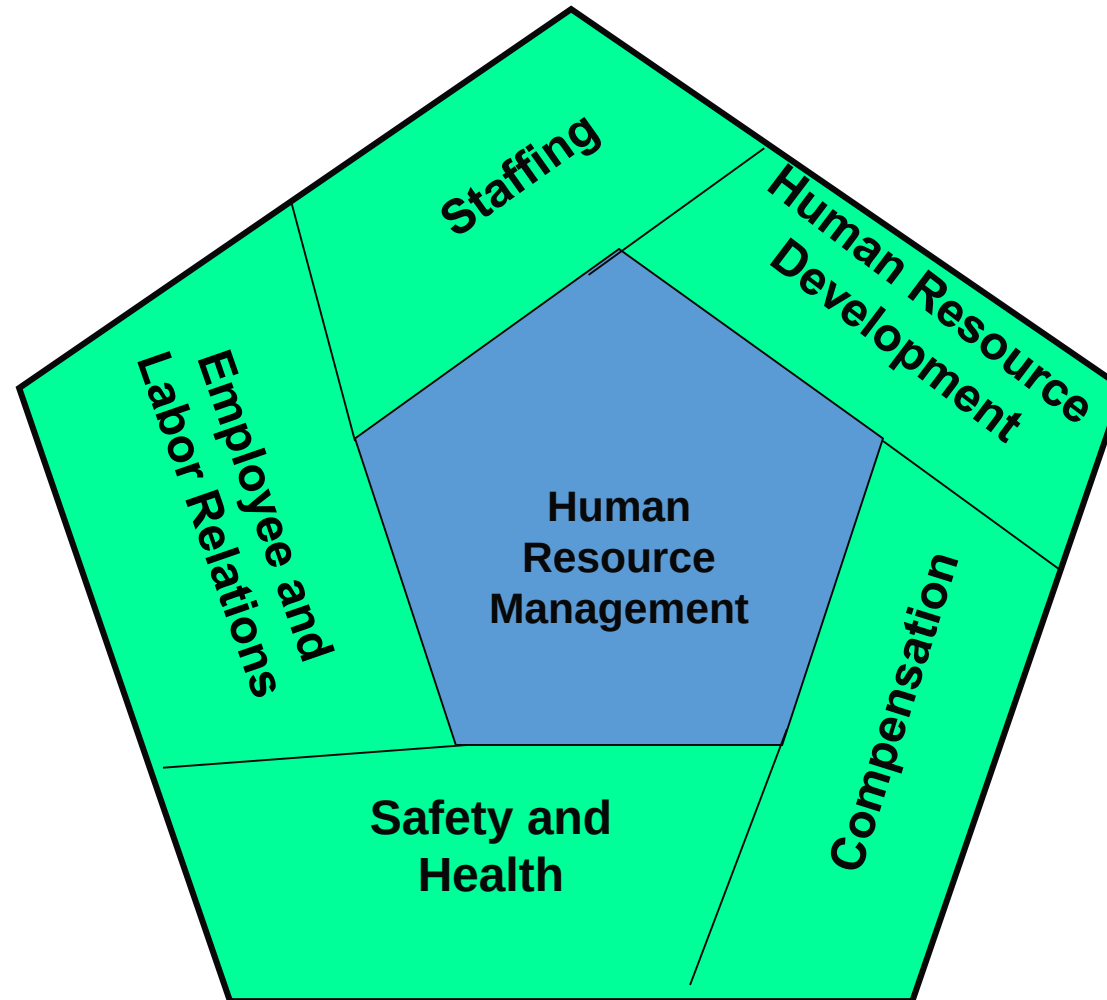
Larger Organizations

- ✓ As the organization grows a separate human resource unit becomes a necessity.
- ✓ When an organization reaches 200 to 250 employees, it generally establishes a self-contained human resource department.
- ✓ As the organization continues to grow the human resource department grow as well into specialized departments.

Smaller Organizations

- ✓ Small organizations still use operating managers to handle their basic human resource functions.
- ✓ Small independent businesses are generally operated in the same way as small organizations.
- ✓ Very small organizations are exempt from many legal regulations.

Human Resource Management Functions



1-Staffing

- ☐ **Job Analysis**
- ☐ **Human Resource Planning**
- ☐ **Recruitment**
- ☐ **Selection**

Staffing (Cont.)

- ❖ **Staffing** - Process through which organization ensures it always has proper number of employees with appropriate skills in right jobs at right time to achieve organizational objectives
- ❖ **Job analysis** - Systematic process of determining skills, duties, and knowledge required for performing jobs in organization

Staffing (Cont.)

□ Recruitment

Process of attracting individuals on a timely basis, in sufficient numbers, and with appropriate qualifications, to apply for jobs with an organization

□ Selection

Process of choosing from a group of applicants the individual best suited for a particular position and the organization

Job Analysis

- **Job Analysis**-the act of examining positions within an organization
- **Job Description**-narrative explaining the scope of a position
- **Job Characteristics**-tasks involved in a position
- **Job Requirements**-personal characteristics necessary to fill a position

Human resource planning

Factors affecting human resource planning

- Changing goals of a business
- Changes in market
- Changes in technology

- Competition
- Population changes
- Trades unions
- Government legislation

Human Resource Planning

- ***HR Planning includes all activities managers do to forecast current and future HR needs:***

- ☐ Must be done prior to recruitment and selection
- ☐ Demand forecasts made by managers estimate the number & qualifications the firm will need.
- ☐ Supply forecasts estimate the availability and qualifications of current workers and those in the labor market.

HRM Planning: Outsourcing

□ *Outsourcing benefits :*

- managers can decide to contract with outside workers rather than hiring them.
- Outsourcing is more flexible for the firm.
- Outsourcing often provides human capital at a lower cost.

• *Outsource problems:*

- managers lose control over output.
- Outsource contractors are not committed to the firm.
- Unions typically are against outsourcing that has potential to eliminate member's jobs.

Recruitment

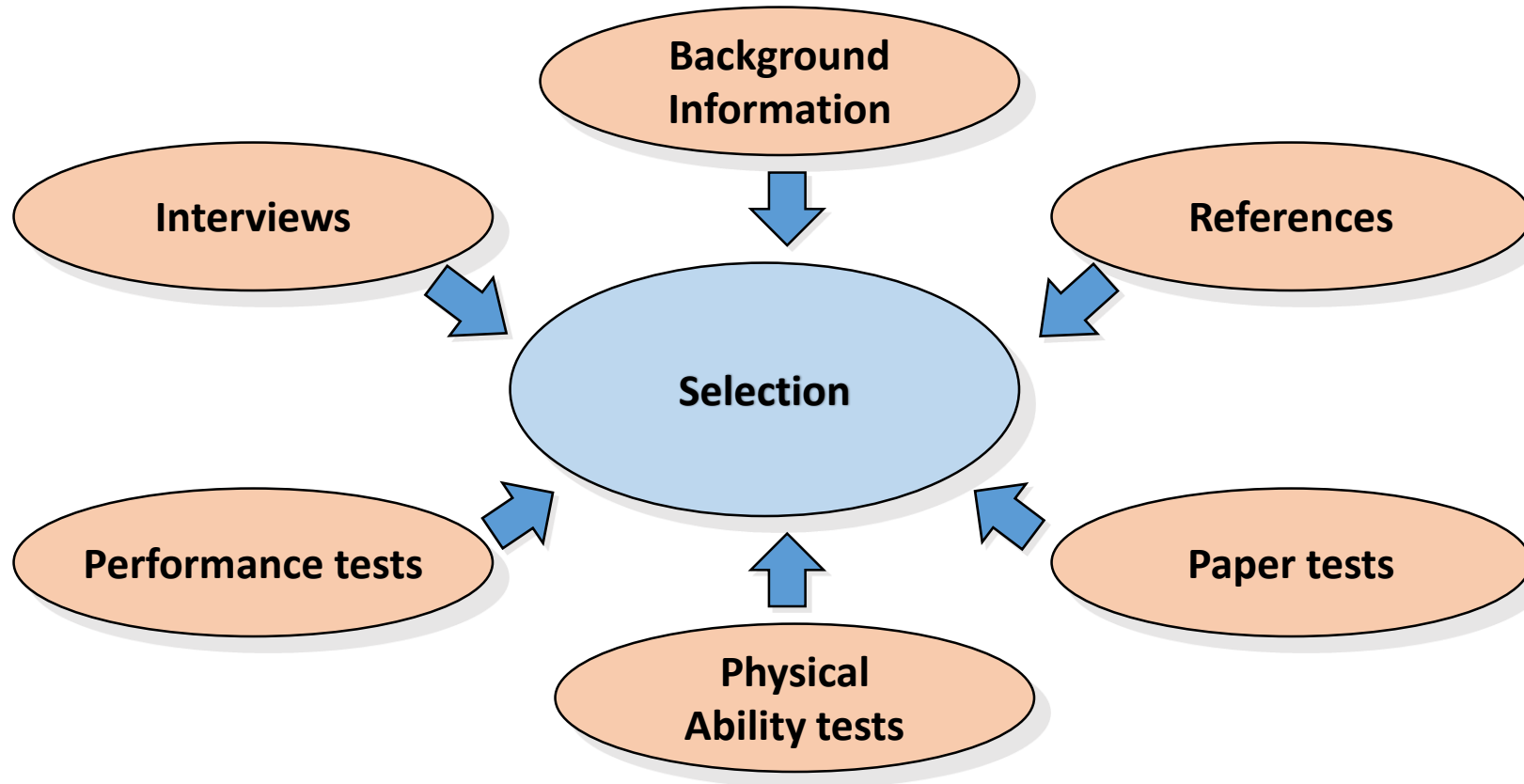
❑ **External recruiting:** managers look outside the firm for people who have not worked at the firm before.

- Managers advertise in newspapers, hold open houses, recruit at universities, and on the Internet.
 - External recruitment is difficult since many new jobs have specific skill needs.
 - A multi-prong approach to external recruiting works best.

❑ **Internal Recruiting:** positions filled within the firm.

- Internal recruiting has several benefits:
 - Workers know the firm's culture, may not have new ideas.
 - Managers likely already know the candidates.
 - Internal advancement can motivate employees.

Selection Tools



2-Human Resource Development

- Training**
- Development**
- Career Planning**
- Career Development**
- Organizational Development**
- Performance Management**
- Performance Appraisal**

Human Resource Development (Cont.)

- **Training** - Designed to provide learners with knowledge and skills needed for their present jobs
- **Development** - Involves learning that goes beyond today's job; it has more long-term focus
- **Career planning** - Ongoing process whereby individual sets career goals and identifies means to achieve them
- **Career development** - Formal approach used by organization to ensure that people with proper qualifications and experiences are available when needed
- **Organization development** - Planned process of improving organization by developing its structures, systems, and processes to improve effectiveness and achieving desired goals

Human Resource Development (Cont.)

- **Performance management** - Goal-oriented process directed toward ensuring organizational processes are in place to maximize productivity of employees, teams, and ultimately, the organization
- **Performance appraisal** - Formal system of review and evaluation of individual or team task performance

3- Compensation

Compensation

- ❑- All rewards that individuals receive as a result of their employment



Compensation cont..

- **Direct Financial Compensation** - Pay that person receives in form of wages, salaries, bonuses, and commissions.
- **Indirect Financial Compensation (Benefits)** - All financial rewards not included in direct compensation such as paid vacations, sick leave, holidays, and medical insurance.
- **Nonfinancial Compensation** - Satisfaction that person receives from job itself or from psychological and/or physical environment in which person works.

4- Safety and Health

*** Employees who work in safe environment and enjoy good health are more likely to be productive and yield long-term benefits to organization.**

✓ Safety - Involves protecting employees from injuries caused by work-related accidents

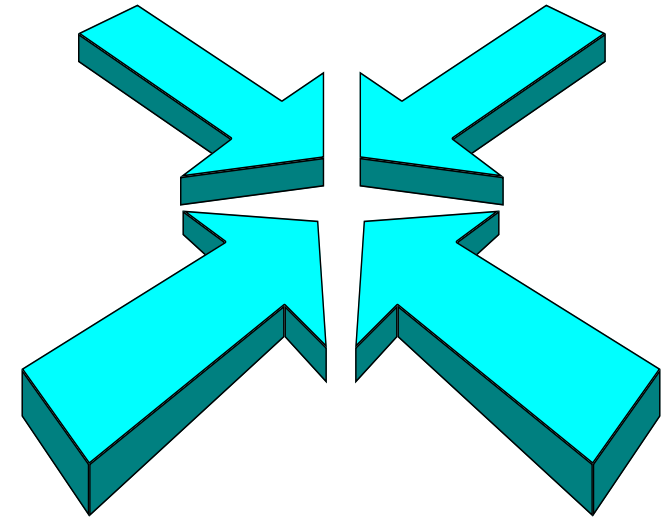
✓ Health - Refers to employees' freedom from illness and their general physical and mental well being

5-Employee and Labor Relations

- **Private-sector union membership has fallen from 39 percent in 1958 to 7.8 percent in 2005.**
- **Business is required by law to recognize a union and bargain with it in good faith if the firm's employees want the union to represent them**
- **Human resource activity is often referred to as industrial relations**
- **Most firms today would rather have a union-free environment**

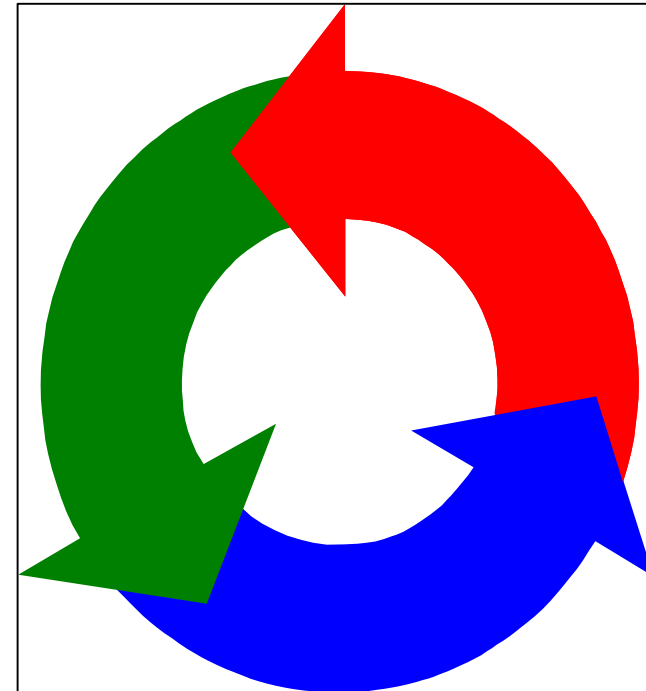
Human Resource Research

- ☐ Human resource research is not separate function.
- ☐ It *pervades* all HR functional areas.



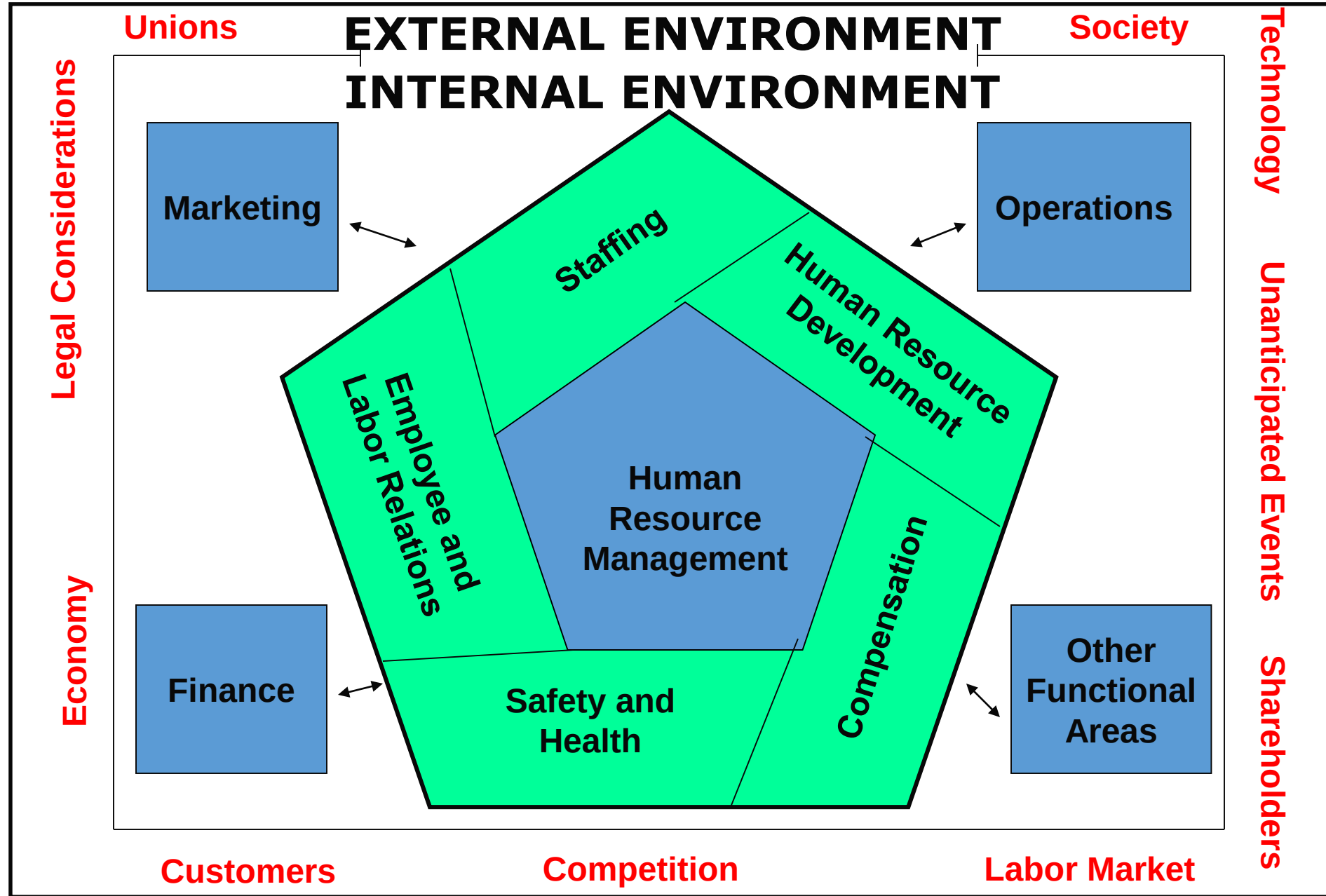
Interrelationships of HRM Functions

- ☐ All HRM functions are interrelated
- ☐ Each function affects other areas

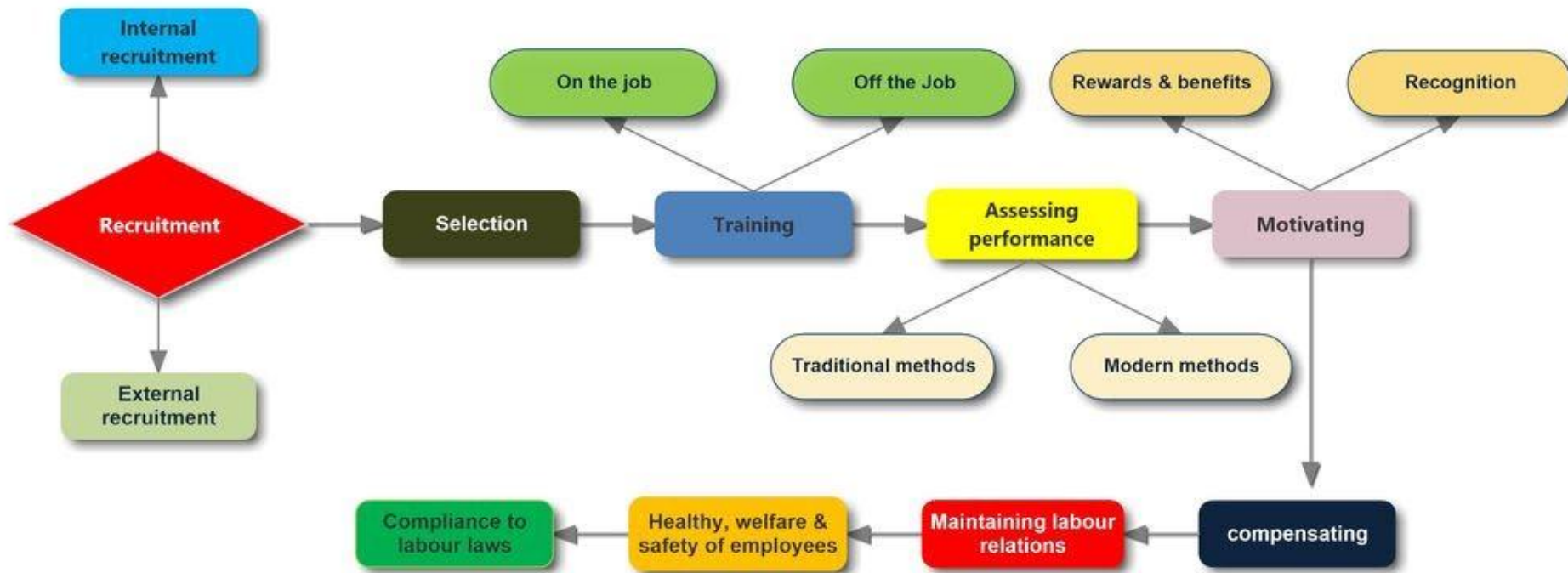


Dynamic Human Resource Management Environment

Environment of Human Resource Management



HRM Process



THANKS