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Human Resource Management

Introduction to HRM
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(Slide adapted from Wiley Lecturer Resources)


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Today:


- Introductions
- Unit Plan / Assessments / Expectations
- Seminar (Intro to HRM)

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Objectives

- Explain what is meant by human resource management (HRM)
- Understand the relationship between HRM and management
- Describe the HR manager's role
- Understand HR activities performed in organisations
- Explain the meaning of strategy
- Explain the meaning of Strategic HRM

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Objectives (cont'd)

- Describe a strategic approach to HRM
- Appreciate the strategic challenges facing HRM

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Some facts...

- 23% of the Australian workforce is employed in the knowledge and services sector
- 63% of job seekers say employers are not meeting their expectations
- Nearly 75% of Australian employees understand the function of HR, a third do not regard their HR departments as effective


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HRM and Management

- HRM is management, but management is more than HRM.
- HRM deals directly with people
- Management includes:
 - Marketing
 - Management Information Systems
 - Production
 - Research and Development
 - Accounting and Finance

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 HUMAN RESOURCE MANAGEMENT (HRM)


- The focus is on managing **people** within the employer–employee relationship.
- It involves the **productive use of people** in achieving the:
 - **organisation's** strategic business objectives, and
 - the satisfaction of **individual employee** needs.

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The big issues

- **Engage staff:** find ways to increase employee involvement and interest in their work.
- **Link to business strategy:** Ensure that any shortage creates an environment where finding the right people and prioritising their happiness is crucial.
- **Measure the contribution:** make certain that HR practice has tangible business benefits.
- **Avoid marginalisation:** find a balance between specialist HR skills and more generalist business skills.


What do you think?

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Best Employers:

- Look at Figure 1.1 (p4) of your text (Best Employers)
- How do each of these areas impact on HR?

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 **HR Myths**

- People go into HR because they like people
- Anyone can do HR
- HR deals with the soft side of business and is therefore not accountable
- HR focuses on costs that must be controlled
- HR's job is to be the policy police and the health and happiness patrol
- HR is full of fads

 **HR Myths**

- HR is staffed by nice people
- HR is HR's job

(see Figure 1.3 on page 6)


 **Approaches to HRM**

- **Instrumental (Hard)**
 - Stresses the rational, qualitative and strategic aspects of managing human resources. Performance improvement and competitive advantage highlighted.
- **Humanistic (Soft)**
 - Recognises the need for integration of policies but emphasises employee development, collaboration, participation, trust and informed choice.

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The Role of the HR Manager


- **Strategic partner**
 - Translate business strategy to action
- **HR functional expert**
 - Create value
- **Employee advocate**
 - Be the employees' voice
- **Change agent**
 - Catalyst for change
- **Talent Manager**
- **Organisational Ambassador**
- **Executive support**
- **Legal advisor**

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HRM Activities


- Job analysis
- Human resource planning
- Recruitment (Attraction)
- Selection
- Induction
- Performance appraisal
- Human resource development
- Career planning and development
- Change and culture transformation
- Managing diversity

Cont'd

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HRM Activities

- Health and safety programs
- Employee motivation
- Compensation and benefits
- Employee relations and/or industrial relations
 - *Employee relations* focuses on workplace relations and deals with employee attitudes and behaviour and the relationship between the organisation and its employees


 **Ethics and HRM**

- HR managers today are increasingly faced with complex, ambiguous and conflicting issues involving questions of morality and standards of behaviour.
- Some contentious issues:
 - Terminations, job insecurity, stress, monitoring employee email, use of child labour in developing countries, performance bonuses for top managers and job losses for those at the lower levels, etc.

Wistleblowers

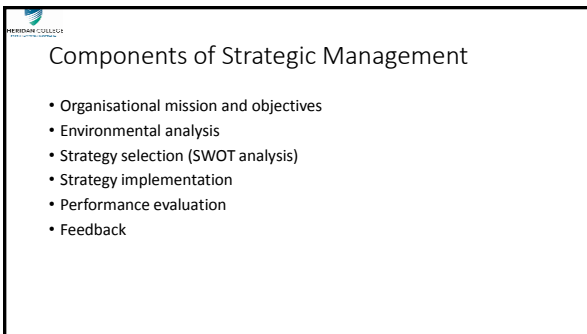
 **Factors That Influence Ethical Behaviour**

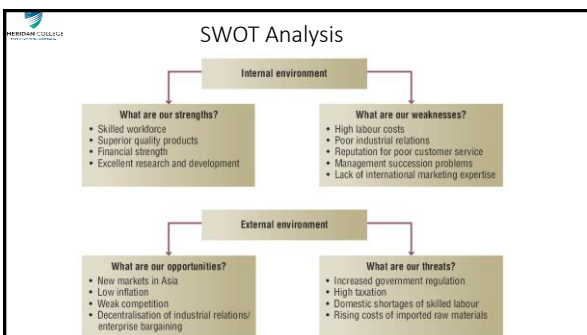
- Personality and national culture
- The situation and its importance to the individual
- Corporate culture and the existence of:
 - clear, unambiguous organisational policies and codes of conduct.

 **Strategy and Stakeholders**

- **Strategy** defines the direction in which an organisation intends to move and establishes the framework for action to get there.
- **Stakeholders** are individuals, groups or organisations that are affected by or have a vested interest in an organisation's policies or decisions.








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Types of Strategies

- Growth
- Retrenchment
- Stability
- A combination of growth, retrenchment and stability
- International strategies
 - A global strategy
 - A multidomestic strategy
 - A transnational strategy

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Aims of HRM Strategies

- Ensure business planning processes recognise that the ultimate source of value is people
- Ensure HR implications of proposals are taken into account in strategic planning
- Achieve a match between business objectives and the HR function
- Design and manage culture, climate, and organisational processes to retain good staff and ensure everyone does their job better


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Aims of HRM Strategies


- Identify the organisation's competencies and match people to these
- Ensure resourcing activities contribute to the development of competencies for now and later
- Assessing and satisfying performance requirements to meet business objectives
- Reviewing and building organisational commitment

 **Strategic HRM (SHRM)**

- Focuses on the linking of all HR activities with the organisation's strategic objectives
- SHRM objectives must accurately reflect the strategic objectives and values of the organisation.
- HR's objectives, policies and plans must be judged by how well they help achieve the organisation's strategic business objectives

 **Organisational and HR Strategic Objectives**

- Cost containment
- Customer service
- Organisational effectiveness
- Social responsibility
- Integrity

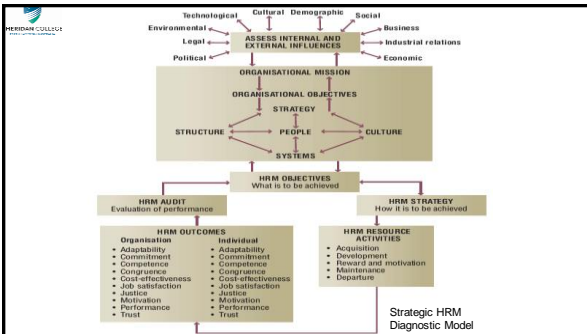
 **Strategic HRM Objectives and Activities**

Must:

- Be measurable
- Include deadline dates for accomplishment
- Identify and involve key stakeholders and HR customers to ensure the necessary collaboration
- Nominate the individuals or parties responsible for implementation


HR Policies — Purposes

- To reassure employees that they will be treated fairly and objectively
- To help managers to make quick and consistent decisions
- To give managers the confidence to resolve problems and to defend their decisions




Evaluating HRM Performance — Factors to Consider

- Adaptability
- Commitment
- Competence
- Congruence
- Cost-effectiveness
- Job satisfaction
- Justice
- Motivation
- Performance

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The HRM Challenge

- HR Managers need to:
 - be strategic contributors
 - show the true value of the HR function to the organisation
 - be the employees' voice
 - demonstrate professional competence
- HR Managers need to demonstrate the connection between HR, organisational performance and employee well being.

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Summary

- In the current environment HR managers need to:
 - Adopt a strategic approach
 - Be part of the top management team
 - Be involved in corporate planning
 - Develop business know-how
 - Become bottom line oriented
 - Develop a vision for HRM

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Summary

- The shift from an industrial society to an information society creates challenges for creating fair and just workplaces.
- Organisations must manage people differently if they are to survive the erosion of employee trust created by restructuring, downsizing, and work pressures.
- In the current world, the human resources of an organisation are its competitive advantage.

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