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Human Resource Management

Introduction to HRM
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(slides adapted from Wiley Lecturer Resource)

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1

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Today:

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


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2

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Welcome activity

- Open v closed Q?
- Consider things you want to find out about the other person
- Past behaviour (tell me about a time when...?)
- Situational (what would you do if....?)



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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


4

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Objectives (cont'd)

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


5

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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

6


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HRM takes place with contexts

- Economic
- Social
- Political
- Legal
- Technological and
- Organisational

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Balancing perspectives

- Senior Managers have a big picture perspective
- Line Mangers have an operational perspective
- Employees have there own individual perspectives

HR has a role in balancing these perspectives

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HRM is multi- disciplinary

Draws upon business and non business fields of knowledge

- Economics
- Management
- Law
- Ethics
- Behavioral Sciences

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9

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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
- Functions of Management (Planning, Leading, Organising and Controlling)

10


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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.

See the definition in your text – is this consistent?

11

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Definition in the text

- HRM is the formal process whereby people in an organization with the appropriate attributes (skills knowledge and attitudes) are managed to bring about optimal performance. (Nel, et. al., 2016, p4)

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12

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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?

13

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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

14

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HR Myths

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

(see Figure 1.3 on page 6)

15

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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.

16

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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**

17

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Think?

What are the main functions of HR?



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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

19

 **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

20

 **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

21

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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**.

22

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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.

23

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Examples of Stakeholder Interests

How do these areas impact on the organisation and HR?

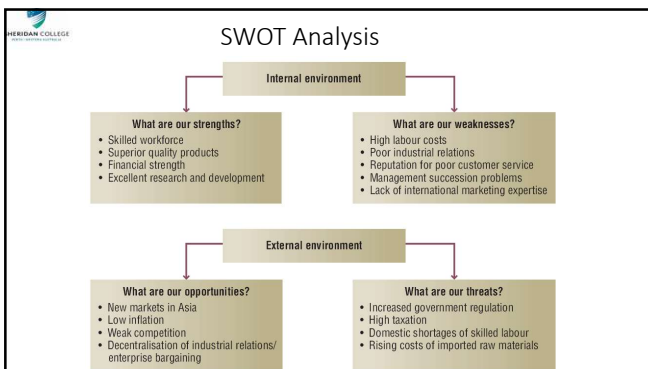
24

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Components of Strategic Management

- Organisational mission and objectives
- Environmental analysis
- Strategy selection (SWOT analysis)
- Strategy implementation
- Performance evaluation
- Feedback

25




26

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Types of Strategies

- **Growth**
- **Retrenchment**
- **Stability**
- A combination of growth, retrenchment and stability
- International strategies
 - A global strategy (multiple countries)
 - A multidomestic strategy (match national conditions)
 - A transnational strategy (global vision with customisation for local conditions)


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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**


29

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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


30

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Organisational and HR Strategic Objectives

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

31


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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

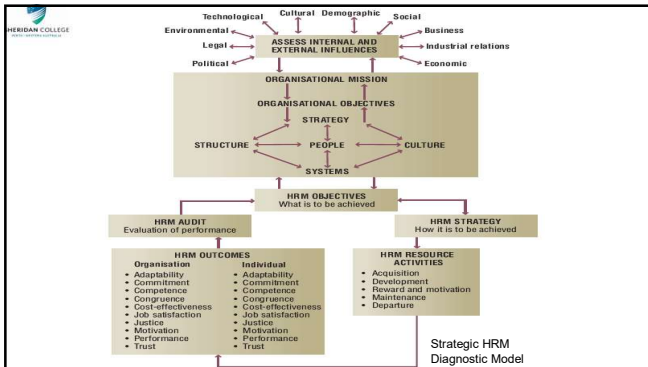
32

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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

33



34

Evaluating HRM Performance — Factors to Consider


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

35

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.**


36

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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**.

xx

38
