INTRODUCTION TO THE HUMAN RESOURCE MANAGEMENT
Learning outcomes

- Explain what human resource management is and how it relates to the management process.
- Show with examples 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.
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 Processes

- Acquisition
- Training
- Appraisal
- Compensation
- Labor Relations
- Health and Safety
- Fairness

Human Resource Management (HRM)
Personnel Aspects of a Manager’s Job

- Conducting job analyses
- 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
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
The bottom line of managing:

**Getting results**

- HR creates value by engaging in activities that produce the employee behaviors that the organization needs to achieve its strategic goals.

- Looking ahead: Using evidence-based HRM to measure the value of HR activities in achieving those goals.
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.
Line Managers’ HRM Responsibilities

1. Placing the right person on the right job
2. Starting new employees in the organization (orientation)
3. Training employees for jobs that are new to them
4. Improving the job performance of each person
5. Gaining creative cooperation and developing smooth working relationships
6. Interpreting the firm’s policies and procedures
7. Controlling labor costs
8. Developing the abilities of each person
9. Creating and maintaining department morale
10. Protecting employees’ health and physical condition
Human Resource Managers’ Duties

Functions of HR Managers

- **Line Function**
  - Line Authority
  - Implied Authority

- **Coordinative Function**
  - Functional Authority

- **Staff Functions**
  - Staff Authority
  - Innovator/Advocacy

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FIGURE 1–1

Human Resources Organization Chart for a Large Organization
Human Resources Organization Chart for a Small Company
Human Resource Specialties

- Recruiter
- Labor relations specialist
- Training specialist
- Compensation manager
- EEO coordinator
- Job analyst
New Approaches to Organizing HR

New HR Services Groups

- Transactional HR group
- Corporate HR group
- Embedded HR unit
- Centers of Expertise
Trends Shaping Human Resource Management

- Globalization and Competition Trends
- Technological Trends
- Workforce and Demographic Trends
- Economic Challenges and Trends
- Indebtedness ("Leverage") and Deregulation
- Trends in the Nature of Work

Trends in HR Management

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**Trends Shaping Human Resource Management**

**Trends**
- Globalization
- Increased competition
- Deregulation and increased indebtedness
- Technological innovation
- More high-tech jobs
- More service jobs
- More knowledge work
- An aging workforce
- Dramatic economic downturn starting in 2007/2008
- De-leveraging plus a likely slowdown in deregulation and globalization
- Slower economic growth in many countries

**So Companies Must Be**
- More competitive
- Faster and more responsive
- More cost-effective
- Human-capital oriented
- Quality conscious
- Down sized
- Organized flatter (fewer layers)
- Organized around empowered teams
- Leaner
- More fiscally conservative
- More scientific in how they make decisions

**Employers Will Therefore Expect from HR Management That They**
- Focus more on big picture issues such as helping the company achieve its strategic goals
- Find new ways to provide transactional services such as benefits administration
- Create high-performance work systems
- Take steps to help the employer better manage challenging times
- Formulate practices and defend its actions based on credible evidence
- Manage ethically
- Have the proficiencies required to do these things—for instance, a command of strategic management and financial budgeting
Employment Exodus

Percent of employers who said they planned as of 2008 to offshore a number of these jobs.
Trends in the Nature of Work

Changes in How We Work

- High-Tech Jobs
- Service Jobs
- Knowledge Work and Human Capital
<table>
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<tbody>
<tr>
<td>Age: 16–24</td>
<td>19.8%</td>
<td>15.8%</td>
<td>14.8%</td>
<td>12.7%</td>
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<tr>
<td>25–54</td>
<td>67.5</td>
<td>72.3</td>
<td>68.4</td>
<td>64.6</td>
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<tr>
<td>55+</td>
<td>12.6</td>
<td>11.9</td>
<td>16.8</td>
<td>22.7</td>
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<td>White, non-Hispanic</td>
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<td>75.3</td>
<td>69.1</td>
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<td>Black</td>
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<td>11.3</td>
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<tr>
<td>Asian</td>
<td>2.9</td>
<td>4.3</td>
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<tr>
<td>Hispanic origin</td>
<td>6.9</td>
<td>9.5</td>
<td>13.7</td>
<td>16.4</td>
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Workforce and Demographic Trends

Trends Affecting Human Resources

- Demographic Trends
- Generation “Y”
- Retirees
- Nontraditional Workers
Important Trends in HRM

- The New HR Managers
- High-Performance Work Systems
- Managing Ethics
- HR Certification
- Evidence-Based HRM
- Strategic HRM
Meeting Today’s HRM Challenges

The New Human Resource Managers

Focus more on “big picture” (strategic) issues

Find new ways to provide transactional services

Acquire broader business knowledge and new HRM proficiencies
### Some Technological Applications to Support HR

<table>
<thead>
<tr>
<th>Technology</th>
<th>How Used by HR</th>
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<tbody>
<tr>
<td>Application service providers (ASPs) and technology outsourcing</td>
<td>ASPs provide software application, for instance, for processing employment applications. The ASPs host and manage the services for the employer from their own remote computers</td>
</tr>
<tr>
<td>Web portals</td>
<td>Employers use these, for instance, to enable employees to sign up for and manage their own benefits packages and to update their personal information</td>
</tr>
<tr>
<td>Streaming desktop video</td>
<td>Used, for instance, to facilitate distance learning and training or to provide corporate information to employees quickly and inexpensively</td>
</tr>
<tr>
<td>Internet- and network-monitoring software</td>
<td>Used to track employees’ Internet and e-mail activities or to monitor their performance</td>
</tr>
<tr>
<td>Electronic signatures</td>
<td>Legally valid e-signatures that employers use to more expeditiously obtain signatures for applications and record keeping</td>
</tr>
<tr>
<td>Electronic bill presentment and payment</td>
<td>Used, for instance, to eliminate paper checks and to facilitate payments to employees and suppliers</td>
</tr>
<tr>
<td>Data warehouses and computerized analytical programs</td>
<td>Help HR managers monitor their HR systems. For example, they make it easier to assess things like cost per hire, and to compare current employees’ skills with the firm’s projected strategic needs</td>
</tr>
</tbody>
</table>

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Effects CFOs Believe Human Capital Has on Business Outcomes

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Increase productivity and performance by:
- Recruiting, screening and hiring more effectively
- Providing more and better training
- Paying higher wages
- Providing a safer work environment
- Linking pay to performance
Evidence-Based HRM

Providing Evidence for HRM Decision Making

- Actual measurements
- Existing data
- Research studies
Managing Ethics

- **Ethics**
  - Standards that someone uses to decide what his or her conduct should be

- **HRM-related Ethical Issues**
  - Workplace safety
  - Security of employee records
  - Employee theft
  - Affirmative action
  - Comparable work
  - Employee privacy rights
HR Certification

- HR is becoming more professionalized.
- Society for Human Resource Management (SHRM)
  - SHRM’s Human Resource Certification Institute (HRCI)
    - SPHR (Senior Professional in HR) certificate
    - GPHR (Global Professional in HR) certificate
    - PHR (Professional in HR) certificate
HRM is the responsibility of every manager.

The workforce is becoming increasingly diverse.

Current economic challenges require that HR managers develop new and better skills to effectively and efficiently deliver and manage HR services.

The intensely competitive nature of business today means human resource managers must defend their plans and contributions in measurable terms.
Key terms

- organization
- manager
- management process
- human resource management (HRM)
- authority
- line authority
- staff authority
- line manager
- staff manager
- functional authority
- globalization
- human capital