Human Resource Management Notes

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Week 1 Strategy

What is HRM

HRM is Managing people within the employer employee relationship. It involves the productive use of people in achieving the organizations business objectives and satisfaction of individual employee needs

Contrast the hard and soft models of HRM

Hard approach (Instrumental HRM)

- stresses the rational, quatitative and strategic aspects performance improvement and competitive advantage are highlighted

Opposite end of spectrum

Soft approach (Humanistic HRM)

- emphasises the integration of HR policies and practices with strategic business objectives but also acknowledges employee development, collaboration, participation and trust.

Approaches to HRM

2 Approaches – instrumental and humanistic

Instrumental- Stresses the rational, quantitative and strategic aspect of managing human resources. Performance improvement and improved competitive advantage are highlighted.

- Decision-making is quicker
- More cost effective workforce
- Managers are in control of duties and responsibilities of employees
- Employees are treated as a resource of the business
- Minimal communication from the top down
- Little empowerment
- Pays little focus on needs of employees
- Based on performance management
- Suits autocratic leadership style

Emphasis to integrate HR policies and practices with the organisations business strategy

***Cons** of the approach – May suffer from higher absenteeism and staff turnover*

Humanistic- Recognises the need for the integration of HR policies and practices with the organisations strategic objectives, but places emphasis on employee development collaboration, participation, trust and informed choice.

- Suits democratic leadership style
- Two-way communication
- Concentrate on the needs of the employees -roles, rewards, and motivation
- Employees treated as most important resource in the business
- Customers are a form of Competitive advantage

Emphasises on the integration of HR policies and practices with strategic business objectives- recognises that competitive advantage is achieved by employees with superior know how, commitment, job satisfaction, adaptability and motivation.

Employees are seen as proactive contributors to the organisations strategic business objectives rather than as passive units to be allocated rationally along with any other factor of production.

Aim *of soft approach – To generate resourceful employees through HRM*
Cons *of the approach – Costly, time consuming, employees are responsible for own duties and self-direction, may incline more human errors in production*

Different factors that contribute to an employee's motivation to work

- Obligation
- Life activity
- Conscientious endeavour
- Disciplined compliance

Describe what is meant by the concept of the psychological contract

Psychological contract – never written down but expectations we form based on what we know of the company/Safe work environment/Helping to gain and improve skills

Describe the HR manager's role

Plan, direct, and coordinate the administrative functions of an organization. They oversee the recruiting, interviewing, and hiring of new staff; consult with top executives on strategic planning; and serve as a link between an organization's management and its employees
8 Key roles:

Strategic partner
- Contribute to strategy development
- Participate in strategy execution

Legal advisor
- Ensure legal compliance re HR activities
- Monitor legal hazard risk
- Raise ethical and governance issues

HR functional expert
- Speak and act with authority on HR issues
- Create value
- Measure HR performance re its efficiency and effectiveness

Board and senior executive resource counsellor
- Confident
- Coach
- Adviser
- Senior appointments
- Hr Trends

Employee advocate
- Understand employee needs and point of view
- Act as employee voice in management decision making

Talent manager
- Attract, develop and retain core employees
- Identify and track high performers not currently employed by the organisation
- Manage data on local and international talent to be employed on project teams
- Act as talent spotter/scout

Change and cultural transformation catalyst

- Initiate and monitor change and cultural transformation
- Promote and audit employee engagement
- Promote a high performance culture

Organisation ambassador

- Represent organisation in a competent and professional manner
- Market HR to the rest of the organisation

Understand the HRM activities performed in organisations

- Job analysis: Defines a job in terms of specific tasks and responsibilities and identifies the abilities, knowledge, skills and qualifications needed to perform it successfully.
- Recruitment & Selection: Process of seeking and attracting a pool of applicants from which qualified candidates for job vacancies within an organisation can be selected. Moreover involves choosing from the available candidates the individual predicated to be most likely to perform successfully in a job
- Performance appraisal: Concerned with determining how well employees are doing their jobs, communicating the information to the employees and establishing a plan for performance improvement. Also involves linking rewards to appraisal, identifying training, development needs and making placement decision.
- Human resource planning or employment planning: Process by which an organisation attempts to ensure that it has the right number of qualified people in the right jobs at the right time.
- Career planning and development: Identifying employee career goals, possible future job opportunities and personal improvement requirements
- Change and cultural transformation: Inevitable results of globalization, new technology and competitive pressures forcing organisations and employees to become more innovative and more flexible, more skilled and more productive.
- Industrial relations: Takes a broader perspective involving industrial tribunals trade unions employer associations and governments and their roles in the making of rules governing the employer
- Health and safety compliance: Help guarantee the physical and mental wellbeing of employees. Organisations are required to provide a safe work environment free from physical hazards and unhealthy conditions
- Employee motivation: Highly motivated employees tend to be more productive and have lower rates of absenteeism, turnover and lateness.
- Management of diversity: Successfully integrate Australia's multicultural population into the workforce
- Remuneration and benefits: Refers to cash rewards such as base pay, bonuses, incentive payments and allowance which employees receive for working in an organisation. Morover benefits refer to indirect payments such as super, insurance, sick leave, annual leave and maternity leave

Explain the meaning of strategy

"Defines the direction in which an organisation intends to move and establishes the framework for action by which it intends to get there..."

Describe and explain the meaning of, and process of strategic human resource management

THe process whereby managers establish an organisation's long- term direction, set specific performance objectives, develop strategies to achieve these objectives in the light of all the relevant internal and external circumstances and undertake to execute the chosen action plans'.

Process- Strategy formulation refers to a broad set of activities that includes:

- deciding an organisation's mission
- analysing its internal and external environment
- choosing a business strategy which 'integrates an organisation's major goals, policies and action sequences into a cohesive whole' (Noe et al. 1997, p. 41)
- company implements the strategy by developing functional strategies and policies that support, or 'fit' the business strategy (e.g. organisational structure, task design, organisational culture, and HR strategies in areas such as staffing and rewarding and so on)
- organisation must then monitor its performance against the business strategy.

Why is strategic human resource management important?

3 resources are used in the pursuit of organisational objectives

- Finances
- Technology
- People

People = largest, most unpredictable, ongoing cost factor in any organisation

People in the result are managed effectively and strategically because they are the biggest competitive advantage against other companies and how we train them influence their performance and achieving company objectives.

Most organisations wages bill is there largest cost we can miss manage labour force it can cost the company a lot more having a detrimental effect

Seminar Questions

What is HRM? What is its importance to the organisation? To employees? What is the psychological contract?

- managing people (strategically) within the employee/employer relationship
- using these resources to achieve organisation goals
- keeps org in line with current legislation- increase motivation and productivity
- psychological contract is the unspoken expectations of the employee incl. job security, flexible hours, safe working environment

What do you see as the most important role of the HR Manager? Why? Are all managers HR Managers?

- legal advisor and employee advocate
- want a manager that is an employee voice in decision making- employee input
- want a manager that is compliant with legislation- work health and safety
- no most important role of the hr manager
- yes all managers are hr managers

What do you think will be the two most significant challenges facing HR managers in the next five years? Explain.

- shaping position of the business on social areas- to be considered an employer of choice

- dealing with employee disputes- sexual harassment in the work place- discrimination- equality