

HRM NOTES

WEEK 1

INTRODUCTION TO HRM

About getting competitive advantage.

At work HR comprises of:

1. HR philosophy
2. HR strategies
3. HR policies
4. HR processes
5. HR practices
6. HR programmes

E.G Holden – employees still have jobs even when Holden leaves Australia.

HUMAN RESOURCE MANAGEMENT IS:

- “HRM refers to **policies, practices and systems** that influence employees’ **behaviour, attitudes and performance**”
- ...Directly mainly at **management needs** for **human resources** (not necessarily employees) to be provided and deployed...it is totally **identified with management interests** and is relatively distant from the workforce as a whole.”

“HR resources is a crucial point of intersection between the broader society and business.”

“HR is the **driving force** behind what makes a winning team. We make the argument that the team that fields the best players wins. HR’s involved in making the best players.”

Objectives: Measureable targets to be achieved within a certain time frame. HR comprises of philosophy, strategies, policies, processes, practices and programmes.

- HRM aims to strategically integrate the interests of an organisation and its employees.
- It is a key position to affect customers, business results and shareholder value.

- HRM is either part of the problem or part of the solution in gaining the productive contribution of people.
- Leading companies realize that human capital is a valuable resource to maximize – focusing on selecting, developing and rewarded top talent and encouraging teamwork.

Management: The art of getting things done through people.

What is involved in HR?

- Workforce design and analysis
- HR Planning
- Employee attraction
- Recruitment and selection
- Performance management
- Reward management
- Training and development
- Employee relations and legal compliance

Academic perspective on HRM

- Much HRM thought is based on **unitarist assumptions** (shared goals) – all employees working to the same goal.
- Although we need to be aware that this may not be the case as employer/employee goals may be divergent (**pluralist assumptions**)
- **Strategic** in that it contributes to **firm competitive advantage** by 'adding value' through employee motivation and performance
- Responsive to **employee needs** as well as organisation outcomes – Why do organisations have to look after day care/maternity leave/food/health?

Important concepts that underpin our understanding of HRM

- *Conflict (between employers and employees)* – should there be conflict? There should, as you need conflict to perform. E.g. Conflict of time. Organisations like to turnover staff as it creates conflict between new and old staff, and makes new ideas.
- *Unitarism (shared goals)* – building trust, building commitment.
- Pluralism (divergent goals)
- Control (Hard HRM)
- *Commitment (Soft HRM)* – Google offering to freeze female employee eggs, to 'get the most of them'.
- HR activities/functions

Approaches to HRM

Instrumental (Hard) – Human resource is like any other resource

- Can measure employee performance
- Stresses the rational, quantitative and strategic aspects.
- Performance improvement and competitive advantage are highlighted.

****** Stresses the rational, quantitative and strategic aspects of managing human resources. Performance improvement and improved competitive advantage are highlighted.

HR is like any other resource

Important to the hard approach to HRM to integrate HR policies and practices with organisation's business strategy, with emphasis to HRM. The hard approach clearly risks creating industrial conflict.

Humanistic (Soft) – People should be valued and treated well

- Emphasises the integration of HR policies and practices with strategic business objectives but
- Also acknowledges employee development, collaboration, participation and trust.
- Organizations that do this well are well performing.
- About trust and development. All about doing all you can to help and keep your employees if they excel.

****** Recognizes the need for the integration of HR policies and practices with the organisation's strategic objectives, but place emphasis on employee development, collaboration, participation, trust and informed choice.

People should be valued and treated well

Emphasizing the integration of HR policies and practices with strategic business objectives recognizes that competitive advantage is achieved by employees with motivation and commitment and job satisfaction.

Apple and Google are of both of these approaches.
Richard Branson at Virgin uses a soft approach.

Role of HR Manager

- HR Managers have a diversity of roles within an organisation.