



Human Resource Management (Units 3 & 9)

LESSON 1

MAY 15, 2018

DEFINING HUMAN RESOURCE MANAGEMENT: **RECAP**

How would you define Human Resources
Management (HRM)?



OTHER DEFINITIONS

- HRM refers to the policies, practices and systems that influence employees' behaviour, attitudes and performance. (Noe et al., 2000)
- Human Resource Management involves overseeing all things related to managing an organization's human capital. It involves developing and administering programs that are designed to increase the effectiveness of an organization or business. It includes the entire spectrum of creating, managing, and cultivating the employer-employee relationship. (Humanresourcesedu.org, 2017)
- The process of recruitment, selection of employee, providing proper orientation and induction, providing proper training and developing skills, assessment of employee (performance appraisal), providing proper compensation and benefits, motivating, maintaining proper relations with labour and trade unions, maintaining employees safety, welfare and health by complying with labour laws of concern state or country (Whatishumanresource.com, n.d.).

Workforce Planning

- Workforce planning is the process an organization uses to analyze its workforce and determine the steps it must take to prepare for future staffing needs. In workforce planning, an organization conducts a systematic assessment of workforce content and composition issues and determines what actions must be taken to respond to future needs. The actions to be taken may depend on external factors (e.g., skill availability) as well as internal factors (e.g., age of the workforce). These factors may determine whether future skill needs will be met by recruiting, by training or by outsourcing the work.

Whether handled separately or as part of the business plan, workforce planning involves working through four issues:

- The composition and content of the workforce that will be required to strategically position the organization to deal with its possible futures and business objectives.
- The gaps that exist between the future "model" organization(s) and the existing organization, including any special skills required by possible futures.
- The recruiting and training plans for permanent and contingent staff that must be put in place to deal with those gaps.
- The determination of the outside sources that will be able to meet the skill needs for functions or processes that are to be outsourced.

OPM's Workforce Planning Model (continued)





OPM's Model Explained

Step 1: Set Strategic Direction

- This step involves linking the workforce planning process with the agency's strategic plan, annual performance/business plan, and work activities required to carry out the goals and objectives of the strategic plan (long term) and performance plan (short term).

Step 2: Analyze Workforce, Identify Skill Gaps, and Conduct Workforce Analysis

This step involves:

- Determining what the current workforce resources are and how they will evolve over time through turnover, etc.
 - Developing specifications for the kinds, numbers, and location of workers and managers needed to accomplish the agency's strategic requirements.
 - Determining what gaps exist between the current and projected workforce needs.
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OPM's Model Explained

Step 3: Develop Action Plan

- This step involves the identification of strategies to close gaps, plans to implement the strategies, and measures for assessing strategic progress. These strategies could include such things as recruiting, training/retraining, restructuring organizations, contracting out, succession planning, technological enhancements, etc.

Step 4: Implement Action Plan

This step involves ensuring that human and financial resources are in place, roles are understood, and the necessary communication, marketing, and coordination is occurring to execute the plan and achieve the strategic objectives.



OPM's Model Explained

Step 5: Monitor, Evaluate, and Revise.

This step involves monitoring progress against milestones, assessing for continuous improvement purposes, and adjusting the plan to make course corrections and to address new workforce issues.

Ways Workforce Planning Can Enhance a Firm's Competitive Advantage

- RECRUITMENT
- BENEFITS & COMPENSATION
- ENSURING LEGAL COMPLIANCE
- PROFESSIONAL DEVELOPMENT
- PERFORMANCE MEASUREMENT



Recruitment & Selection

- RECRUITMENT – This can be defined as searching for and obtaining a pool of potential candidates with the desired knowledge, skills and experience to allow an organization to select the most appropriate people to fill job vacancies against defined position descriptions and specifications.
- SELECTION - Once a pool of candidates has been identified through the recruitment process the most appropriate candidate, or candidates are identified through a selection process including but not limited to interviewing, reference checking and testing.

Benefits & Compensation

- Benefits are forms of value, other than payment, that are provided to the employee in return for their contribution to the organization.
- **What are the main types of employee benefits?**
- Compensation is payment to an employee in return for their contribution to the organization, that is, for doing their job.
- **What are the most common forms of employee compensation?**

Ensuring Legal Compliance

- Ensuring legal compliance with labor and tax law is a vital part of ensuring the organization's continued existence. The federal government as well as the state and local government where the business operates impose mandates on companies regarding the working hours of employees, tax allowances, required break times and working hours, minimum wage amounts and policies on discrimination. Being aware of these laws and policies and working to keep the organization completely legal at all times is an essential role of human resources.
- **What policies can an organization put in place to ensure legal compliance?**

Company Legal Compliance Checklist

- To Ensure Compliance with Employment Laws

1. Abide by fair employment practices; no discrimination on the basis of race, sex, religion, or national origin.
2. Maintain an employee handbook with protective policies against discrimination and sexual harassment.
3. Meet wage standards.
4. Ensure Lawful Termination of Employees
5. Appropriately classify each employee as either an employee or an independent contractor.

See full list online here: <https://jux.law/company-legal-compliance-checklist-ensure-your-business-is-legal/>



Professional Development

- Closely related to training is HR's function in professional development. But whereas training needs are centered around the organization's processes and procedures, professional development is about providing employees with opportunities for growth and education on an individual basis. Many human resource departments offer professional development opportunities to their employees by sponsoring them to visit conferences, external skills training days or trade shows. The result is a win-win: it helps the employee feel like she is a vital and cared-for part of the team and the organization benefits from the employee's added skill set and motivation.



Performance Management

Performance management is a process by which managers and employees work together to plan, monitor and review an employee's work objectives and overall contribution to the organization. More than just an annual performance review, performance management is the continuous process of setting objectives, assessing progress and providing on-going coaching and feedback to ensure that employees are meeting their objectives and career goals.

Performance Management is most often done through the use of a Performance Appraisal. A performance appraisal is a method by which the job performance of an employee is documented and evaluated.

Major HR Management Activities

- **Strategic HR Planning and Analysis**

Strategic HR management is defined as “integrating human resource management strategies and systems to achieve the overall mission, strategies, and success of the firm while meeting the needs of employees and other stakeholders” (HRCouncil, n.d.).

- **Equal Employment Opportunity (EEO)**

Equal employment opportunity (EEO) means freedom from discrimination on the basis of protected classes such as race, color, sex, national origin, religion, age, disability or genetic information.

- **Selecting and Hiring Employees**

- **Health, Safety & Security**

See more here: <http://hrmpractice.com/activities-of-hrm/>



Best Practice vs Best Fit

When we think of **BEST PRACTICE** in HR we think of academically researched, industry benchmarked, and high profile case studies that promise success. Best Practice assumes that there is one ultimate practice better than the rest, a one size that fits all.

On the other hand, **BEST FIT** is a tailored, bespoke or “best fit” approach that takes into account the unique organizations characteristics such as goals, culture and processes that can leverage relevant aspects of Best Practice.

Both theories aim to achieve high performance in organizations. Sparrow and Hiltrop (1994) claim that these models could be classified as 'matching models' because their common aim is to match the human resources strategy with that of the corporation.



SOFT AND HARD HRM

Hard HRM

- Treats employees simply as a resource of the business (like machinery & buildings)
- Strong link with corporate business planning – what resources do we need, how do we get them and how much will they cost

Key features

Short-term changes in employee numbers (recruitment, redundancy), Minimal communication, from the top down, Pay – enough to recruit and retain enough staff (e.g. minimum wage), Little empowerment or delegation, Appraisal systems focused on making judgements (good and bad) about staff (suits autocratic leadership style)

Soft HRM

- Treats employees as the most important resource in the business and a source of competitive advantage
- Employees are treated as individuals and their needs are planned accordingly

Key features

Strategic focus on longer-term workforce planning, Strong and regular two-way communication, Competitive pay structure with suitable performance-related rewards (e.g. profit share, share options), Employees are empowered and encouraged to seek delegation and take responsibility, Appraisal systems focused on identifying and addressing training and other employee development needs (suits democratic leadership style)

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Functions of HRM

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HRM Activities

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Strategic HR Planning

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Training

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OPM's Workplace Planning Model

- <https://www.opm.gov/policy-data-oversight/human-capital-management/reference-materials/strategic-alignment/workforceplanning.pdf>