

# Hrm basics



HRM BASICSCo are discovering that being socially responsible both domestically and abroad helps the bottom line and prospective workers are saying corporate responsibility is now more important to their job selection.

One of HR??™'s leadership roles is to spearhead the development and implementation of corporate citizenship throughout their organizations.

Corporate social responsibility (good citizenship) is the responsibility of the firm to act in the best interests of the people and communities affected by its activities. In Global market: they have to balance a complicated set of issues related to different geographies, including different cultures, employment laws, and business practices. The better is to be informed about global job opportunities and are willing to pursue them. Measuring the knowledge and skill base of international workers and figuring out how best to hir and train them, dealing with the materials that must be translated into a number of different languages, relocating managers and other workers to direct the efforts of an international workforce, implementing training programs and enhancing their firms??™ managers understanding of other cultures and practices, pay differentials that must be adjusted.

Technology: HR Information System: ? A way for loweing administrative costs, increasing productivity, speeding up response times, and improving DM and service to managers and employees. ? Automating payroll processing, maintaining employee records, and administering benefits programs. ? Allow managers to access and change their own benefits and other personal info. ? Enable line managers and employees to enter, retrieve, and edit data in order to make better decisions faster. ? To recruit,

screen, and pretest applicants online before hiring them as well as to train, track, and promote employees once they are hired.

? On hiring-by tracking applicants info, scanning resumes, and making the info immediately accessible to line managers. ? Employees can look online to see their own goals and mark their progress as well as see everyone else??™s goals in the command chain. And they align their personal goals with the org overall objectives in order to reach higher levels. How is implemented: assessment 1.

fit of the application to the firm??™s employee base: appropriateness, security, accessibility. 2. ability to upgrade or customize the software: 3. Compatibility with current systems: linkage to existing or planned easily and inexpensively 4. User friendliness: help and easy 5.

Availability of technical support: internally or vendor 6. Time required to implement and train staff 7. Initial cost and maintenance: Change management: In highly competitive environments, where completion is global and innovation is continuous, being able to manage change has become a core competency sought by organizations.

A. responsibility change B. job assignments change C. work processes change D. continuous rather than temporary  
 Reactive change: Change that occurs after external forces have already affected performance | Proactive change: Change initiated to take advantage of targeted opportunities ||  
 Formal change management programs help to keep employees focused on the success of the business.

| Why change 1. Not establishing a sense of urgency 2. Not creating a powerful coalition to guide the effort 3. lacking of vision 4. lacking leaders who communicate the vision 5. Not removing obstacles to the new vision or motivating employees 6. No short term Wins 7. declaring victory too soon 8.

Not having changes in the corporate culture How change 1. Executives and managers have to envision the future 2. communicate the vision to empee 3. set clear expectations for performance 4. develop the capability to execute by reorganizing people and reallocating assets 5. link change to the business strategy 6. engage key employee, customers, and their suppliers early 7.

integrate required behavior changes 8. need to sell commitment to the change, not communication about the change. Managing Human capital or talent The employee not the org own human capital. Staffing: focus on identifying, recruiting, and hiring the best and the brightest talent available. Training: complement this staffing practices to provide skill enhancement, particularly in areas that cannot be transferred to another co if an employee leaves. How ? Providing employees with developmental assignments and ensuring their job duties and requirements are flexible enough to allow them to grow and learn.

? Find ways to using the knowledge that currently exists within their firms. ?

Evaluate managers on their progress toward meeting developmental goals ?

Pay is attached to this knowledge and skill acquisition. Skill based pay ?

Assignments involving teamwork are also valuable way of facilitating

knowledge exchange and mutual learning ? Effective communication: face to

face or through IT to share info. A business??™s ability to generate new

ideas multiplied by its adeptness at generalizing them throughout the company.

? Explain that the firm's goal is to treat everyone as talent and not just focus on a few. Responding to the market- To meet customer requirements of quality, innovation variety, and responsiveness. Requires the org to constantly align its management processes with customer needs. How a) TQM: helps HR dept progress from a focus on functional activities to strategic planning. ? Understanding customer needs, ? Doing things right the first time ? Striving for continuous improvement ? Need managers make major changes in their philosophies and HR programs ? Employee motivation ? Change in corporate culture ? Employee education ? Believe that employees are the key to that quality ? Adopt more systematic approach to quality- Six Sigma: catches mistakes before it happen. It focus on continuous improvement drives the system toward disequilibrium while it focus on customers, mgmt systems, and the like provide the restraining forces that keep the system together.

b) Process reengineering: more radical approach to process redesign. ? Start from scratch in rethinking how work should be done, how technology and people should interact, and how entire org should be structured ? Requires to create env't for change ? Depend on effective leadership and communication processes ? Administrative systems be reviewed and modified- selection, job descriptions, training, career planning, performance appraisal, compensation, and labor relations are all candidates for change to complement and support reengineering. Containing costs:??? DownsizingThe planned elimination of jobs (??? head count???). Layoffs???

Outsourcing Contracting outside the organization to have work done that formerly was done by internal employees.??? Offshoring The business practice of sending jobs to other countries. The result of pure cost-cutting efforts on these can be disappointing, however, if managers use them as simple solutions to complex performance problems.

Competencies of the HRMer1. Business mastery: know the business of the org. thoroughly- understanding of its economic and financial capabilities in order to develop strategic direction. It requires that HR dev??™ p skills at external r/s focused on their customer. 2. HR mastery: be behavioral science experts. Should develop expert knowledge in the areas of staffing dev??™ p, appraisals, rewards, team building, and communication.

3. Change mastery: manage change process so that HR??™ s activities are effectively merged with the business needs of the org. it involves interpersonal and p- solving skills and innovativeness and creativity4. Personal credibility: to establish personal credibility in the eyes of their internal an dexternal customers.

Developing personal r/s one??™ s customers, demonstrate the value of the firm, standing up for one??™ s own beliefs, being fair-minded when dealing with others. Code of ethics. 1. Professional Responsibility Guidelines ??? Adhere to the highest standards of ethical and professional behavior. ??? Measure the effectiveness of HR in contributing to or achieving org goals ??? Comply with the law ??? Work consistent with the values of the profession ??? Strive to achieve the highest levels of service, performance and social responsibility ??? Advocate for the appropriate use and

appreciation of human being as employees ??? Advocate openly and within the established forums for debate in order to influence DM and results<sup>2</sup>. Professional Dev<sup>??™</sup> t Guidellines ??? Pursue formal academic opportunities ??? Commit to continuous learning, skills dev<sup>??™</sup> t and application of new knowledge related to both HRM and the org ??? Contribute to the body of knowledge through teaching, research, and disseminate knowledge<sup>3</sup>. Ethical Leadership Guidelines ??? Act ethically in every professional interaction ??? Ensure decisions are ethical and are implemented in an ethical manner ??? Seek expert guidance-ethical ??? Admire others for their ethical actions<sup>4</sup>.

Fairness and Justice Guidelines ??? Respect the uniqueness and intrinsic worth of every individual ??? Treat people with dignity, respect and compassion to foster a trusting work environment free of harassment, intimidation and unlawful discrimination ??? Ensure-opportunity to all to dev<sup>??™</sup> p their skills and new competencies ??? Assure an env<sup>??™</sup> t of inclusiveness and a commitment to diversity in the org ??? Develop, administer and advocate policies and procedures that foster fair, consistent and equitable treatment for all ??? Support decisions both ethical and legal regardless of personal interest ??? Act in responsible manner on which country you are working<sup>5</sup>. Conflicts of Interest Guidelines ??? Use published policies on conflicts of interest in your org ??? Refrain from using your position for personal (material or financial) gain or the appearance of such ??? Refrain from giving or seeking favored treatment in the HR process ??? Prioritize your obligations to identify conflicts of interest and when conflict arise, disclose them to relevant stakeholders. 5. Use of

infoGuidelines ??? Acquire and disseminate info through ethical and responsible means ??? Use only appropriate info in decisions affecting the employment r/s ??? Use accurate and source of info before using it in employment related decisions ??? Maintain current and accurate HR info ??? Safeguard restricted or confidential info ??? Ensure the accuracy and completeness of all communicated info about Hr policies and practices ??? The same for info used in HR-related trainingChapter 2Strategy and Human Resources PlanningStrategic planning: a set of procedures for DM about the org long-term goals and strategies. Plans on how the org will position itself relative to its competitors in order to ensure its long-term survival, create value, and grow.

HRP: is the process of anticipating and providing for the movement of people into, within, and out of an org and to help mgers to deploy their human resources as effectively as possible. The right number of people, with the right skills, at the right place. ??? HRP is important for planning the investments in the development and utilization of human resources. Any investment in the HR activities is considered an investment for the future growth and development of the organization ??? HRP recognizes that there must be an explicit link between planning function of HR and other organizational functions. ??? HRP promote the awareness that HR activities are equally important at every level of the organization.

Fist Step: Establishing Mission, Vision, and Values: Strategic HRM (SHRM): combines SP and HRP. The pattern of HR deployments and activities that enable an org to achieve its strategic goal. SP and HRP: to relate them 1. Strategic Formulation Process: in terms of what is possible, that is whether a  
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firm has the types and numbers of people available to pursue a given strategy. Whether they had the talent needed to succeed in that arena. 2.

Strategic Implementation: making resource allocation decisions to implement that strategy, including decisions related to the firm's structure, processes, and human capital. Best when there is a reciprocal relationship between the two processes.

Top mgmt team should recognize that SP decisions affect and are affected by HR concerns. Please see figure 2.1 on pp 52

Second Step: Environmental analysis

- Economic factors and development info
- Industry and competitive trends
- Technological changes
- Government and legislative issues
- Social concerns
- Demographic and labor market trends

Third Step: Internal analysis: 3 C's

- 1.

Culture: What is the culture and quality of work life in the org. employees empowerment, how do they interact with each other and what is the leadership style of the manager.

2. Competencies. core
3. Composition: Core knowledge workers, traditional job-based employee, contract labor, alliance/partner

Culture: whether a firm's critical values are embraced and demonstrated by employees throughout the org. to test

1. how do employees spend their time
2. interaction with other
- 3.

4. their moral level
5. are they empowered
6. the prevailing leadership style of the firm's managers
7. advancement within org

Capabilities: they are limited in number but they provide a long-term basis for techno innovation, pdt dev??™ t and service delivery Core Competency???

A unique capability in the organization that creates high value and that differentiates the organization from its competition. Possible Areas of Core

Competencies: 4. Productivity 5. Special skills 6. Unusual quality 7.

Innovation 8. Outstanding ServiceSustaining comp-advantage through

people: ??? The resources must be valuable: employees find ways to decrease costs, provide s/t unique to customers, or some combination of the two ??? Resources must be rare: knowledge, skills, and abilities are not equally available to competitors.

To hire and train the best and the brightest employees ??? R must be difficult

to imitate: get the most from employees ( through team work) and are

difficult to imitate ??? R must be organized: invest in IT to help allocate and

track employee assignments to temporary pjts. Team works and cooperation

to ensure an organized workforce. Strategic Job Families[pic]Human

Resources ManagementCore value of Starbucks: – provide a great work

env??™ t and treat each other with respect and dignity – diversity as

essential component – highest standard on purchasing, roasting, and fresh

delivery of our coffee – develop enthusiastically satisfied customer –

contribution to the env??™ t and communities – profit is essential to our

future successComposition: the human capital architectureSkills are

classified according 1. to the degree to w/c they create strategic value 2. are

unique to the org. mgmt contracting or outsourcing skill areas that are not

central to the firm??™ s core competence.

HRM helps mgers weigh the costs and benefits of using one approach to employment versus another. 1. Strategic knowledge workers: employees tends to have unique skills that are directly linked to the co strategy and difficult to replace. E. g. R&D or computer scientists. Co make long term commitment to theses employees, investing in their continuous training and dev??™ t and perhaps giving them an equity stake in the org.

2. Core em: skills that are quite valuable but not particularly unique or difficult to replace. Such as salespeople or truck drivers for a courier service. Their skills are transferable; they could leave to go to another firm. Mgmt make less investment in training and development.

3. Supporting labor: skills that are of less strategic value to the firm and generally available in the labor mkt. E. g. clerical workers, maintenance, staff in accounting, and HR. these jobs are increasingly hired from external agencies on a contract basis to support the strategic knowledge workers and core em. 4.

Alliance Partners: skills those are unique, but frequently not directly related to a co core strategy. E. g.

attorneys, consultants, lab scientists. They are skills that are specialized and not readily available to all firms. Co tends to have long-term alliance and partnership. Considerable investment is made in the exchange of info and Kno. Forecasting: To know where is the org today, the internal analysis to the three Cs (culture, capabilities, and composition) reveals it. If the job vacancies are left unfilled, the resulting loss in efficiency can be very costly, takes time to hire to train replacement.

Poor forecasting that leads to unnecessary layoffs also makes it difficult.

Good forecasting help to have the right number and right kinds of people in the right places at the right times. Advanced technology is generally accompanied by less dd for low skilled workers and more dd for knowledge workers.

Advances in data collection technology and computer software are making it easier and more affordable for smaller businesses to use more sophisticated forecasting techniques. Forecasting, mgers, focus on three things: 1.

Forecast the dd for labor: tracking current em levels and making future projections about those levels. Firm??™'s competitive strategy, technology, structure, and productivity can affect the dd for labor. External factors such as business cycles- economic and seasonal trend can play a role. Two approaches are Quantitative approaches and Qualitative approaches. a.

Quantitative approaches: involves the use of statistical or mathematical techniques. E. g. Trend Analysis- on the basis of some orgl index. Most commonly used and have several stages. 1. Select an appropriate businesses factor.

Frequently sales ofr value added ( the selling price of the firm pdts minus the costs of the materials and supplies used to make them). 2. Plot a historical trend of the business factor in relation to the number of em.

The ratio of em to the business factor will provide a labor productivity ratio ( e. g. slaes per em) 3. Compute the productivity ratio for at least the past five years.

4. Calculate HR dd by multiplying the business factor by the productivity ratio. 5. pjt the HR dd out to the target year.

Other methods sophisticated statistical planning methods including Modeling or Multiple predictive techniques. Trend analysis relies on a single factor such as sales to predict, the more advanced methods combine several factors, such as interest rate, gross national pdt, disposable income, and sales. b. Qualitative app.: admittedly forecasting is frequently more an art than a science, providing inexact approximations rather than absolute results. Ever changing env??™t, changes in the dd for pdt, changes in national or regional economics contributes to this situation.

It is less statistical. Management Forecasts are opinions of supervisors, dep??™t mgers, experts, or others knowledgeable about the org. Delphi technique, attempts to decreases the subjectivity of forecasts by soliciting and summarizing the judgments of a preselected group of indi. By developing a list of good questions to ask the mgers in their co. then forecast become a collective, or group judgment. See table on pp 64.

Ideally forecasting should include both techniques. Numbers without context are useless. 2. Forecast the ss of labor: Staffing tables: internal ss analysis can begin with the preparation of staffing tables. The graphic representation of all org jobs, along with the numbers of em currently occupying those jobs Markov analysis: the % (and actual number) of em who remain in each of a firm??™s jobs from one year to the next.

And the proportions of those who are promote , demoted, ofr transferred or exit th org. it requires good understanding of em turnover and absenteeism.

Both with staffing tables focus on the number of em in particular jobs. Skill Inventories: collection info. About em education, past work experience, vocational interests, specific abilities and skills, compensation history, and job tenure. This inv??™ t allow to quickly match forthcoming job openings with employee backgrounds. Mgmt Inventories: both with skill inv??™ t focus on the types of employees and their skill, knowledge, and experiences.

Both refers to us as talent inv??™ t. When data is gathered on mgers, these inventories are called MI. all of this analysis is made simpler these days through the use of HR IS and enterprise systems provided by co.

Replacement Charts: both skill and mgmt inv??™ t used to develop replacement chart, which shows current jobholders and identify possible replacements should openings occur. This chart provides info on the current job performance and promotability of possible replacements. Succession planning: the process of identifying, developing , and tracking talented indiv so that they can assume top-level positions. Usually with the help of software but also with out.

3. balancing ss and dd considerations assessing Human capital readiness: Gap analysis: Human Capital Readiness: the difference b/n the qua and qual of em required vs the qu and qual of em available represents a gap that needs to be remedied. Once the assessment is done , mgrs have a much better foundation for establishing thir str going forward and the specific requirements for dev??™ p the talent needed to implement the str.

Step For Formulating Strategy. After analyzing SWOT analysis the org have info they need to formulate corporate, business, and HR stra for the org.

Corporate Strategy: where and how they will compete, domain selection, the mkt in which they will compete. E. g.

concentration strategy that focuses on only a limited portion of the industry, or diversified- from the original to wide range of industries. A. Growth and Diversification: co execute their strategy differently those mature, growing or decline and HR planning is a vital input to these decisions. Growth: 1. increased employee productivity. 2. a greater number of employees. 3.

employees developing or acquiring new skills. Thus staffing training, employee motivation efforts and the like can either enable the co to grow or limit its potential.

Diversification: decisions related make or buy, in house or contract externally. B.

Mergers and Acquisitions: need a good care of cultural inconsistencies and possible conflict between managers of each co. C. Strategic alliances and Joint Ventures: HR plays a vital role in assessing the compatibility of cultures and potential problems. HR helps select key executives and develops teamwork across the respective workforces. It involves in the design of performance assessment and mutual incentives for the alliance.

Business strategy: how co will compete against rival firms in order to create value for customers. Value creation in a cost decreasing or increasing the benefits. Low cost strategy. Linked with cutting labor costs, or excellent productivity with top dollar but gain back cost advantage. HR also linked to outsourcing, contracting with an external partner and involve layoffs, transfers, and the like and need clear understanding of their core processes and skills in order to make these decisions. Differentiation Strategy: based on

high pdt quality, innovative features, speed to mkt or superior service.

Empowering em and customize pdt around the customer??™s particular needs.

Functional Strategy: to translate str priorities into functional areas of the org such as mkting, manufacturing, human resources,.. External stra: Internal stra: firm??™s appraisal and compensation programs, reinforces the ideas of individual achievement. Teamwork. Step Five Strategy Implementation: HR helps in implementation pertains to org structure, system, style, skills, staff, or shared values. If the stra requires em to be reorganized or redeployed, and play a central role as guardians of the corporate culture.

HR role focuses on reconciling : 1. HR DD: dd based on forecasted trends in business activity. Ss determine where and how candidates with the required qualifications can be found to fill a firm??™s vacancies. Take action reconciling ss and dd. To meet dd- staffing options including: 1. Hiring full-time em, 2. Having current em work overtime3. Recalling laid-off workers4.

Using temporary or contract em5. Outsourcing or offshoring some of their business processesSurplus: 1. restrict their hiring 2. Reduce their em work hours 3. consider layoffs 4. demotions 5. termination 6.

Attrition- through resignations, retirements, and deaths. Step Six Evaluation and Assessment: measurement, benchmarking, alignment, fit, and flexibility issues are central to the evaluation process. Need to establish a set of parameters that focus on the desired outcomes and the matrices they will use to monitor how ell the org delivers against those outcomes.



Measurements- HC value added, HC RoI, Separation costs, total labor cost/revenue percentage and so on . Evaluation and assessment issues:

Benchmarking: the process of identifying best practices in a given area ??“ productivity, logistics, brand mgnt, training, and so on then comparing your practices and performance to those of other co. It needs to collect info on its own co operations and those of others in order to uncover any gaps. And helps to determine the causes of performance differences, and ultimately the team would map out a set of best practices that lead to world-class performance. The co need not to be competitor. Co have not to rely on other co??™s benchmarking, they also need to be unique to attain competitive advantage.

HR matrices: 1. human capital matrices: assess aspects of the workforce2. HR matrices: assess the performance of the HR function itself. 1. Measuring a firm??™ strategic Alignment: one method isBalanced Scorecard: is one of the tools for mapping a firm??™s stra in order to ensure stra alignment.

A measurement framework that helps mgers translates strategic goals into operational objectives. The model has four related cells. 1. financial, 2. customer, 3. process and 4. learningMeasuring Internal fit: all aligned with one another to establish a configuration that is mutually reinforcing. 3 steps are: 1.

mgner need to identify the key workforce objectives they hop to achieve. May include loyalty, customer service, productivity, and creativity. 2.

mgers would identify each of the HR practices used to elicit or reinforce those workforce objectives- job design, staffing, training, appraisal,

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compensation, so 3. mgers would evaluate each HR practice on a scale of -5 not supportive to 5 supportive. By tallying up the ratings across mgers, org can get a very clear idea of which HR practices are working together to achieve the workforce objectives and which are not. Therefore mger need to assess both internal fit and external alignment. Perfect alignment among its HR practices, and must be aligned with the competitive stra. 2.

Ensuring Strategic Flexibility for the Future: flexibility when the env??™ t change. Organizational capability: the capacity of the org to continuously act and change in pursuit of sustainable competitive advantage. Flexibility can be achieved in two primary ways: 1.

Coordination flexibility: through rapid reallocation of resources to new or changing needs. Anticipating upcoming events, keep changes in legal regulations, forecast eco trends, recognize competitor moves. Use of contingency workforce composed of part-timers, temporary em, and external partners. 2. Resource flexibility: people who can do many different things in different ways. Cross-traing, job rotations, team-based work modes.