

AN INTRODUCTION TO HUMAN RESOURCE MANAGEMENT

Dr. Bruce Fortado

MAN 4301

University of North Florida

- * What is Personnel Management?
- * What is the difference between Human Resource Management (HRM) and Personnel Management?
- * Have conditions, practices and beliefs changed much over time? What has remained the same?

In the late 1960s, many people held Personnel departments in low regard. The tasks were seen as largely clerical in nature. No one who wanted a promising career would want to be assigned to a position in Personnel. In the 1980s and 1990s, the prestige of Personnel grew, HRM was substituted as the new label, and new functions were added to the area. HR managers may now participate in strategic planning, quantitative statistical forecasts, as well as audit and control functions. Nevertheless, some organizations still have low status Personnel offices. One can thus say that two tiers frequently exist in the same local labor market.

FACTORS CONTRIBUTING TO THE INCREASING STATUS OF HRM

1. The potential intrusion and dollar damages involved in Equal Employment Opportunity litigation has raised HRM's prestige. As one CEO guest put it "When you can get sued for millions of dollars, you want to make sure you do the right thing." One therefore needs experts to deal with these sensitive matters. These legal issues have resulted in changes in recruitment, selection, promotion, training/development and other practices.

2. The general work force is often depicted as increasingly vocal and demanding [grievances; law suits; desire for input; etc.].

- * There are increased levels of education. People expect more and say so.
- * There are more two worker families. Transfers are more difficult, so HR planning must change.
- * There is greater female participation. This raised concerns over pregnancy leaves, day care, etc.
- * In general, there is an increasing level of diversity, meaning more minority groups, women and older people in the workforce. One must accordingly learn how to manage diversity.

These trends have created a greater need for input from below, voice mechanisms, and the like for the sake of efficiency and effectiveness.

3. One frequently hears that organizations are facing increased competition. The globalization of the economy refers to both the heightened shipment of products over greater distances and the movement of production facilities to low wage areas. In this context, one often hears about managers needing to restructure to improve their performance. Firms have relocated plants to reduce costs, downsizing has become common, and non-traditional workers (leased, temporary and part-time) have been employed to save money. We hear phrases such as "Operational Excellence," "Cut the Fat," and "Right Sized," being used to represent programs aimed at getting people to do more work for much the same level of compensation. Matters that were once

regarded as "Human Relations" which were carried out largely on faith are now undergoing cost-benefit analyses to prove their worth. Here we see HR being treated as a liability to be minimized.

4. Over a long period of time there has been increasing specialization (the heritage of Adam Smith and Scientific Management). Specialization raises the importance of selection and training, coordination difficulties must be overcome, and close supervision and control are a must. In short, you are only as strong as your weakest link.

Concerns have been raised about specialization going a bit too far. Critics complain about meaningless work, rigid work rules, the intrusive scrutiny of workers, and overspecialization. Accordingly, attempts have been made by some managers to reverse this trend. Work processes may be redesigned and job descriptions may be broadened, so fewer workers with broader duties are being utilized. Concerns in this area have drawn attention to the importance of organizational change processes, job design studies, job analysis, selection practices, and training programs.

5. At the turn of the century, management had many rights and few responsibilities. Essentially a one-way street prevailed. If the workers did not like it, they could leave. In the past twenty years, the notion of reciprocal rights and responsibilities has taken hold. In flatter organizations staffed with smaller numbers of more skilled workers organized into teams, one needs a two-way street in order to be efficient and productive. In order for management to attain what it desires (commitment, involvement, etc.), it must provide what the employees desire (job security, voice, etc.).

Job Security	← →	Commitment
Voice	← →	Involvement
		etc.

Here HR is being treated as an asset to be nurtured. It is the organization's human resources that are critical in determining its success or failure. Human beings created and determined how to utilize all forms of technology. Knowledge workers are not easily and quickly replaced. HRM should not merely put out fires or help carry out an organization strategy, human resources in the form of special skills and core competencies should be a central part of forming a strategic plan (Dessler, 2002: 14, 17). Human assets should be a part of the analysis of external opportunities and threats and internal strengths and weaknesses. HRM can provide a competitive advantage. In keeping with this, HR managers should serve as communicators, advocates, planners, etc.

In sum, a tension often exists between HR being treated as a liability to be minimized (3) and an asset to be nurtured (5). If care is not taken, employees may become quite cynical about perceived inconsistencies in what managers are saying and doing.

One way of attempting to alleviate this tension have been to provide a measure of cost control by utilizing a substantial number of non-traditional workers (leased, temporary and part-time), while a core group of traditional workers receives the employment security, voice and the like needed to compete. Will this two-tier structure get the top managers out of their dilemma, or will it create new forms of stresses and strains in the long term? Another relatively new cost control method has been to outsource certain tasks. As long as the outside contractor is stable, or there are numerous possible alternative providers, little risk seems to have been incurred. Outsourcing initially was done in manufacturing portions of products, but it has recently been

sought out for service activities like computer programming and even HR tasks like managing benefits, recruiting, selecting and training. Even when outsourcing is not currently being utilized, the threat that it could be may diminish empire building waste and complacency the organization can ill afford. Outsourcing could prove problematic if an organization has a unique culture that outsiders do not grasp, or competitive information needed to execute the HR plan cannot be shared with outsiders.

In contrast to the aforementioned points, it is not clear that things have changed in all cases. For example, it has long been recognized that there are conflicts between line (production, etc.) and staff positions (HR, Finance, Accounting, etc.). Line managers are responsible for accomplishing the basic goals of the organization, and therefore have the power to direct subordinates. Staff managers assist and advise line managers. The central question here being "Does the Personnel office help or hinder line managers?" One often hears complaints such as "The only time we see a Personnel manager is when there is a problem," (a mistake in a paycheck, an employee complaint, etc.), "They are always undermining us by reversing our decisions when employees complain," and "They always have more paperwork to fill out." One also hears less specific resentments, such as "Those college boys think they know it all," "They don't understand what it takes to get things done around here," and "They have never really had to work for a living" (they have soft hands, work in air conditioned offices, wear fancy suits, etc.). Hopefully, the view of HR as a helper is growing. However, if an organization does not have a large enough HR staff to do careful hiring and training, and managers do not write performance appraisals and disciplinary letters properly, the aforementioned problems will continue to arise. On the average, there is one HR specialist for every one hundred employees (Dessler, 2002: 3). In many organizations, HR managers and line managers share responsibility for most HR activities. Despite these dual responsibilities, line-staff conflicts do still frequently surface in practice.

In some other instances, the tactics have changed while the underlying goals have remained much the same. One of the earliest tasks for Personnel offices was union avoidance, and this is still true today. During the 1920s "Open Shop Movement," managers adopted Company Unions (managers selected the officers, controlled the finances, etc.), the American Plan was implemented (an ad campaign to tar union leaders as wiry whiskered foreigners), and yellow dog contracts (one had to sign away one's right to join a union to get a job). In the 1930s, laws were passed prohibiting company unions and yellow dog contracts. Today we see somewhat different tactics, including, psychological profiles being used in hiring (avoid people with too much horsepower and those who might complain, such as people who have been politically active, divorced, etc.), voice mechanisms and other involvement schemes (quality of worklife programs, quality circles, etc.).