

AN INTRODUCTION TO HUMAN RESOURCE MANAGEMENT

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What subjects does Human Resource Management (HRM) cover?

A BASIC HUMAN RESOURCE SYSTEM

External Environment

Technology

State of the
Economy

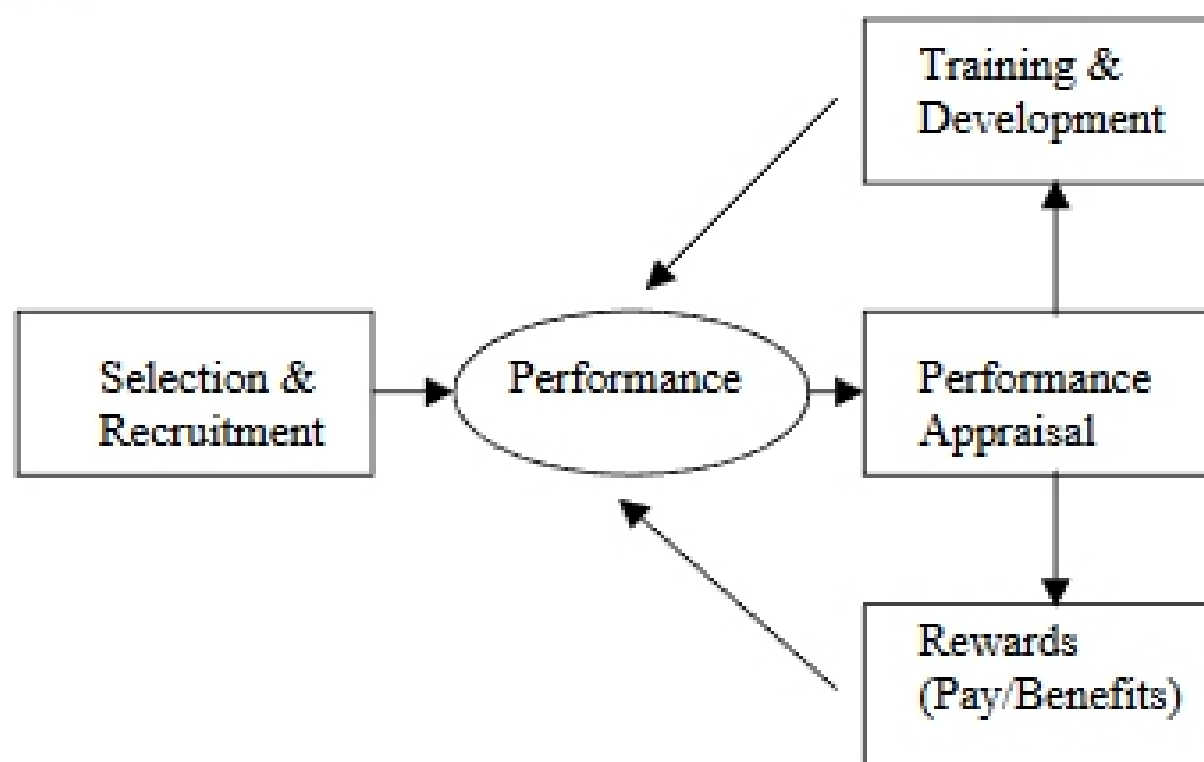
Work Force
Characteristics

State of
Competition

Government
Policies

Unions

Public Opinion



Other aspects underlying the above system

- * Managing Diversity (Discrimination, etc.)
- * Organization Culture
- * Job Analysis
- * Human Resource Planning
- * Discipline/Corrective Action
- * Grievance Procedures/Voice Mechanisms
- * Labor Relations (Union-Management)

* All of the pieces of a Human Resource System should fit together, and be consistent with the organization's strategic plan (Dessler, 2011: 14). For example, one should not recruit and select people who are ambitious and competitive, promising them that rewards will be based on merit, if this is actually not the case (i.e. rewards are based on social connections- favoritism).

* If one part of the system is changed, this may call for changes in other parts of the system.

* The picture is attractive in part due to its symmetry. However, there is normally some initial orientation, socialization and/or training before the newcomer performs the job.

Some of the functions covered in this course are carried out by staff in a specialized HR department. Some are carried out by line managers. Some involve line and staff managers working together. Given that many organizations differ in how they are structured, there is no way to eliminate this confusion via a universal definition. In any case, someone must carry out the various tasks and activities covered in this course. Otherwise, the organization will pay the price for this neglect.

What are some of the recent trends and developments in HRM?

One frequently hears that *organizations are facing increased competition* (Dessler, 2011: 7). The globalization of the economy refers to the heightened shipment of products over greater distances and the movement of production facilities to low wage areas. Deregulation has altered competition in certain industries (e.g. banking and airlines). One often hears about managers needing to restructure processes to improve their performance. Firms have relocated plants to reduce costs. Some managers have talked in terms of "Promoting Operational Excellence," "Cutting the Fat," and "Right Sizing." These programs aimed to get people to do more for much the same level of compensation. *"Human Relations" programs that were once carried out largely on faith are now undergoing cost-benefit analyses. Here we see the organization's human resources being treated as a cost to be minimized. HR managers may now take part in strategic planning, create quantitative statistical forecasts, and help exercise control over work processes and costs.*

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 five 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 get what it desires (commitment, involvement, etc.), it must provide what the employees desire (job security, voice, etc.).

Job Security	← →	Commitment
Voice	← →	Involvement
		etc.

Here *the organization's human resources are treated as assets 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. Continuous improvement stems from human beings. 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. These assets should be a part of the analysis of external opportunities and threats and internal strengths and weaknesses. *HRM can provide a competitive advantage* (Dessler, 2011: 20). *In keeping with this, HR managers should serve as communicators, employee advocates, planners, and change agents.*

In sum, a tension often exists between human resources being treated as a cost to be minimized and an asset to be nurtured. 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 (i.e. leased, temporary and part-time), while a core group of traditional workers receives the employment security, voice and the like needed to compete. Roughly 10% of the workers in the U.S. fall into this “nontraditional” category (Dessler, 2011: 10). During the fall of 2010, temp hiring gained 19.5% in a year-over-year comparison (Miller, 10/18/2010, Barron's, p.16). Further, a Duke University survey found executives planned on boosting temporary and contract hiring to 25%, which was up from the 17% experienced in the prior recession. 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. Recently it has been sought out for service activities like computer programming and 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.

One should not jump to the conclusion everything has changed over time. *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 HR department help or hinder line managers?" One often hears complaints such as "The only time we see an HR 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, like "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" (i.e. they have soft hands, work in air conditioned offices, and wear fancy suits). 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, 2011: 5). In many organizations, HR managers and line managers share responsibility for many HR activities. Despite these dual responsibilities, line-staff conflicts do still frequently surface.