

Exam 3 Management Study Guide

Chapter 9: Human Resource Management- Getting the Right People for Managerial Success

9.1: Strategic Human Resource Management

Major Question: How do effective managers view the role of people in their organization's success?

- **Human Resources Management: Managing an Organization's Most Important Resource**
 - o **Human resource (HR) management** consists of the activities managers perform to plan for, attract, develop, and retain an effective workforce.
 - All organizations must deal with staffing.
 - o The old Personnel Department is now called the **Human Resources Department**.
 - It is intended to suggest the importance of staffing to a company's success.
 - o **Human Resources as Part of Strategic Planning**
 - At many companies, human resources has become part of the strategic-planning process.
 - Thus, HR departments deal not only with employee paperwork and legal accountability- a very



important area- but also with helping to support the organization's overall strategy.

- The purpose of the strategic human resource process is to get the optimal work performance that will help the company's mission and goals.

- Human Capital

- **Human capital** is the economic or productive potential of employee knowledge and actions.
- A present or future employee with the right combination of knowledge, skills, and motivation to excel represents human capital with the potential to give the organization a competitive advantage.
- Why is human capital important?
 - Because we are living in a time when a new economic paradigm- characterized by speed, innovation, short cycle times, quality, and customer satisfaction- is highlighting the importance of intangible assets, such as brand recognition, knowledge, innovation, and particularly human capital.

- Social Capital

- **Social capital** is the economic or productive potential of strong, trusting, and cooperative relationships.
 - Relationships do matter!

- **Planning the Human Resources Needed**

- Here we are concerned with something more than simply hiring people on an "as needed" basis.
 - **Strategic human resource planning** consists of developing a systematic, comprehensive strategy for two reasons:
 - Understanding current employee needs
 - Predicting future employee needs

- Understanding Current Employee Needs

- To plan for the future, you must understand the present- what today's staffing picture looks like.
 - This requires that you do, first, a job analysis and from that write a job description and a job specification.
 - The purpose of **job analysis** is to determine, by observation and analysis, the basic elements of a job.
 - Specialists who do this interview job occupants about what they do, observe the flow of work, and learn how results are accomplished.

- o Once the fundamentals of a job are understood, then you can write a **job description**, which summarizes what the holder of the job does and how and why he or she does it.
 - Next you can write a **job specification**, which describes the minimum qualifications a person must have to perform the job successfully.
 - This process can produce some surprises.
 - Jobs that might seem to require a college degree, for example, might not after all.
 - o Thus, the process of writing job analyses, descriptions, and specifications can help you avoid hiring people who are overqualified or underqualified for a particular job.
 - In addition, by entering a job description and specification with their attendant characteristics into a database, an organization can do computer searching for candidates by matching keywords on their resumes with the keywords describing the job.
- o Predicting Future Employee Needs
 - As you might expect, predicting future employee needs means you have to become knowledgeable about the staffing the organization might need and the likely sources for that staffing.
 - The staffing the organization might need
 - o Managers SHOULD assume that the organization will change, and so then will staffing needs, and that personnel might come from inside or outside the firm.
 - Thus, you need to understand the organization's vision and strategic plan so that the proper people can be hired to meet the future strategies and work.
 - The likely sources for staffing
 - o You can recruit employees from either inside or outside the organization.
 - In looking at those inside, you need to consider which employees are motivated, trainable, and promotable and what kind of training your organization might have to do.
 - A device for organizing this kind of information is a **human resource inventory**, a report listing your