LEARNING PLAN 5: HUMAN RESOURCE MANAGEMENT

COMPETENCIES

APPLY BASIC HUMAN RESOURCE MANAGEMENT TERMS AND CONCEPTS.

This learning plan addresses the following learning objectives to help you master the competency:

a) Identify the primary goals of human resource management.

b) Identify basic terms related to employee recruitment, selection, training/development and compensation.

c) Identify terms and concepts related to managing diversity in the workplace.

OVERVIEW

In the organizing function of management, an organizational structure is created and the division of labor is established through specific departments, jobs and lines of authority and responsibility. Next, people must be hired in order to bring the organizational structure to life.

This unit provides an introductory overview of the human resource management (HRM) systems and processes that help managers build, train/develop and maintain the workforce. The diversity of the American workforce and manager responses to encourage a corporate culture that values diversity will also be discussed as a component of HRM.
WHY SHOULD MANAGERS BE INTERESTED IN HUMAN DEVELOPMENT?

Effective managers need to understand that their ability to meet the organizational goals will be determined by their effectiveness in dealing with people. To some degree, almost everyone within an organization functions as a manager at some point in time. It is essential to know the wants, needs and motives of the people that you work with.

The central theme in most definitions of management seems to be the accomplishment of organizational goals by working with and through people and available resources. In the most basic of descriptions, management means getting things done through people. Please recognize that this definition includes any individual who accomplishes a task by working with others. As such, it applies to many people in the organization, not just division heads and administrators. Organizations need to develop general personnel policies, design jobs, formulate reward systems, and establish leadership styles. This can only be accomplished through an understanding of what employees need from their work.

W. Edwards Deming, the creator of TQM (total quality management) believed that 90 percent of the problems that an organization encounters are the result of the system and that 10 percent are people problems. However, if the 10 percent of people problems are attended to, the other 90 percent can be overcome. This very powerful statement reflects the fact that organizations are composed of and operated by people.

Effective managers need to understand that their ability to meet the organizational goals will be determined by their effectiveness in motivating people. Studying human development allows us to gain important insight into the personal, social, and psychological factors of the individual that will interact with the workplace. A fast-paced society, family/work balance, downsizing, outsourcing, mergers and acquisitions, and international competition will require the manager to heed this advice.

THE PRIMARY GOALS OF HUMAN RESOURCE MANAGEMENT

One primary goal of human resource management is to contribute to the organizational effectiveness and to add value to the organizations they serve. They do this by managing the organizations human resources efficiently and effectively. Human Resources act as a:

- Business Partner: Understands the internal and external environment. Assists with strategy planning and implementation.
- Consultant: Develops Human Resource policies and procedures. Works with employees and customers as a partner to meet their needs.
- Innovator: Comes up with innovative ways to revise and update policies and procedures. Uses technology to improve HR services.

- Monitor: Keeps current on employment laws and ensures they are known and followed, especially by managers.

- Change Manager: Look at the long term vision and goals of the organization. Anticipates concerns of employees and addresses them by creating solutions.

### HUMAN RESOURCE FUNCTIONS

The Human Resource Department has many functions. Some of the primary functions will be discussed below:

#### EMPLOYEE RECRUITMENT AND SELECTION

*Recruitment and selection activities involve first identifying the profile of a candidate the company wishes to hire for permanent staffing. This is done through meetings with the operations staff to set a scope on the individual qualities that make someone successful and the skills that are needed. Once a profile is determined, the recruitment planning process begins. Depending on whether the position or profile requires an experienced individual or one directly from college determines the route that is traveled next. Often if new hires are from a collegiate level, the next step is for the HR department to select the colleges or universities they wish to pool for potential candidates. If the profile requires an experienced hire, they will look at ways to gather résumés from candidates in the work force.*

Next they will bring in the selected pool of candidates they find from either of these areas mentioned above for interviews. Once the interviewing process is completed, they will make their selections and bring in the new employees for orientation to the company culture and values.

#### TRAINING AND DEVELOPMENT

*Training and development activities typically occur initially when a new hire is brought on, as well as annually as the employee continues to grow with the organization. The HR department works closely with upper management to locate training resources in areas that the overall company deems crucial to the success of the company and establishes training times for employees. It is the HR department’s responsibility to locate and evaluate training options based on the needs of the operation’s leads.*

#### COMPENSATION

*Compensation systems typically are the metrics that every employee in a company has their pay based upon. This system or matrix determines the level of pay and the skill level required for a position. Compensation systems also are linked to the performance-review process and training because each of these is a precursor to raises and or bonuses.*
THE FUTURE WORKFORCE

The makeup of the workforce continues to change as the minority population continues to grow and more women enter the work world. As this shift occurs, there is also a need to change human resource policies to meet the needs of these new workers. A portable retirement plan is one example of a benefit that today's worker values that a worker 30 years ago would not have considered. Today's employees do not expect to stay with one company from college graduation through retirement, so being able to take accrued retirement funds with them is a benefit that companies must consider.

Currently, less than 40 percent of the economy is in production activities, and the remainder is in service and technology. This trend away from production is expected to continue. As organizations shift from a manufacturing base toward service and technology industries, there will be a greater demand for well-educated workers. These workers desire a meaningful work experience and involvement in decision-making processes.

There will be a greater demand to balance work and family, as well as the need for child-care assistance, child-care programs, and elder-care options. Relocation of employees may depend upon the availability of work for both husband and wife.

The existence of fax machines, e-mail, cell phones, and Blackberries has blurred the line between work and home.

DIVERSITY AND PLURALISM

In the assigned reading by Spencer, you will examine diversity and pluralism. PLURALISM refers to the harmonious existence of diverse groups. Title VII of the 1964 Civil Rights Act established Equal Employment Opportunity for all workers in the U.S. This act made it illegal to discriminate against a person based on his or her race, religion, gender, age, national origin, or color. An employee’s merit (knowledge, skills, and ability to perform the job) should be the sole source of hiring, firing, or promoting.

Discrimination involves excluding a person for consideration for a job, promotion, or other employment opportunity based on his or her race, national origin, gender, age, religion, or color. Employers have spent a lot of time educating and training employees on being sensitive to the differences these groups bring to the workplace. They do so to help foster greater cultural awareness and promote greater organizational effectiveness through diversity.

Affirmative Action was the U.S. government’s attempt to right past wrongs in hiring and promoting decisions which had limited opportunities for minority groups, known by the Civil Rights Act as
protected classes. The goal of Affirmative Action was not only to bring awareness to the fact that there was a need for more minority representation within upper management, but to convince companies to foster minorities and train them for future opportunities in upper management via voluntary affirmative action plans. While Affirmative Action no longer is a driving force in many companies, it did much in terms of rapidly creating a new level of minorities within upper management in many companies today.

Conflicting goals can also lead to divisiveness within the organization if not managed properly. Diversity means a lot of things to a lot of people. Understanding it better enables management to better plan for a diverse work force and takes full advantage of the skills and abilities that all workers bring to the table.

HR TOOLS

There are many online resources that discuss HR in more detail. The website, www.hrtools.com, has good information and checklists that you can explore to learn more about the Human Resource function in a business.

Many federal and state web sites have HR tools. Visit the state of Washington Department of Personnel web site at www.dop.wa.gov or go to the following link that discusses the development and administration of a compensation program. http://www.dop.wa.gov/NR/rdonlyres/A20166A8-55B6-4EF1-BB24-A96D5FE8E3A0/0/CompensationRulesToolsNonRepPresentMay2005.ppt

Pay particular attention to these areas of the PowerPoint:

- Linking Compensation to Business Strategy
- Pay Philosophy and Employee Values
- Performance Management
- Types of Compensation Plans
- Managing to and Complying With Federal Discrimination Laws
- Communication and Quality Leadership

The HR Council for the Voluntary/Non-profit Sector in California has a variety of tools for the HR professional. Review the following link: http://www.hrcouncil.ca/index_e.cfm In particular on this web site select the staffing tab or go to: http://www.hrcouncil.ca/staffing/pg003_e.cfm This section describes the hiring process, including the importance of job descriptions, the recruitment, selection, hiring and orientation of the new employee. Continue reviewing this web site for more information and HR tools. Review the templates. Do a web search for your state’s human resource assistance programs.

The Office of Personnel Management (OPM) at www.opm.gov has many toolkits human resource professional may use. Begin by reviewing the “GAO: Great Recruiting is not enough” article at: http://www.opm.gov/hiringtoolkit/docs/GAO.pdf. Now review OPM’s hiring tool kit at: http://www.opm.gov/hiringtoolkit/. Continue using this site for other possible uses in your career.
The following link reviews the Fair Labor Standards Act:


U.S. Department of Labor (Please link to the following site: http://www.dol.gov/
**Affirmative Action:** was set on through a series of acts following the 1964 Civil Rights Act. Affirmative Action was the U.S. government’s attempt to counterbalance years of lopsided hiring and promotional activities within America’s successful companies.

**Compensation:** The monetary rewards and benefits a person is given for performance of a job.

**Discrimination:** involves the use of race, national origin, sex, age, religion or creed in hiring, firing or promotional activities where one of the aspects eliminates or allows someone of stature within the company making this decision to use these qualities against a current or potential employee.

**Diversity awareness training:** Programs designed and delivered to teach and enhance the awareness of the diverse nature of the work force and the influences that this has on organization behavior and function.

**Equal employment opportunity:** This act set ground rules for hiring, firing and promotions in that it prohibited the use of race, religion, sex, age, national origin or creed in any of these decisions.

**Exit Interviews:** are held for each employee who is leaving the company in an attempt to discover trends or reasons why an employee is departing for another organization. This often can reveal issues with compensation or benefits. This is a list of questions in an interview-style conversation by the HR department with the departing employee.

**Glass Ceiling:** is a term referring to the top point at which a woman or minority can achieve within a company before they come to a halt because of gender or ethnicity.

**Human resource management:** The aspect of management that looks after policies, procedures, legislation, discipline, promotion, etc. for the staff of an organization.

**Job Analysis:** is the systematic review of a position within the company and determines the skill levels needed to complete the requirements for the position.

**Job Description:** is the written description of the position and its requirements for performing the position within the company.

**Job Evaluations:** are performed by each company annually to ensure that, based on the skill level and requirements for their positions, they are still paying competitive wages for talent within their company. This helps ensure they will get quality talent.

**Job Specifications:** are the written requirements for a position or job within a corporate environment that limit the responsibilities that can be carried out by that position.

**On-the-job training:** Training that is conducted in the workplace while the person is working. These are training for specific components of the work.
**Performance Appraisals**: are completed typically on an annual basis and include reviewing employees’ performance against both the position they are performing and their own goals and review requirements for the period.

**Work Force Diversity**: refers to the diversity or makeup of the work force in terms of ethnicity, religion, nationality, age and sex qualities.

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**SUGGESTED READINGS**


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**REFERENCES**


