

HUMAN RESOURCE MANAGEMENT FUNDAMENTALS

Timeframe:	2 hours
Learning Outcome:	<ul style="list-style-type: none">• Be familiar with human resource management terminology, concepts and principles• Have an understanding of key people management success and failure factors
Recommended reading:	<ul style="list-style-type: none">• Definitions of HRD: Key concepts from a national and international context. (Abdullah, 2009).
Multimedia:	<ul style="list-style-type: none">• Human Resource Management functions (Taylor, A. 2011) http://www.youtube.com/watch?v=FjfvvFg1D14
Section overview	<p>It is imperative to understand the human resource environment to ensure the effective management of human resources. The additional readings provide an introduction to human resource management. This section aims to explain what human resource management (HRM) entails and what would be expected of a human resource manager. It also puts some light on how the science of human resource management developed and the different skills needed to effectively run the human resource department.</p>

Define the Concepts

The functions of the Human Resource Manager have changed drastically over the last two decades. Having been excluded from participating actively in business decisions for most of its existence, the current trends are to involve the Human Resource (HR) department to ensure efficiency and effectiveness within the organisation. From the 1990s, businesses have taken a more strategic approach to human resource management so that they can deal with a different external environment characterised by:

- Continual Change;
- Flux Of Structures (Webs To Networks And Matrices);
- Fierce Competition; And
- Global focus.

The following issues play a major role in shaping human resource management strategies:

- An increase in cross-border employment;
- A fully diversified workforce;
- Fewer organisations as a result of continued mergers and acquisitions;
- The use of just-in-time professional workers;
- An increase in the outsourcing of administrative functions;
- More innovative compensation practices;
- A stronger focus on careers and self-fulfilment;
- An increasing awareness of employees as assets;

- Telecommunications and other forms of flexible work being widely introduced; and
- Increased team playing including in a virtual environment.

Human Resource Management has been defined in many ways.

Human resource management - involves the productive use of people in achieving the organisation's strategic business objectives and the satisfaction of the individual employee's needs.

(Reward Management Associates, 2001)



“Human Resource Management (HRM) is the function within an organisation that focuses on recruitment of, management of, and providing direction for the people who work in the organisation. Human Resource Management can also be performed by line managers.”

(Heathfield, 2012)

“Human Resource Management is the organisational function that deals with issues related to people such as compensation, hiring, performance management, organisation development, safety, wellness, benefits, employee motivation, communication, administration, and training.”

(Heathfield, 2012)

Human Resource Management consists of three pertinent notions: humans, resource and management:

- Human refers to the people who the business relies on for existence. The business cannot function optimally without them. The people in the organisation are often referred to as the *human capital* of the organisation.
- Resources refer to assets or something that belongs to the organisation. In the modern era, the skills and competencies of the employees belong to the business which makes them the *human resources* of the organisation.
- Management refers to the planning, organising, leading and controlling of the resources at your disposal. As in this concept the humans are seen as assets, they need to be planned for, controlled, lead and organised in such a manner that the business achieves its strategic vision and objectives.

The article below provides you with an overview of different definitions of Human Resource Management from an international perspective:



- Definitions of HRD: Key concepts from a national and international context. (Abdullah, 2009).

Fundamentals of Human Resource Management

Now that you understand the concept of HR management, we will have a look at what HR does in the business world. Before we can do this let us look at the history of the discipline.

Background to HR management

The development of the theory of HR management started in the early twentieth century. Frederick Taylor, an engineer, wanted to explore to improve workplace efficiency. His research led him to identify that the key element in improving manufacturing efficiency was labour. His research has been labelled and referred to as 'Taylorism'. His ideas were formalised when another researcher, Elton Mayo, realised that workers are more productive when they are attentive and engaged. Further psychological research done by Abraham Maslow, Kurt Lewin, Frederick Herzberg and David McClelland formed the basis of this 'new' applied discipline (Nayad, 2011).

After the Second World War, people were more interested in human rights and self-actualisation. This resulted in several laws written to protect employees as well as an increased need for employees who deal only with personnel issues (Nayad, 2011).

In the 1960s personnel managers were criticized for having poor negotiation skills in dealing with unions. This gave way to the expansion of personnel management responsibilities as well as to increase the importance of these employees (CIPD, 2012).

During the 1970s social science techniques such as motivation, organisational behaviour, selection, testing and training were becoming part of the responsibilities of personnel management (CIPD, 2012).

The 1980s saw the term human resource management born. This term implied that the employees of the organisation were now seen as an asset (CIPD, 2012).

Today, HR's functions are strategic in nature and employers understand that their employees are not only assets but should be termed as the human capital of the organisation as they can also be a source of revenue (CIPD, 2012).

Roles and responsibilities of the Human Resource Manager

Mayhew (2012) lists the responsibilities of an HR manager as follows:

- Compensation and benefits management;
- Training and development management;
- Employee relationship management;
- Recruitment and selection management; and
- Overall management responsibilities (which includes reporting, performance management and so on).

Functions of an HR department

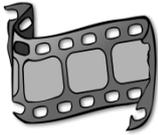
The functions of the human resource department are reflected in **Figure 1**. The model indicates that the functions of the human resource department are linked and can also be interlinked.

FIGURE 1: FUNCTIONS OF THE HUMAN RESOURCE DEPARTMENT



The human resource process starts with the planning of the human resources. After strategic planning, needs and positions are identified. The human resource department will start by drawing up a job description and a job profile. Then they will recruit and select, interview, appoint, induct, support, evaluate, mentor and coach, compensate and overall take care of the employee to ensure that the individual performs to achieve the overall objectives of the organisation. This in short is the human resource functional cycle.

The clip below discusses the Human Resource Management functions:



- Human Resource Management functions (Taylor, 2011)
<http://www.youtube.com/watch?v=FjfvvFg1D14>

Success and Failure Factors of Human Resource Management

The management of human resources are possibly one of the most challenging aspects of managing an organisation. Our ability to think independently, feel and express emotions, rationalise issues and inquire about our reality are some of the elements that make humans special. However, these are also the very factors that might make it difficult for managers to manage people.

Many managers cannot fathom why projects or actions fail even though they had the best action plan in place, spent hours developing perfect Gantt charts and budgets, ensured that all the policies are aligned to the plans, and delegated tasks, etc. To make matters worse; despite the managers hard efforts she/he is accused of being autocratic/ bureaucratic/ nepotistic/ rigid/ unapproachable, etc.

The analysis of the success and failure factors of managing human resources is extremely complex as it depends on the nature, context and inter-relationship between the action, project, team and institution.

The following are some of the major causes of human resource management failures categorised into internal and external factors. The opposite of these failure factors reflect the success factors of people management.

Internal HRM failure factors may include:

- Lack of political/ top management commitment and support to people development;
- Leadership skills and styles;
- Lack of HR planning;
- Lack of HR management skills, knowledge and experience;
- Inefficient and obsolete management systems;
- Finance: budget not linked to activities, centralised, slow, not supportive of HR development;
- Poor reward/ incentive system;
- Inadequate performance management processes;
- Information and communication;
- Organisational culture, commitment, passion for work, work culture and ethics, power struggles and politics;
- High staff turnover;
- Lack of motivation and job satisfaction; and
- Personal problems.