

Human Resource Management

In this recording we summarise the content of chapter 42 Human Resource Management. Studying this chapter should help you explain the role of the HRM function and HR specialist (personnel); list the key areas of HR policy and practice; discuss alternative structures for the HR function; .

Introducing the chapter, the authors start with 1. The effective management of Human Resources (HR) is a major determinant of success or failure in business. Human Resource Management (HRM) – chapter 20 - aims to improve the productive contribution of individuals and teams; to enhance organisational performance. The goal of HRM is to help an organisation meet strategic goals by attracting, and retaining employees and also to manage them effectively. HRM* is therefore concerned with the strategic management of human resources to achieve a (sustainable) competitive advantage. Managing people is part of the role of every manager or team leader responsible for the work of others. Managers often identify a need for new employees, leading to recruitment. In doing so they specify the work each employee will be required to do. Once employed they must guide, develop and motivate them (refer back to chapters 4-8). In order to maximize the return on investment from the organisation's Human Capital (HC) larger firms establish an HR function. HR specialists are typically used to support line managers, inculcate best (HR) practice, and ensure a fair, legal and consistent company wide approach. This chapter focuses on the general role of the HR function, what some companies may refer to as personnel management. Subsequent chapters will review specific HR practices in more detail.

* <insert as footnote> Those specialists who focused on the management of employees tended to work for a business function labelled personnel management; however, more recently this term has been replaced by many organisations with HR and HRM. Some managers and professionals use the terms interchangeably whilst others have argued a difference in the terms. For many scholars and practitioners the main difference centres on the role of the specialists. Whereas personnel management may be argued to be more administrative, HRM is integrated within strategic planning (Bratton and Gold 2007)..

The key concepts discussed within this chapter are:

HR System - a set of distinct activities, functions, policies and processes that are directed at attracting, developing, and maintaining the human resources of an organisation; human resource management - A philosophy of people management based on the belief that human resources are uniquely important to sustained business success. An organization gains competitive advantage by using its people effectively, drawing on their expertise and ingenuity to meet clearly defined objectives. HRM is aimed at recruiting capable, flexible and committed people, managing and rewarding their performance and developing key competencies. See also 'Hard HRM', 'Soft HRM'; Human resource strategy - Overall plan for staffing, developing and rewarding employees and outsourced human resources tied to business objectives.; Personnel management - the specialist management function which determines and implements policies and procedures which affect the stages of the employment cycle.; .

Other terms discussed include:

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Summarising and concluding, the author(s) make the following comments - 16. This chapter focussed on human capital and its management in the organisation – we considered Human Resources as strategically important due to attributes which are difficult to imitate, thus ensuring any derived competitive advantage is sustainable. In particular we focussed on the role of the specialist HR function in acquiring, developing and motivating HC in order to improve (productive) performance and develop a sustainable competitive advantage. The HR function develops and implements HR systems comprising the HR policies and practices. The HR role can be both strategic and operational.

It is strategic in that the continued availability of HC must be assured in order for the strategy to be met. However, it must also be operational via the administration of certain HR practices such as resourcing, training and development and performance management..

We have now reached the end of the chapter 'Human Resource Management'.

There are a number of references for this chapter where further reading opportunities are identified for you.

Additionally, there are questions or activities to help develop and test your understanding of this chapter