**ASSIGNMENT TITLE**: Human Resource Management

**STUDENTS NAME**: Lazar Roxana, Marjan Kazeroni

**COURSE NAME**: Print and Digital Media Technology Management, Year 2 (DT596/2)

**LECTURER**: Adrian Davis

**DATE OF SUBMISSION**: 11th November 2014

Contents

[Introduction 3](#_Toc403300357)

[1. What is Human Resource Management 4](#_Toc403300358)

[2. The basic components of Human Resource Management 4](#_Toc403300359)

[2.1 Planning 4](#_Toc403300360)

[2.2 Recruitment and selection 5](#_Toc403300361)

[2.3 Training and development 5](#_Toc403300362)

[2.4 Pay and rewards 5](#_Toc403300363)

[2.5 Performance appraisal 6](#_Toc403300364)

[2.6 Industrial relations 6](#_Toc403300365)

[3. The theory applied to Mercantile 7](#_Toc403300366)

[3.1 A description of the organization 7](#_Toc403300367)

[3.2 The structure of the Human Resource Management function 7](#_Toc403300368)

[3.3 The type of Human Resource Management practiced 8](#_Toc403300369)

[4. The strenghts and weaknesses of the organization 9](#_Toc403300370)

[5. Improvement areas and solutions 9](#_Toc403300371)

[Conclusion 10](#_Toc403300372)

[References 11](#_Toc403300373)

# Introduction

Human Resource Management is a very important part in every organization, because it contributes to the orgnization’s succes, by bringing innovation in the following areas: recruitment and selection, training and development, pay and rewards, performance appraisal and industrial relations.

The purpose of this assignment is to present the following: what is Human Resource department, its the basic components and its importance. The project continues with the theory applied to Mercantile company in Ireland, by highlighting the structure and the type of Human Resource practiced by the organization; its strengths and weaknesses of this department and improvement areas and suggestions.

**Part A**

# What is Human Resource Management

**Human resource management** is defined as a strategic and coherent approach to the management of an organization’s most valued assets – the people working there who individually and collectively contribute to the achievement of its objectives. The overall purpose of human resource management is to ensure that the organization is able to achieve success through people. Al Ulrich and Lake (1990) remark: ’’HRM systems can be the source of organizational capabilities that allow firms to learn and capitalize on new opportunities. (Michael Armstrong 2006)

# The basic components of Human Resource Management

## Planning

Human resource management can only be trully effective where human resource actions and activities are linked with strategic business issues and priorities. This necessitates that human resource considerations be integrated into the strategic planning process. At its most basic level, **human resource planning** is concerned with ensuring that the organization employs the right quantity of people with the necessary knowledge, skills, and attitudes that are required for effective organizational functioning- both now and for the future. (Patrick Gunnigle, Noreen Heraty, Michael J.Morley 2006)

The planning process identifies **four key stages** in the human resource planning process:

1. **Stocktaking**- involves analysing current human resources, that is, developing an accurate human resource profile, in which the workforce is evaluated and classified according to factors such as age, experience, skills and abilities.
2. **Forecasting**- involves forecasting both the supply of labour and demand of labour. It requires the organization to make predictions about how many employees will be required for the future and determining where future employees are likely to be sourced.
3. **Planning**- once the organization has forcasted likely demand for, and supply of, labour it can be then estimate whether there are any imbalancies between the two, that is, whether the organization is faced with a labour shortage or a labour surplus.
4. **Implementation**- since both internal and external environments are subject to considerable change over time, it is advised that human resource plans are monitored and reviewed on a regular basis and amended on redirecting as required. (Patrick Gunnigle, Noreen Heraty, Michael J.Morley 2006)

## Recruitment and selection

The recruitment and selection process is essentially concerned with finding, assesing and engaging new employees. **Recruitment** can be seen to have three important functions: to attract a pool of suitable applicants for the vacancy; to deter unsuitable candidates from applying; to create a positive image of the company. **Personnel selection** has generally been regarded as an applied area with a heavy emphasis on predictive efficiency. Traditionally, the primary goal was to develop selection instruments that would be useful for predicting candidates’ future work performance. Studies are now focusing upon applicant attitudes and the impact of selection procedures, applicant decision-making in competitive labour market conditions, and the generation of a viable psychological contract between employers and employees. (Patrick Gunnigle, Noreen Heraty, Michael J.Morley 2006)

## Training and development

**Development** is an unfolding process that enables people to progress from a present state of understanding and capability to a future state in which higher-level skills, knowledge and competencies are required. (Michael Armstrong, 2006)

’’It’s no longer enough for your employees and leaders to have the rght skills. You need to hire people with the potential to learn new ones.’’ (Fernandez-Araoz, Claudio, 2014)

**Training** is the use of systematic and planned instruction activities to promote learning. It involves the use of formal processes to impart knowledge and help people to acquire the skills necessary for them to perform their jobs satisfactorily. (Michael Armstrong, 2006)

## Pay and rewards

**Reward management** has become especially important in helping to attract and retain employees and also in influencing performance and behavior at work. Concomitantly it is important to employees, because it provides the means to satisfy basic needs and may also allow them to satisfy less tangible desires for personal growth and stisfaction. Three aspects of the reward package are worth distinguishing at the outset, namely pay, incentives and benefits. **Pay** refers to the basic wage or salary that an employee receives. **An incentive** refers to the rewarding of an employee for effort that results in higher performance that goes beyond normal performance expectations. **Benefits** refer to indirect rewards such as health insurance cover and pension entitlements associated with organizational membership. (Patrick Gunnigle, Noreen Heraty, Michael J.Morley 2006)

In conjuction with the organization’s human resource plan and its recruitment and selection activities, the reward package and its mix of pay, incentives and benefits serves to attract suitable employees. It also assits in the retention of good employees, provided that the reward package is perceived to be both internally equitble and externally competitive. In relation to **internal equity**, rewards must be seen as fair when compared to others in the organization; criteria for the allocation of rewards should be equitable and clear; these should be communicated and accepted by all parties and applied consistenly throughout the organization. In terms of **external competitiveness**, rewards must be seen as fair when compared to tose offered for comparable work outside the organization. (Patrick Gunnigle, Noreen Heraty, Michael J.Morley 2006)

The choice of system is an important consideration for organizations. It will partially reflect the corporate approach to human resource management and impact on areas, such as employee relations, supervisory style and employees’motivation. The particular package offered will be determined by a variety of factors related to the organization, the general business environment and the workforce. (Patrick Gunnigle, Noreen Heraty, Michael J.Morley 2006)

## Performance appraisal

**The management of performance** in orgnizations is clearly a key variable in organizational effectiveness and growth. The core objectives of performance management are:

* The continuous improvement of business performance in terms of customer service, product quality and market leadership;
* The continuous development of organizational capability through the design of effective production systems, the development of organic structures, the enhancement of employee performance in line with business demands and the expansion of product and service lines. (Patrick Gunnigle, Noreen Heraty, Michael J.Morley 2006)

**Performance appraisal** is a systemtic approach to evaluate employee performance, characteristics and/or potential, with a view to assisting decisions in a wide range of areas, such as pay, promotion, employee development and motivation. Appraisal of performance is likely to take place on a daily basis, often very informally, through casual meetings, informal discussions between supervisor and staff, team briefings and so forth. (Patrick Gunnigle, Noreen Heraty, Michael J.Morley 2006)

The performance appraisal system can be seen to have many interrelated functions, including performance evaluation and target setting, the establishment of work standards, identification of skills gap, and the facilitation of communication and motivation. However, only an effective appraisal system will result in the realisation of many of these outcomes. (Patrick Gunnigle, Noreen Heraty, Michael J.Morley 2006)

## Industrial relations

It focuses on the nature of the **relationship** between the parties to the labour process, embraces both collectivist and individualist approaches and encapsulates state, organizational and intermediary level arrangements. The key **’’actors’’** involved include: individual workers, trade unions, worker representatives, employers, managers, Government and Government agencies. (Patrick Gunnigle, Noreen Heraty, Michael J.Morley 2006)

**Collective bargaining** has traditionally been seen as the primary means of regulating interactions between unions, employees and employers. It refers to the process through which agreement on pay, working conditions, procedures, and other negotiable issues are reached between organised employees and management representatives. **Individual bargaining** refers to the situation whereby individual workers negotiate on a one-to-one basis with their employer to arrive at an ’’individual contract’’ that sets out the terms and conditions of each individual’s employment. (Patrick Gunnigle, Noreen Heraty, Michael J.Morley 2006)

**Unions** are organizations that aim to unite workers with common interests, while seeking to define those interests, express them, safeguard and advance them through their interactions (particularly collective bargaining) with individual employers, employer’s association, Government and other parties. The most common reasons why workers may join trade unions include: a desire to influence pay claims, to have protection against management actions, and because of an ideological belief in the role that trade unions play in a democratic society. (Patrick Gunnigle, Noreen Heraty, Michael J.Morley 2006)

# The theory applied to Mercantile

## A description of the organization

Mercantile operates in a very competitive market, being one of the bigest companies in supermarket chain, because is a company where people can shop for their groceries. More than this, they expanded their stocks to include electrical goods and clothing. Their motto ’’save money day to day’’ highlights their concern for customer satisfaction, by reducing prices and increasing the level of customer service. Because of its success, Mercantile enjoys the opportunity to appear in the magazines. Because of this, they must keep the reputation they have built and to consolidate their culture and values.

In the present, it is rapidly growing, having 142 stores in Ireland, and the number of employees to be around 14,000. Most of them are working in areas, such as HR, sales, finance.

## The structure of the Human Resource Management function

The performance management is measured by the Human Resource strategy at Mercantile, by putting emphasis on recruitment and selection, training and development of employees, communication, pay and rewards.

1. Recruitment and selection

The recruitment stage, which is carries out by Human Resource department, is very simplified. The first step involves that people can either apply online for a vacancy post by completing a form or contact the store that the person is interested in working. A criteria is used to shortlist those who will be interviewed, because Mercantile wants people that best suit to their culture. After the interview, there is a discusion about the salary to be given and the job division for the qualified.

1. Training and development

Training and development play an important role for the Mercantile employees. After recruitment, there are two types of training:

-One training process is to make the new employees to know about their duties at work and to gain different skills;

- On-the-job training is another method used by the company. It means that experienced and talented people show another person how to do the task.

At Mercantile, employees have the opportunity to participate at development programs, that help them to develop their skills. In result, their skills development will have a good impact on the increasing in organization’s level. ’’Most HR leaders work to identify the employee skills needed for business success, lead talent development, design organizations deliver results, foster a culture of agility and responsiveness, and lead chnge efforts.’’ (Bowden, Tim, Sartain, Libby, Younger, Jon, Mickle, Derrick, Antoine, Richard L. 2014)

1. Pay and rewards

Reward and benefit can motivate employees to do hard working . Training and development programs can be seen as a kind of the reward. Mercantile also offers to employees salary, healthcare, discounts for purchases, vacation time.

1. Communication

Communication is very important in every organization. The company wants to see the opinion of its employees about the workplace, by using different types of communication, such as staff question times, face-to-face interview. Also, Mercantile uses annual staff survey which are confidential and annonymus. They are using these methods, because they want to identify problems and solve them as soon as possible.

All employees of Mercantile are welcome to join unions. Unions are important to protect the rights of employees, by discussing with. Moreover, Mercantile has a helpline calles ’’Support Line’’. It is a 24-hour confidential telephone line, where employees can report complaints and concerns, which will be recorded and investigates by a special department.

## The type of Human Resource Management practiced

The Human Resource department of Mercantile is proactive, because it allows the organization to focus more on the human resource, by implementing management approaches, to motivate each employee to deliver maximum performance.This is very important for the success of the organization.

Mercantile has designed strategic business, to create lasting long term growth , and this will only be achieved if they will expand in the market globally. As a result of Mercantile strategy, many new businesses have been created, and most of these businesses are competitive and profitable nowadays.

Mercantile is a resource issue, because employees are the most important part for them, rather than to achieve the business goals. There is a diversity within the workforce, because employees have different personalities and behaviors, to be able to bring harmony in the company. Employees opinions are taken into consideration so as to ensure that they are motivated and satisfied at the workplace, and to increase commitment, because ’’At the moment of commitment, the entire universe conspires to assure your success.’’ (Beard, Alison 2014)

**Part B**

# The strenghts and weaknesses of the organization

Mercantile offers a chance to students or graduates to take part in real lerning experiences, also offering them the ability to find jobs very easily after their experience at Mercantile. The management is built on trust, mutual respect, and team work.

The organization puts emphasis on training and development programs for the employees. The employees can develop multiple skills, which lead to an increase in the feeling that they are part of the overall strategy, and also to a very good customer services.

A major purpose of Mercantile’ Human Resource strategy is to make responsabilities to be presented in a simplified manner to employees and to make them be aware of their role in the organization.

Mercantile organization conducts exit interviews with every employee that is leaving. This helps the company to know more about the departure of employees, and it plays an important role for organizational improvement.

Human resource department in every organization is facing some challenges, such as globalisation, changed employees expectation, balancing work-life, managing diversity etc. To be effective and efficient, Mercantile has to make some improvements in the Human Resource department.

# Improvement areas and solutions

Regarding the pay and rewards system, Mercantile can add more benefits to the employees, so that there can be an increase in the motivation, such as free food, insurance coverage, year-end bonuses. Also, they can use non-monetary methods, such as the employee of the month/year, recognition of the great work by giving a special reward, and say ’’Thank you!’’, ’’You’ve done a great work!’’ more often.

It should focus more in Human resource management planning; it should manage in the right direction the diversity in the workplace; also, it should provide the employees with periodically feedback about the outcomes or results of the appraisal process.

# Conclusion

Human Resource Department plays an important role not only in helping to develop the organization’s strategy, but also to deal with the employees activities, which will lead to an increasing succes worldwide.

From Mercantile example, we can observe that its main objective is to hire the right people who are creative, who can bring something to the table that can make a difference, and also they put big emphasis on training programs, so that employees feel motivated and involved in the organization’s strategy.

Having an innovative HR department nowdays is not easy, but commitment and capability to recognize motivation, curiosity and insight in employees will lead the company in the right direction.

# References

Human Resource Management in Ireland, Patrick Gunnigle, Noreen Heraty, Michael J.Morley 2006, 3rd Edition, page 162-174

Human Resource Management in Ireland, Patrick Gunnigle, Noreen Heraty, Michael J.Morley 2006, 3rd Edition, page 186-192

Human Resource Management in Ireland, Patrick Gunnigle, Noreen Heraty, Michael J.Morley 2006, 3rd Edition, page 263-268

Harvard Business Review, Beard, Alison, November 2014, Vol 92, Issue 11, page 144

Harvard Business Review, Bowden, Tim, Sartain, Libby, Younger, Jon, Mickle, Derrick, Antoine, Richard L., October 2014, Vol 92, Issue 10, page 20

A handbook of human resource management practice, Michael Armstrong, 10th Edition, 2006, pages 3 and 8

Human Resource Management in Ireland, Patrick Gunnigle, Noreen Heraty, Michael J.Morley 2006, 3rd Edition, page 93, 96, 102,103

Human Resource Management in Ireland, Patrick Gunnigle, Noreen Heraty, Michael J.Morley 2006, 3rd Edition, page 103, 109, 116

A handbook of human resource management practice, Michael Armstrong, 10th Edition, 2006, pages 570, 575

Harvard Business Review, Fernandez-Araoz, Claudio, September 2014, Vol 92, Issue 9, page 20