

# Introduction to Management

University of Cassino and Southern Lazio  
Prof. Ylenia Cavacece  
A.A. 2020/2021



Expertise

Stability

## Human Resources Management



# What is Human Resources Management?

Human resource management (HRM or HR) is the strategic approach to the effective management of people in a company or organization such that they help their business gain a competitive advantage.

It is designed to maximize employee performance in service of an employer's strategic objectives.

HR departments are responsible for overseeing employee-benefits design, employee recruitment, training and development, performance appraisal, and reward management, such as managing pay and benefit systems.

HR also concerns itself with organizational change and industrial relations, or the balancing of organizational practices with requirements arising from collective bargaining and governmental laws.



# Human Resources Management

The overall purpose of human resources (HR) is to ensure that the organization is able to achieve success through people.

HR professionals manage the human capital of an organization and focus on implementing policies and processes. They can specialize in finding, recruiting, training, and developing employees, as well as maintaining employee relations or benefits.

Managing employee benefits includes developing compensation structures, parental leave programs, discounts, and other benefits for employees. On the other side of the field are HR generalists or business partners. These HR professionals could work in all areas or be labor relations representatives working with unionized employees.



# Who are Human Resources?

Human Resources are all the people that in one capacity or another work for or contribute to an organization.

These people make up a company's workforce.

They include independent contractors, workers provided by contract firms, on-call workers, and temporary help agency workers.



# HR basics

The main functions of Human Resources Management are:

1. Recruitment & selection
2. Performance management
3. Learning & development
4. Succession planning
5. Compensation and benefits
6. Human Resources Information Systems
7. HR data and analytics



# Recruitment & selection

The request for new hires usually starts when a new job is created or an existing job opens up. The direct manager then sends the job description to HR and HR starts recruiting candidates. In this process, HR can use different selection instruments to find the best person to do the work. These include interviews, different assessments, reference checks, and other recruitment methods.

Sometimes, when there are a lot of candidates, HR may deploy preselection tools. These tools help to separate the wheat from the chaff when it comes to suitable candidates. The candidates that are successful then continue to the next round, where they are interviewed and receive a more in-depth assessment.



# Performance management

Once employees are on board, performance management becomes important. Performance management is the second HR basic. It involves helping people to perform better in their jobs. Usually, employees have a defined set of responsibilities that they need to take care of. Performance management is a structure that enables employees to get feedback on their performance – with the goal to reach a better performance.

Usually, companies work with an annual performance management cycle, which involves planning, monitoring, reviewing, and rewarding employee performance. The outcome of this process enables the categorization of employees in high vs. low performers and high vs. low potentials.



# Learning & development

If employees struggle to perform well in certain areas, learning and development can help to improve their performance. Learning & development (L&D) is led by HR and good policies can be very helpful in advancing the organization towards its long-term goals.

Many organizations have pre-defined budgets for L&D efforts. This budget is then distributed amongst employees, with trainees, future leaders, and other high potentials often receiving more training opportunities than others.





# Succession planning

Succession planning is the process of planning contingencies in case of key employees leaving the company. If, for example, a crucial senior manager quits his/her job, having a replacement ready will guarantee continuity and can save the company significant money.

Succession planning is often based on performance ratings and L&D efforts. This results in the creation of a talent pipeline. This is a pool of candidates who are qualified and ready to fill (senior) positions in case of someone leaving. Building and nurturing this pipeline is key to good people management.



# Compensation and benefits

Another one of the HR basics is compensation and benefits. Fair compensation is key in motivating and retaining employees.

Compensation can be split up in primary compensation and secondary compensation. Primary compensation involves directly paid money for work, which often is a monthly salary and sometimes performance-based pay.

Secondary benefits are all non-monetary rewards. This can include extra holidays, flexible working times, day-care, pensions, a company car and laptop, and much more.

The goal here is to reward people in ways that motivate them.



# Human Resource Information System

The Human Resource Information System is a system that is used to collect and store data on an organization's employees.

It is a system for recruitment, performance management, learning & development, and more; hence, it supports all the cornerstones discussed above.

All these functionalities can often be done in one single system – the HRIS. Sometimes, however, the management of these functionalities is split up into different HR systems.

The bottom line here is that there is a significant digital element to working in HR which is why the HRIS is the final element when we talk about the HR basics.



# HR data and analytics

HR analytics is the systematic identification and quantification of the people drivers of business outcomes

It enables HR to:

- Make better decisions using data
- Create a business case for HR interventions
- Test the effectiveness of these interventions
- Move from an operational partner to a tactical, or even strategic partner

