

Certificate in Human Resource Management

Name: Ramona Zegera

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1st Assignment – Study Questions:

1. Explain what HR management is and how it relates to the management process. In line to this choose five functions of HR manager and discuss them in detail pointing out relevant examples
2. Give examples of how HR management concepts and techniques can be of use to all managers. Keep reference to your area of work
3. Explain the difference between line authority and staff authority? What type of authority do human resource managers have? Explain your answer citing relevant examples
4. Why is it important for companies today to make their human resources into a competitive advantage? Explain how HR can contribute to doing this.
5. Explain how human resources management can be instrumental in helping a company create a competitive advantage
6. Explain how you would conduct a job analysis

Answers:

- 1. Explain what HR management is and how it relates to the management process. In line to this choose five functions of HR manager and discuss them in detail pointing out relevant examples.**

The Human Resource Management (HRM) is a term that is passing through a transformation time, and there are different definitions of HRM, but according to the study manual and some other specialists, HRM is the sum of different activities linked to management of employment in organizations. The four key dimensions of HRM as defined by Guest (1987) are:

- Commitment – employees are expected to identify with the goals of the organization, and to commit in achieving these goals.
- Flexibility – employees are expected to adapt to changes within the organization.
- Quality – the quality of employees will affect the performance level of the organization.
- Integration – the human resource strategies shall relate to the strategies of the organization.

People are the most valuable assets of the organizations, other assets being *physical* assets like buildings, *financial* assets like securities and *intangible* assets like for example designs. The human capital contributes to the achievement of the organization's goals through people's knowledge, skills, life experience, and motivation, as well as creativity and decision making.

All managers are seen usually as HR managers. Many of them are involved in HR activities, like planning of human resource, recruitment and selection procedure, employment regulations, staff training, etc. Managers of smaller organizations are more involved in these processes, while bigger organizations have an HR department responsible for this, but nevertheless all managers are more or less linked to HR activities. The success and the efficiency of managers and supervisors depend on how the HR department is functioning in the organization.

The primary goal of every organization is to be successful in what they do. They need to be efficient with the resources available. In doing this, the management develops different strategies that will help their organizations achieve their goals. In this process, HR managers are seen as strategic partners and important elements for the success of the organization. They need to be specialized in different fields like psychology, sociology, law, etc. and to carry out a set of activities that will ensure high quality employees capable to achieve the goals of the organization.

An HR manager has two basic responsibilities: assisting the organization in its business strategy and managing employees. HR will support the management through human capital related areas such as developing and maintaining productive and effective employees. HR department need to have good policies in place in order to ensure strong employees as a competitive advantage for the organization and to work with the line management on order to do the necessary changes. If for example the strategy of the organization is customer intimacy, having good relationships between provider of services (products) and customers, this means that the personalized services of that organization differentiate the service (product) from their competitors, for example a fitness gym. The implications for HR department will be to recruit and select candidates with strong customer relations skills in order to support the strategy of the organization. The HR will focus on reward strategies on customer attraction, satisfaction and retention.

Speaking of managing employees more specifically, the HRM have basically four functions: staffing, training and development, motivation and maintenance of employees. In other words, hiring, preparing, stimulating and keeping people.

When we talk about staffing, we talk about strategic human resource planning, recruiting and selection. Staffing function includes the activities in HRM concerned with seeking and hiring qualified people with skills matching the organizational strategy. In smaller organization without HR department, the line manager is responsible for staffing, since in bigger organization the HR department is responsible in assisting the line manager in these activities. When the strategy of the organization is defined, the HR can determine the HR needs, design the job description and look for individuals with specific knowledge, skills and abilities. If for example an organization has a cost differentiation strategy, the HR will look for flexible employees which have a variety of skills additionally to the skills specified in their job description. The goal of recruiting is to give enough information in order to attract a large number of qualified applicants and at the same time to discourage the unqualified ones. In the process of selection, the organization must provide enough information about the organization culture and what is expected from the new employees, in order to help them in their decision-making process. When the selection process is closed, the staffing function ends, and the next function of HR will be training and development of the staff.

When a new employee comes into a new organization, he/she cannot function from the beginning at 100% capacity but must pass an orientation/adaptation phase. After learning about the internal rules and policies and getting acquainted with the strategy and culture of the organization, more detailed trainings can begin. The HR department has an important role in helping the new employees to adapt to the new organization and become fully productive. Here we can talk about four areas of training and development: employee training, employee development, organization development, and career development. *Employee training* aims to assist employees to gain better skills for their current jobs. *Employee development* aims to prepare the employees for future positions within the organization. *Career development* aims to provide information to help employees realize their career goals. The main responsibility is by the individual in this process. The *organization development* aims to change the attitude and values of the employees according to the changing strategic direction of the organization. The training and development function is an ongoing process whose goal is to prepare competent employees which will be able to perform their jobs more successfully. Once this is accomplished, the HR department will direct its attention to motivate the employees.

Motivation of the employees is one of the most important functions of HR activities. Someone's performance depends on two factors: the ability and willingness to do the job. In order to ensure that the employees have the required abilities, the HR must properly design the job description, select the adequate candidate and train them at the beginning of their job in the organization, but if the job is not properly designed and connected to the organization's goals, the employees will perform below their competences. HR must ensure that the adequate technologies are available for an efficient performance. In the process of motivating the staff, the HR must look for a certain respect between management and staff, which implicates involving the staff in decision that affect them and listen to their suggestions. The HR must connect the performance's evaluation of the staff to their compensation as part of the motivation process. Once the organization has highly qualified, competent, and motivated employees, the HR department can concentrate on the maintenance function.

The maintenance function includes all types of activities that aim to maintain staff and increase their commitment and loyalty to the organization. HRM must ensure a safety and healthy working environment, caring for the employees and putting in place staff assistance programs to help the employees cope with different stressful life situations like substance abuse, childcare, depression, etc. The maintaining function also includes communication programs, designed to inform the staff, through email, web sites, bulletin boards and help them be heard. This process is hard, but the results are competent and well-trained employees which are motivated and loyal to the company.

*Material used from HRM Study Manual and David A. DeCenzo et al, 2010 (Chapter 2, pages 30-38)

2. Give examples of how HR management concepts and techniques can be of use to all managers. Keep reference to your area of work.

HRM is concerned with the "people" dimension in an organization and it is not isolated from management. Management is the process of achieving the goals of the organization with and through people. The main functions of the management are: planning (defining the objectives), organizing (which activities are needed to reach the objectives), leading (ensuring that the right

employees are hired with adequate skills, and motivating them to high effectiveness), and controlling (monitoring the activities to ensure that the objectives are met). When the management coordinates these functions in the right direction, the goals can be effectively met. In the effort to achieve the objectives of the organization, three elements are important: goals, limited resources, and people. If there are no goals to be achieved, there is no need of managers in the organization. The managers are responsible for the allocation of the resources in the process of effectively achieving the objectives of the organization. Managers can perform their duties and achieve the objectives through people.

Knowing the HR concepts and techniques can be of use to all managers. It is not only the job of HR department to effectively manage employees, but all managers must handle the activities of the HR department to effectively reach the goals of the organization. Every organization consists of people, it does not matter the type of the organization (NGO, business, education, health, etc.). So, hiring, motivating the staff to high levels of performance, and ensuring that they remain faithful to the organization are vital to achieving organizational objectives.

As already mentioned before, people are the most important asset of the organization, and an effective management of employee is the key to the success. The success can be achieved if the HR policies are connected to the achievement of the organizations goals. The organizational climate and culture will influence the success of the organization. The organizational culture is an ongoing process, need change and continuous effort to contribute to the achievement of success. HRM is concerned with integrating all employees to identify themselves with the organization and its purposes. HRM should have a strategic approach to hire, train, motivate and maintain skilled and qualified staff. HRM shall have a proactive role, looking forward to the things that need to be done in order to achieve the strategic planning of the organization. The techniques used by HRM staff selection, performance appraisal, training, etc. aim to increase commitment and productivity. This is actually the goal of the management. So, many techniques of HRM can also be used by all managers. If the people are the most important asset of the organization, the management need to invest time and effort in their development. Human resources have specific characteristic and need to be treated individually and not like material resources. For example, in designing the rules and policies of the organization, managers need to keep in mind the different needs of the employees and try to accommodate to more groups of people. They need to avoid any practices that may be interpreted as offensive, racist, or discriminatory. This will bring human value in the organization. Managers are usually involved in the process of hiring because they will be working later with the selected candidates. In the process of orientation for the new employees, the managers can help the newcomers to better understand the culture of the organization, to adapt to its culture and to become fully productive within a short period of time. Motivating and training the staff with new techniques in order to better deal with the change and to be more productive, is primarily the responsibility of the HR department, but the managers are often the ones involved in motivation process and the ones teaching the new methods to the staff.

*Material used from David A. DeCenzo et al, 2010 (Chapter 1, and Chapter 2 – pages 31-34)

3. Explain the difference between line authority and staff authority? What type of authority do human resource managers have? Explain your answer citing relevant examples.

Front line managers are “managers responsible for a work group to a higher level of management hierarchy and are placed in the lower layers of the management hierarchy, normally at the first level.” (Armstrong, 2006, page 93). Front line managers are vital to the success of HR policies and practices. Employees in charge of running their daily work, without any management responsibility and not involved in strategic issues report to line managers. Roles of line managers include for example people management, manage operational costs, provide technical expertise, organize and monitor work processes, check quality, deal with customers, measure operational performance, etc. In many organizations the line managers have more a traditional supervisory role in terms of people management rather than the larger spectrum of activities that human resource implies. Researches showed that many line managers fail to motivate their employees. A big challenge of HR is to support the line managers in managing their people, and this requires that the roles of line and HR managers are understood and clearly defined.

HR practitioners should provide guidance and advice to line managers. In practice, the HR function has often the role to ensure that HR policies and employment laws are implemented consistently in the organization. Having this role, the HR function is often seen as controlling the line management in terms of human management, which creates tension and ambiguity. Often the HR managers take over the responsibility of line managers and diminish their capacity to manage their key resource effectively, for example in having the last word in recruiting, development and remuneration of the staff. To avoid this, HR specialists must provide support and guidance to managers, without issuing commands or relieving them of their responsibilities. The difference between giving advice and telling people what they must do is often ambiguous, and some line managers are glad to let the HR specialists do their job, especially when we talk about discipline and grievance issues. The HR specialist must secure the consistent application of policies, guarding the organization’s value concerning people, provide support and guidance to line managers without issuing commands or reducing their responsibilities. The line managers should be competent and willing to carry out their roles in terms of HR activities. The roles of HR and line managers should be clearly defined and understood, aiming a depending culture and a healthy relationship between them. For example, the responsibility of training the staff could be divided between HR and line managers like: the HR prepares training materials but the line managers provides the needed technical information, HR coordinates training efforts and line managers monitor training needs, HR arranges off-the-job trainings and operating managers conducts and monitors on-the-job trainings, HR coordinates career plan development but operational managers will discuss staff growth and future potential on a regular basis.

There is also the opinion that HRM belongs to line managers as stakeholders in people management. The roles of HR practitioners are very different and can be summarized in administrative, operational and strategic role. The role can be reactive, proactive or a mixture of both. The *administrative* role of HR is concerned mainly with clerical works such as record keeping. These works can be performed also by non-HR staff. The use of technology and outsourcing has transformed the administrative role of HR practitioners, making their work more efficient and effective. But more and more HR practitioners are concerned with clerical

work and they concentrate more time to strategic roles of HRM. The HR practitioners that have an *operational* role are expected to identify and implement required policies in collaboration with operating managers. They have a welfare/advocate role, trying to make the organization a better place to work, and are not that involved in business realities, and are not seen as contributing to achieving the organizational goals. The HR practitioners that have a *strategic* role should contribute to the development and growth of their organization. At the strategic level, the HR takes the proactive role. Being a strategic partner involves supporting the strategy of the organization. This means working with line management in analyzing the culture and performance systems and recommending and applying changes if needed.

There is a need for HR managers to become strategic contributors to the success of their organizations in managing the human resources in a business-like approach. They should be proactive rather than reactive in their activities, they should set strategic HR goals instead of responding to objectives set by their executives, they should develop and revise policies and internal rules instead of conforming with the existing ones, they should rather identify organizational training needs than designing training programs. Like this the HR managers will add value to the management of their organizations.

The HR practitioners as business partners share responsibility with their line managers for the success of the organization and get involved with the management in running the business. They should have the ability to identify business opportunities, to see the whole picture, and to understand how their HR role can help the organization effectively achieve the goals. In this case, we can state that the HR managers become partners with line managers in strategy execution.

*Material used from HRM Study Manual and Armstrong, 2006 (Chapter 4, pages 72-83 and Chapter 5, pages 93-98)

4. Why is important for companies today to make their human resources into a competitive advantage? Explain how HR can contribute to doing this.

HRM is a subsection of the study of management that concentrates on attracting, hiring, motivating, and maintaining employees. As mentioned above, the employees are the most valuable assets of organizations, people which help to achieve the goals of the organizations. As the business world is changing, HR managers are expected to be able to produce or hire strong employees, which are a source of competitive advantage in this rapid changing world.

In doing this, the HR managers must adapt to different cultures and understand different environmental systems in this world of *globalization*, where for example different assembly parts for one product are being produced in different countries. Multinational corporations require HR managers to be able to understand the social context of different countries and to be able to ensure employees with adequate capabilities and skills, as well as cultural flexibility in order to handle global assignments. HR managers must understand cultural values that affect the behavior of people, like for example status which is differently perceived in different societies and might affect the operations of the organizations in other countries. They must know the laws of different countries, where the organization operates, which might sometimes totally differ from the laws in other countries. HR managers must be aware of the challenges that multicultural employees bring with themselves working in the same organization and be prepared to cope with the differences and reduce the risk of possible conflicts.

The technology changed significant in the last years and the role of internet gave a totally different dynamic to the way we work today. *Technology changes* affected HRM practices, where HR managers became the primary source of information in many organizations. Technology improved communication with the external community and employees of the organizations and helped HR practitioners in their activities for a better and faster approach in dealing for example with the recruitment process, defining job descriptions, evaluate performance, provide effective employee benefits, making efficient HR plans, training and motivating employees, etc.

HR managers must cope with *workforce diversity* which changed significantly in the last years, in order to make organizations more accommodating to more groups of people. In doing this, supervisors must address different life and work styles, as well as different family needs. Managers need to be more sensitive to individual differences and avoid any practices which may be interpreted as offensive, sexist, racist or discriminatory. The practice shows that the organizations that welcome workforce diversity increases profits, ensure employee retention and greater productivity.

The *labor supply* is sometimes being affected by a labor shortage in some skills areas, due to birth rates and labor participation rates. In this case, good wages and benefits are not enough in order to retain skilled laborers. HR managers need to adapt and improve their recruitment and retention strategies and have a better understanding of human behavior. Organizations need to increase flexibility in order to better respond to change through downsizing, rightsizing and outsourcing. In their attempts to save costs, the contingent workforce (part-time, temporary and contract workers) became important assets for many organizations. But they present challenges for HR managers in terms of policies and regulation, which differ from core employees. It is difficult to motivate them and make them commit to the organization, as well as to manage the possibly conflicts which might arise between them and contingent workers.

In their attempts to improve their production effectiveness, the organizations focus more on *continuous improvement* programs (quality management). HR departments are primarily involved in training employees in new techniques and help them be ready to deal with the change. The work process engineering involves rethinking the processes used to achieve organizational goals with the objective of radical improvements in productivity and effectiveness.

In order to meet customer demand, more creativity and innovation is required, so more and more organizations *involve employees* in decision making processes. Teamwork, delegation, participative management as well as employee training are required in order to increase employee involvement.

Ethics refers to rules that define right or wrong conduct, but understanding ethics might be difficult, depending on different view of the topic. *Code of ethics* is an important document used in the organizations in order to reduce ambiguity. This document states the organization's values and all employees are expected to follow them.

*Material used from David A. DeCenzo et al, 2010 (Chapter 1, pages 4-23)

5. Explain how human resources management can be instrumental in helping a company create a competitive advantage.

As already mentioned above, people are the most valuable assets of the organization, which help to achieve the objectives of the organization. By hiring, producing and maintaining strong employees, the HRM helps the organization to create a competitive advantage in a global environment facing change in a rapid and complex way. HRM must be prepared to deal with the effects of these changes. This means understanding the implications of the issues described above: globalization, technology changes, workforce diversity, labor supply, continuous improvement initiatives, staff involvement, etc., and also being able to pursue change.

The employees are very important in achieving the organizational goals, and the organizations depend on people to operate. Sometimes HRM should emphasize the important role of the employees to the management in order to create change and become a strategic partner to the management to be able to advocate for the organization's employees. HRM shall become a strategic partner to the management and must be forward thinking, trying to cope with the change that affects the organization. HRM shall not be reactive to what the managements states but be proactive in looking for solutions and create change, since the "people" component of the organization can create a competitive advantage. This means creating policies and rules that will attract and maintain strong and competent employees.

Being a strategic partner means supporting the strategy of the organization and implies working with the line management in analyzing the organizational culture and performance systems and advocating for changes if necessary. For example, if the organization has a cost differentiation strategy, the implication for HR will be to organize jobs and departments to increase knowledge sharing and cross training, to design compensation programs that reward efficiency and cost savings, and to hire flexible employees. If the organization has a product differentiation strategy, the HR must design compensation programs that will reward innovation and creativity and training the staff about product differentiation features. This means that HR shall study the functions of the staff and gather information on each job, and regularly compile it in the job description, which would be used during recruitment, to select the most skilled candidate for a specific vacancy. Human resource planning, knowing the organization's human resource needs plays a crucial role in ensuring organization competitive advantage, which involves hiring the right people, with the right skills and abilities and place them rightly at the right time.

Also, part of creating a competitive advantage is maintaining staff through strategic policies like career development planning and adequate benefits, re-training and relocating them in order to ensure they move in the right perspective. Offering a good orientation and training the staff at all levels will prepare the employees for organization future challenges and changes. Managing career development plans will help people grow with the organization. Performance appraisal and compensation programs in terms of salaries, benefits and incentives shall be developed in order to reward performance attractively. Providing a safe and secure working environment in terms of reducing accidents and injuries but also in terms of healthy employee relations among themselves and with the management is also part of creating a competitive advantage.

*Material used from HRM Study Manual and David A. DeCenzo et al, 2010 (Chapter 2, page 32 and Chapter 5, pages 111-115)

6. Explain how you would conduct a job analysis.

By making a job analysis I can define the job's duties, responsibilities and accountabilities. This process involves the accurate identification of the job requirements and the skills necessary to perform that job. I first must understand the job and how the job is linked to organizational strategy. I would analyze the market on that specific position to evaluate by comparison with other positions in similar organizations, in terms of responsibilities, requirements, compensation, etc. Then I will combine two methods of job analysis in order to obtain better results. It is important for me to obtain information by individual employees and their immediate supervisors. I will combine the Structured Questionnaire and the Technical Conference methods. With the Structured Questionnaire Method, I will gather a vast list of information about the job, and with the Technical Conference Method I can obtain the missing information and clarify the information received through the questionnaire. The draft developed for that specific position will be reviewed with the supervisor in charge of the future employee. By studying the functions of employees, I can gather enough information on each job and will be able to design an accurate job description. Doing the job analysis, I can use the information in recruiting qualified job candidates which have the required skills, knowledge and abilities to meet the organizational goals.

*Material used from HRM Study Manual and David A. DeCenzo et al, 2010 (Chapter 5, page 120-123)

Literature used:

Certificate in Human Resource Management; Study Manual; Modul 1

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