

Chapter 1

The Dynamic Environment of Human Resource Management (HRM)



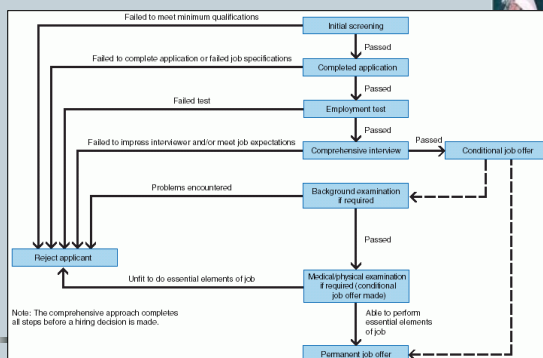
Human resource management (HRM)

The management of people at work

The process of acquiring, training, appraising, and compensating employees, and of attending to their labor relations, health and safety, and fairness concerns.



The Selection Process



Introduction

HRM is a subset of management. It has five **main goals**:



Strong employees = competitive advantage.

Understanding Cultural Environments

HRM operates in a global business environment.

Countries have different

- values
- morals
- customs
- political, economic, and legal systems

HRM helps employees understand other countries' political and economic conditions.

The Changing World of Technology

HRM operates in a technologically changing environment.

Thomas Friedman:

Globalization 1.0 (1492-1800) Driven by transportation	Globalization 2.0 (1800 -2000) Driven by communication	Globalization 3.0 (2000 -????) Driven by technology
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3.0 fueled by instant communication and the Internet.

The Changing World of Technology



The IT field is growing.

Knowledge workers focus on the acquisition and application of information for decision making.

The Changing World of Technology



HRM information systems help to

- facilitate HR plans
- make decisions faster
- clearly define jobs
- evaluate performance
- provide desirable, cost-effective benefits

The Changing World of Technology



HR managers use technology to:

- recruit, hire, and train employees
- motivate and monitor workers
- research fair compensation packages
- communicate throughout the organization
- evaluate decentralized employees' performance

The Changing World of Technology

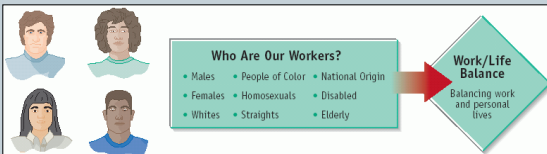


- How Technology Affects HRM Practices
 - Recruiting
 - Employee Selection
 - Training and Development
 - Ethics and Employee Rights
 - Motivating Knowledge Workers
 - Paying Employees Market Value
 - Communication
 - Decentralized Work Sites
 - Skill Levels
 - Legal Concerns

Workforce Diversity



- The challenge is to make organizations more accommodating to diverse groups of people.



Workforce Diversity



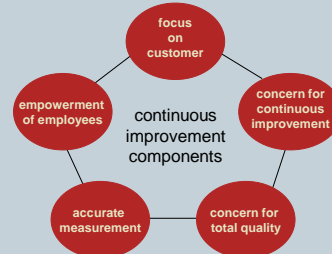
- The Workforce Today
 - **minorities and women** have become the fastest growing segments
 - the numbers of immigrant workers and older workers are increasing

Workforce Diversity

- What Is a Work/Life Balance?
 - A balance between personal life and work
 - Causes of the blur between work and life
 - The creation of global organizations means the world never sleeps.
 - Communication technologies allow employees to work at home.
 - Organizations are asking employees to put in longer hours.



Continuous Improvement Programs



HR managers help workers adapt to continuous improvement changes through retraining, providing answers, and monitoring expectations.



Continuous Improvement Programs

- **Work Process Engineering** involves radical/essential, quantum changes to entire work processes.
- How HRM Assists in Work Process Engineering
 - Helps employees deal with the **emotional aspects** of **conflict and change**
 - Provides skills training
 - Adapts HR systems, such as compensation, benefits, and performance standards.



Employee Involvement

It's all about employee **empowerment** through **involvement**, which increases worker productivity and loyalty.

Employee Involvement Concepts

delegation • participative management
work teams • goal setting • employer training



Other HRM Challenges

Challenges for HRM:

- The **recession** has brought layoffs and low morale.
- Increased **offshoring** means jobs can move overseas, even HR.
- Today's spate of **mergers and acquisitions** increase HR's role.



A Look at Ethics

Code of ethics: a formal statement of an organization's **primary values** and the **ethical rules** it expects members to follow.

HR managers must take part in enforcing ethics rules.



Labor Supply



- Do We Have a Shortage of Skilled Labor?
 - The combination of the small Gen-X (1946-1964) **population**, the already **high participation rate of women** in the workforce, and **early retirements** will lead to a significantly smaller future labor pool from which employers can hire.

Labor Supply



- Why Do Organizations Lay Off During Shortages?
 - **Downsizing** is part of a larger goal of balancing staff to meet changing needs.
 - Organizations want more **flexibility** to better respond to change.
 - This is often referred to as **rightsizing**, linking **employee needs** to **organizational strategy**.

Labor Supply



- How Do Organizations Balance Labor Supply?
 - Organizations are increasingly using **contingent workers** to respond to fluctuating needs for employees.
 - Contingent workers include
 - Part-time workers
 - Temporary workers
 - Contract workers

Labor Supply



- Issues Contingent Workers Create for HRM
 - How to attract quality temporaries
 - How to motivate employees who are receiving less pay and benefits
 - How to have them available when needed
 - How to quickly adapt them to the organization
 - How to deal with potential conflicts between core and contingent workers