

11. Human resources management (HRM)

The concept of human resources management

Human resources management is a managerial activity consisting in the recruitment, selection, training and improvement of the organization's members. An organization is effective when it has the best employees (so their selection is crucial).

Human resources management is a staff function. The organisational unit dealing with human resources management aims to ensure a continuous inflow of employees throughout the organisation when they are necessary.

Human resources planning includes planning future human resources needs, planning to ensure balance in the future composition of the workforce, planning recruitment or layoffs and improvement of employees.

The first step of human resources planning is the **needs** of the organization. When an organisation grows, it needs an influx of new employees. The needs cover the current period, but the company should know, when hiring a person, whether it hires them for a shorter or longer period.

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Recruitment

The purpose of **recruitment** is to gather a sufficiently large group of candidates for the manager to be able to choose the best performing employee.

Before a recruitment advertisement is published, a job description or a description of a managerial position must be known, stating the title, scope of duties, and the place of location in the organizational structure of the company.

Recruitment is usually carried out on the labour market, where there are free resources. Sometimes an interview alone, which verifies the formal education and gives only a general idea about the employee, is not enough. Companies can carry out tests, exercises, task simulations in order to find out whether the person proposed for the position really has the skills to perform the given job.

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Recruitment (cont.)

Organizations can also use specialist institutions dealing with recruitment when looking for highly qualified specialists. Recruitment is also carried out at universities, but it is a costly process, and employees obtained in this way do not guarantee stay in the company for a long time, because this is their first job and after gaining some experience they look for another one. Top managers recruit specialist companies, choosing from among people who have a "name" in the industry.

Many organisations also **recruit internally** for senior positions, which is advantageous as they employ a person who has performed well in the company, fosters loyalty to the company and encourages employees to make more effort and is less costly. The disadvantage is that people who have been in the company for some time have no distance to make sometimes necessary changes.

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Selection of employees

Employee selection is the process of recruiting an employee who meets the criteria of the organization. The procedure consists of **7 stages**:

1. Filling in a job application.
2. Initial interview.
3. Tests.
4. Medical examinations.
5. In-depth interview.
6. Verification of experience and references.
7. Employment offer.

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Selection of employees (cont.)

The selection of managers can take place both internally and externally. This is carried out by senior managers, who assess whether the person is fit for the job and has the necessary experience to perform the job.

Introduction to work includes a period of employee's adaptation to the new company. During this period, the employee is provided with a range of information that will help him or her to operate in an effective and non-conflicting manner within the organisation. The information concerns the daily work routine, the history of the company, its goals, operations, products and services, as well as the objectives for the employee and a detailed presentation of the organisation's policy, work regulations, employee benefits.

The adjustment programme is aimed at reducing the anxiety of an employee starting work. It is a period in which the employee's expectations towards the company are verified with reality.

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Employee training

Employee training aims to maintain or increase the productivity of employees in their current position. Identifying training needs can take the form of performance evaluation, workplace needs analysis, organisation analysis, employee survey.

Improvement of managers usually takes 4 forms:

- **upbringing**, i.e. teaching by his direct superior,
- **job rotation**, i.e. moving from one department to another in order to learn about different aspects of the company's operations,
- **training internships** - an assistant manager is assigned to act as a role model for the future manager,
- **planned tasks** - important tasks are assigned, e.g. a project task, in which they can demonstrate their skills and gain experience.

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Evaluation of the employee's effectiveness

Informal assessment of an employee's performance is carried out on an ongoing basis: this assessment is highly relevant to performance. Frequent feedback on the work done by the employee is the basis for the consolidation of desired behaviours in the organisation.

Formal appraisal (evaluation) takes place every now and then, in order to officially inform the employees about their effectiveness, to distinguish employees who deserved increases, to select employees whose performance can be improved by training, and also to attract candidates for promotion.

Remuneration for work is often linked to job descriptions and management spreads. There are also systems where pay is linked to employee productivity. There is a fixed wage plus a variable wage as a reward for increasing productivity.

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Evaluation of the employee's effectiveness (cont.)

Employee relocation promotions, degradations and layoffs determine the personnel movement of employees.

Promotion is an incentive to increase work effectiveness. It is important that employees and their co-workers consider promotions to be fair and deserving. Also, promotions must not be based on discrimination against women or other race or older people.

Transfers may take place to another department in the same unit or to another location. Transfer is used for a variety of reasons - for example, not to lay off people who do not perform their duties properly. Another possibility is to give development opportunities to an employee who has already reached a certain level in his or her own job and is therefore offered a position in a new department.

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Evaluation of the employee's effectiveness (cont.)

Penalties are applied when an employee violates the company's rules. They are usually graded: warning, reprimand, probationary period, suspension, disciplinary transfer, degradation, dismissal. Dismissals are regulated by the Labour Code, which sets out notice periods and compensation for dismissal. An employee who does not agree with a dismissal may seek justice in the Labour Court, which investigates his or her complaint.