

Human Resource Management Overview

by Sophia



WHAT'S COVERED

What do you think human resources do? Do they manage human resources like money or clothing? This tutorial will provide an overview of human resource management. Our discussion breaks down as follows:

1. Human Resource Management Overview

Human resource management is the area of management that is focused on the selection and coaching of employees to amplify employee performance.

What exactly does this mean? Let's begin with an overview of the human resource management function. Human resource management, or HRM, increases motivation, reduces turnover, and helps save money--at least, that is the goal of any human resource department within an organization.



DID YOU KNOW

Human resources has been gaining significance and emphasis in business since the 1960s. In fact, it used to be called staffing, or the personnel department. These terms, however, can be a bit misleading, because today, human resources have grown to represent much more than simply filling jobs.

Organizations spend a lot of time, money, and energy in order to find employees, which is why it's beneficial to help maintain that current staff. Human resources can help to do that.



HINT

Generally, it's less expensive for a business to maintain its current staff than to constantly replace them with new employees.

Poor HRM, or human resource management, has a lot of costs, such as:

- Poor morale
- High turnover
- Low-quality staff
- Poor productivity

All of these negative outcomes can happen simply because your human resource function isn't up to par.



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2. Three Phases of Human Resource Management

Human resource management has three different phases:

1. *Acquiring.* The first phase consists of acquiring new personnel. HR is planning on how to acquire these people, performing job analyses, and determining exactly what it takes to do those specific jobs. Then, they are recruiting, selecting, and orienting those new employees into the jobs that they are filling, to ensure the best match between person and job.
2. *Maintaining.* The next phase is maintaining that employee. Human resources help with the employee relations, making sure they are well compensated, that their benefits are all in order, and generally ensuring that the employees have a positive feeling about the organization. A positive employee is going to be a more productive employee.
3. *Developing.* The third and last phase is developing the employee. This phase involves doing training and onboarding, as well as executing performance appraisals throughout the lifespan of the employee at the organization.

3. Forecasting

Forecasting is creating effective strategies by using current and historical information and applying that to the company's future plans. Meaning, what is the future plan for the company, and how are we going to help from a human resources side to fulfill that particular plan or strategy?

Human resources respond to that forecasting, and it develops hiring plans accordingly to make sure a company is getting the right people on time to fill the right jobs. Human resources analyze the corporate and the functional strategic plans to determine what the needs are, and use that information to estimate what the costs are going to be for these new employees--to retain them and to train them. Lastly, HR will begin filling those particular needs.

Next, HR develops an action calendar for future needs, making sure that the timing is right and that the actions that they are taking are hitting the mark as far as timing is concerned for hiring and meeting the future needs of the company. It does no good for a company to grow and build new products if it doesn't have the staff, personnel, or manpower--or in this case, the human resources--to put that plan into place.

4. Turnover Management

Turnover management is a unique function of human resources. Turnover management is creating effective strategies to deal with what is called "turn and churn," which is basically the loss or restructure of employees.

It includes losing employees to the outside world or churning, moving employees up and around the different positions within the organization. Very rarely will you see employees stay in one particular spot anymore; at the very least, they're going to be moving around inside the company.

Human resources need to anticipate what the level of turnover is going to be. In some cases, they will have a replacement chart, which is extremely useful. This helps them to plan for that turnover rate and make sure that they're hiring new employees to fill those positions as they turn over.

Human resources are always going to have an anticipated rate of turnover, which is based on the organization and that particular person's role within that organization. You see, some organizations or business sectors will have higher turnover than other sectors, and even certain positions within an organization will have higher or lower turnover, simply because of that position in the organization.

Turnover management also includes internal promotions and lateral moves--that "churn" we were discussing earlier. This is in addition to the new hires that are represented within that replacement chart mentioned before.

Lastly, human resources maintain a skill inventory as part of their turnover management. A skill inventory involves making sure they know what skills each employee has. This will help facilitate internal movements and hiring goals when they need to replace someone. What skills are you looking to replace when someone moves somewhere else? Or, in order for someone to move into another position, what skills are you looking for to make sure that they're the right fit for that particular job?



SUMMARY

Today we reviewed a **human resources management overview**. We also learned about the **three phases of human resource management**. Next, we learned about **forecasting**, and lastly, we explored the role of **turnover management**--that "turn and churn" within an organization.

Good luck!

Source: adapted from sophia instructor james howard



TERMS TO KNOW

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