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The Human Resource Management Function

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Organizations come in different shapes and sizes, from small convenience stores to large multinationals. However, one common element found in any organization, regardless of size, shape or purpose is *people*, otherwise known as human resources (HR). Organizational success is largely dependent on such human resources (Petroni, 2014). As Petroni argues, a company is only as strong as its people. People construct organizational goals, bring creativity, skills and competencies, and largely make up the organization. Organizations, however, need to manage their people. Indeed managing HR is a fundamental part of the relationship between an organization and its people. The Human Resource Management (HRM) function is often given this responsibility in organizations. Torrington *et al.* (2005) define HRM as a continuous balancing act between fulfilling an organization's goals and objectives, and those of employees. Effective management of HR should merge the needs of individuals with the demands of the organization. This chapter will examine the particular ways through which the HRM function achieves these objectives.

Strategic role of HRM

The HRM function can be carried out at two levels, either operational or strategic. At the operational level, there is a heavy emphasis on the organization of everyday tasks, such as supporting line managers, recruitment, selection, training and development, serving as a channel for employees' concerns, personnel record keeping, and managing/negotiating collective bargaining agreements. For the strategic level, there is more emphasis on relating everyday tasks to organizational strategy (Golding, 2004). Activities will often include facilitating

and managing employees in order to ensure that organizational goals are met, and aligning HRM goals with organizational goals. This, for instance, could mean ensuring that the necessary skills are evident within the workforce, or ensuring there is diversity and opportunities for career development. Most HRM tasks can be performed at both the operational and strategic levels, although in modern organizations emphasis is often on the strategic role of HRM. HRM tasks would, therefore, usually be incorporated into overall organizational strategy. The main objective is to develop HR practices, policies and strategies to deal with the employment and development of employees, and the relations that develop between employees and the organization.

The role of HRM in modern organizations has, thus, extended beyond functions such as recruitment and selection or personnel record keeping, to encompass equality and diversity, welfare, health and safety, employee relations, reward management, performance appraisal, training and development, and HR planning amongst other things. In addition, HR has the responsibility to conform to employment laws and legislation. The HRM role has therefore, come to be regarded as a 'specialist' role in organizations (Tracey and Nathan, 2002). It is nevertheless important to note that the HRM function is increasingly being outsourced and decentralized to line managers, in order to save costs. Beardwell and Claydon (2007) note that the majority of contemporary organizations have had to break down hierarchies and outsource several functions in order to save costs (e.g. we see catering and cleaning being outsourced within the National Health Service in the UK). These cost-cutting exercises yield short-term benefits, but they could result in the shortage of skilled staff. Even though the HRM function is increasingly being outsourced in organizations, it continues to play an important role in determining organizational success. Torrington *et al.* (2005) provide a simple illustration of the HRM function even further, suggesting that there are four major objectives for the function. The four objectives are illustrated in Figure 7.1, and discussed in the following sections.

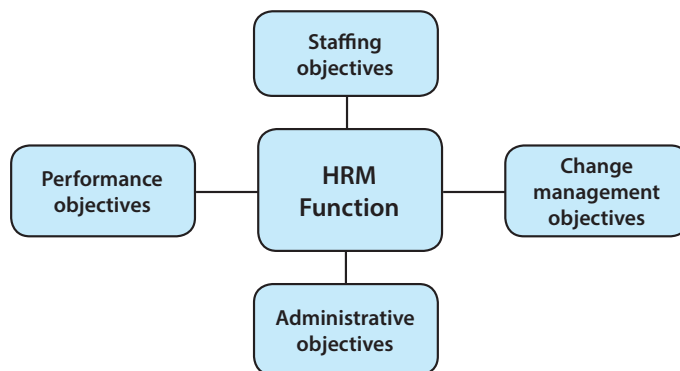


Figure 7.1: Strategic role of HRM

Exercise

Spend 5 minutes outlining what you think the role of HRM is within organizations.

Staffing objectives

There are three main tasks for the HRM function of an organization, in relation to staffing. The first relates to ensuring that the organization has the appropriate number of staff employed within it; second, the HR manager ensures that the organization employs staff suited to organizational goals, who will aid in competing effectively in the labour market; and third, the HR manager is in charge of writing contracts for staff. Making sure that the organization has the appropriate staff means assessing whether the workforce is of the correct size, and whether employees have the appropriate skills. HR managers can ensure an organization has appropriate staffing through the process of recruitment and selection. The recruitment and selection process comprises of four broad stages. These include:

- Carrying out a job analysis;
- Drawing up a person specification;
- Attracting/recruiting suitable applicants; and
- Assessing and selecting suitable candidates.

To begin, an HR manager will undertake a job analysis. This will require an assessment of the job, including whether it needs to be filled, and what the skills needs of that job are. This may comprise analysis of the work activities, the worker attributes required, and the work context (Sanchez and Levine, 2012). These are then used to build the person specification for the job, which sets out the type of applicant required, for example, does the job require a person with a specialist degree, or with line management experience? The person specification is then used to attract applicants to the role. This could include internal recruitment, such as promoting someone from within the organization. Alternatively, a decision may be made that the position requires external expertise. The job may then be advertized through websites, job centre boards, or professional trade journals. For senior positions, organizations may approach a head hunting company to secure a range of appropriate applicants. In addition, organizations may decide that they wish to recruit promising new trainees, resulting in a graduate recruitment scheme (Favell, 2008). Whatever the approach to recruitment, all applicants are then assessed in order to move to the process of selection.

Selection is the process by which the full list of applicants is assessed, eventually moving to the selection of the appropriate candidate to fill the vacant position. The complete list of applicants will be examined, possibly by the HR manager and the prospective line manager. This process may differ depending on the job to be filled. For senior positions, there may be a selection panel that will review all applications and identify a short-list. As Torrington *et al.* (2008) identify, a selection panel can reduce the chances that shortlisting decisions are made according to arbitrary criteria, such as the gender of the applicant. The shortlisting panel should select a shortlist based on those applicants who meet the agreed essential criteria of the position. A panel should then reach a consensus on the shortlist. Once the shortlist has been agreed, the HR team can then move to a detailed assessment of the shortlisted applicants. The recruitment and selection process is a key point at which equality and diversity should be considered (Analoui, 2007). Despite a range of equality legislation (covered later in this chapter), certain demographic groups are still discriminated against in the labour market. Holgersson (2013), for instance, revealed that managers prefer to recruit managers who are like them. This is called 'homosociality' and since most managers are men, this leads to a cycle of recruitment of men, by men. Women are thus excluded during both the recruitment and selection phases.

As at 2014, the proportion of women aged 25-65 in the UK, who work is 69%, while for men it is 82% (Azmat, 2015).

The HR manager is also in charge of setting up the employment contract. The employment contract comes into existence when employment is offered by an organization and accepted by a prospective employee. Such contracts form the legal basis of employment relationships, and would usually be administered by the HR manager. Recruitment and selection processes are increasingly being aimed at diverse employees, with several options being made available. Employees could be part-time or full-time, temporary or permanent. Having employment contracts helps an organization manage these various terms of employment.

The relationship between an organization and its employees is therefore based on an employment contract. Basic terms and conditions of the job are set out, and where needed, can be applied in a court. Once agreed on, the terms of a contract cannot be modified without the consent of both parties. Employers, for instance, cannot decide singly to increase an employee's working hours, or reduce pay. Where this is necessary, both employee and employer need to be in agreement. When changes are made by employers without some form of agreement, either with union representatives or with employees themselves, there could be a legal case for unfair employment relations.