**LESSON 3 - HRM**

**SKILLS NEEDED FOR HRM & HRM CHALLENGES**

* ***Collection of skills/Multitask*** - One of the major factors of a successful manager or human resource (HR) manager is a collection of skills to deal with a variety of situations.
* ***People skills*** – ability to communicate, as human resource personnel, you need the people skills, i.e. ability to communicate and interact with other people.
* ***Organization*** - The need for this skill makes sense, given that you are managing people’s pay, benefits, and careers. Having organized files on your computer and good time-management skills are crucial for success in any job,
* ***A strategic mind-set is a key skill as well*** - A person with a strategic mind-set can plan far in advance and look at trends that could affect the environment in which the business is operating. The strategic HR professional is able to not only work within his or her are but also understand how HR fits into the bigger picture of the business.
* ***Ethical skill*** - Ethics is a concept that examines the moral rights and wrongs of a certain situation. Consider the fact that many HR managers negotiate salary and union contracts and manage conflict.

• One of the most important aspects to productive HRM is to ensure the department adds value to the rest of the organization, based on the organization’s strategic plan.

**Today’s HRM Challenges**

• One of the major challenges of HRM is containment of costs. This can be done in several ways, for example, in the way health care and benefits are offered. Many companies are developing cafeteria plans that satisfy the employee and help contain costs.

• HRM can also contain costs by developing and managing training programs and ensuring employees are well trained to be productive in the job.

• Hiring is a very expensive part of human resources, and therefore HRM should take steps to ensure they are hiring the right people for the job the first time. Turnover is a term used to describe the departure of an employee.

• Poor communication results in wasting time and resources. We can communicate better by understanding communication channels, personalities, and styles.

• Technology is also a challenge to be met by human resources. For example, employees may request alternative work schedules because they can use technology at home to get their work done.

• Because technology is part of our work life, cyber loafing, or employees spending too much time on the Internet, creates new challenges for managers. Technology can also create challenges such as workplace stress and lack of work-life balance.

• The economy is a major factor in human resource management. HR managers, no matter what the state of the economy, must plan effectively to make sure they have the right number of workers at the right time. When we deal with a down economy, the legal and union implications of layoffs must be considered, and in an up economy, hiring of workers to meet the internal demand is necessary.

• The retirement of baby boomers is creating a gap in the workplace, related to not only the number of people available but also the skills people have. Multigenerational companies, or companies with workers of a variety of ages, must find ways to motivate employees, even though those employees may have different needs. HR must be aware of this and continually plan for the challenge of a changing workforce.

• Ethics and monitoring of ethical behavior are also challenges in HRM. Setting ethical standards and monitoring ethical behavior, including developing a code of conduct, is a must for any successful business

**Human Resources Management Activities**

• Human resources planning

• Job analysis

• Recruiting

• Selection

• Orientation

Human Resources Planning Process – this is the development of strategies to meet the organisations future human resources needs.

• Forecasting Human Resources Demand – the organization’s overall strategic plan will provide information about future business ventures, new products and projected expansion.

• Forecasting Human Resources Supply – the forecast must take into account both the present work force and any changes or movements that may occur within the organisation.

i. Replacement chart is a list of key personnel, along with possible replacements within the organisation.

ii. Skills inventory is a computerized data bank containing information on the skills and experience of all present employees. It is used to search for candidates to fill new or newly available positions

• Matching Supply with demand – once demand for personnel and the organization’s supply of personnel has been compared, planners can device a course of action for matching the two.

Forecast Supply

Job Analysis Compare Forecast Supply &

Forecast Demand

Forecast Demand

* If supply exceeds demand, plan forced attrition, layoffs, terminations etc.
* If supply equals demand keep monitoring the situation
* If demand exceeds supply, plan for recruiting, training selection and development.