



Module 14: HR for Non-HR

Part 1: The Role of Human Resources

No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means—electronic, mechanical, photocopying, recording or otherwise—without prior permission of the Egyptian Banking Institute.

Table of Contents

Part 1: The Role of Human Resources

| | |
|--|----|
| Importance | 3 |
| Learning Objectives | 3 |
| What Is Human Resources? | 4 |
| What Is HRM? | 4 |
| Skills Needed for HRM | 5 |
| Different roles for HRM | 6 |
| Staffing..... | 6 |
| Development of Workplace Policies | 6 |
| Compensation and Benefits Administration | 7 |
| Retention | 7 |
| Training and Development | 7 |
| Worker Protection..... | 8 |
| Communication..... | 8 |
| Awareness of External Factors | 8 |
| Summary | 10 |

Train for Employment

Module 14: HR for Non HR

Part 1: The Role of Human Resources

Importance

As companies modify priorities and operations, human resources functions can move from a dedicated HR role to that of the manager. Whether the majority of those important functions stay within HR at your organization or is your responsibility as a manager, it is important that managers understand how much of their role is really about their people, as well as aspects of legislation, policy, and procedures that involve human resourcing issues.

Learning Objectives

Upon the completion of this part, you will be able to:

- Define what Human Resource
- Identify Skills Needed for HR employees
- Describe the HRM Roles

What Is Human Resources?

Every organization, large or small, uses a variety of capital to make the business work. Capital includes cash, valuables, or goods used to generate income for a business. For example, a retail store uses registers and inventory, while a consulting firm may have proprietary software or buildings. No matter the industry, all companies have one thing in common: they must have people to make their capital work for them. This will be our focus throughout the training: generation of revenue through the use of people's skills and abilities.



What Is HRM?

Human resource management (HRM) is the process of employing people, training them, compensating them, developing policies relating to them, and developing strategies to retain them. As a field, HRM has undergone many changes over the last twenty years, giving it an even more important role in today's organizations. In the past, HRM meant processing payroll, sending birthday gifts to employees, arranging company outings, and making sure forms were filled out correctly—in other words, more of an administrative role rather than a strategic role crucial to the success of the organization.



It's necessary to point out here, at the very beginning of this training, that every manager has some role relating to human resource management. Just because we do not have the title of HR manager doesn't mean we won't perform all or at least some of the HRM tasks. For example, most managers deal with compensation, motivation, and retention of employees making these aspects not only part of HRM but also part of management. As a result, this training is the corner stone to someone who wants to be an HR manager and to someone who will manage a business.

Skills Needed for HRM

One of the major factors of a successful human resource (HR) Employee or manager is an array of skills to deal with a variety of situations. It simply isn't enough to have knowledge of HR, such as knowing which forms need to be filled out. It takes multiple skills to create and manage people, as well as a cutting-edge human resource department.



The first skill needed is **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, but especially if you take on a role in human resources.

Like most jobs, being able to multitask that is, work on more than one task at a time is important in human resources. A typical person working with human resources may have to deal with an employee issue one minute, then switch and deal with recruiting. Unlike many positions, which only focus on one task or one part of the business, human resources focus on all areas of the business, where **multitasking** is a must.

As trite as it may sound, **people skills** are necessary for any job and perhaps might be the most important skills for achieving success at any career path. Being able to deal with a variety of personalities, deal with conflict, and coach others are all in the realm of people management. The ability to communicate goes along with people skills. The ability to communicate good news (hiring a new employee), bad news (layoffs), and everything in between, such as changes to policy, makes for an excellent employee and human resource management (HRM) professional.

Keys to a successful career in HRM **understanding specific job areas**, such as managing the employee database, understanding employment laws, and knowing how to write and develop a strategic plan that aligns with the business.

A strategic mind-set as an HR professional 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. Too often, managers focus on their own area and not enough on the business as a whole. The strategic HR professional is able to not only work within his or her area but also understand how HR fits into the bigger picture of the business.

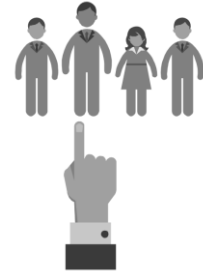
Ethics and a sense of fairness are also necessary for human resources. Ethics is a concept that examines the moral rights and wrongs of a certain situation. Consider the fact that many HR employees negotiate salary and union contracts and manage conflict. In addition, HR employees have the task of ensuring compliance with ethical standards within the organization. Many HR persons are required to work with highly confidential information, such as salary information, so a sense of ethics when managing this information is essential.

Different roles for HRM

Keep in mind that many functions of HRM are also tasks other department managers perform, which is what makes this information important, despite the career path taken. Most experts agree on seven main roles that HRM plays in organizations. These are described in the following sections.

Staffing

You need people to perform tasks and get work done in the organization. Even with the most sophisticated machines, humans are still needed. Because of this, one of the major tasks in HRM is staffing. Staffing involves the entire hiring process from posting a job to negotiating a salary package. Within the staffing function, there are four main steps:



1. Development of a staffing plan.

This plan allows HRM to see how many people they should hire based on revenue expectations.

2. Development of policies to encourage multiculturalism at work.

Multiculturalism in the workplace is becoming more and more important, as we have many more people from a variety of backgrounds in the workforce.

3. Recruitment.

This involves finding people to fill the open positions.

4. Selection.

In this stage, people will be interviewed and selected, and a proper compensation package will be negotiated. This step is followed by training, retention, and motivation.

Development of Workplace Policies

Every organization has policies to ensure fairness and continuity within the organization. One of the jobs of HRM is to develop the verbiage surrounding these policies. In the development of policies, HRM, management, and executives are involved in the process. For example, the HRM professional will likely recognize the need for a policy or a change of policy, seek opinions on the policy, write the policy, and then communicate that policy to employees. It is key to note here that HR departments do not and cannot work alone. Everything they do needs to involve all other departments in the organization. Some examples of workplace policies might be the following:



- Discipline process policy
- Vacation time policy
- Dress code
- Ethics policy
- Internet usage policy

Compensation and Benefits Administration

HRM professionals need to determine that compensation is fair, meets industry standards, and is high enough to entice people to work for the organization. Compensation includes anything the employee receives for his or her work. In addition, HRM professionals need to make sure the pay is comparable to what other people performing similar jobs are being paid. This involves setting up pay systems that take into consideration the number of years with the organization, years of experience, education, and similar aspects. Examples of employee compensation include for example the following:



- Pay
- Health benefits
- Retirement plans
- Vacation time
- Sick leave
- Bonuses

Retention

Retention involves keeping and stimulating employees to stay with the Organization. Compensation is a major factor in employee retention, but there are other factors as well. Ninety percent of employees leave a company for the following reasons:



- Issues around the job they are performing
- Challenges with their manager
- Poor fit with organizational culture
- Poor workplace environment

Despite this, 90 percent of managers think employees leave as a result of pay. *Leigh Rivenbark, "The 7 Hidden Reasons Why Employees Leave," HR Magazine, May 2005, accessed October 10, 2010,*

As a result, managers often try to change their compensation packages to keep people from leaving, when compensation isn't the reason they are leaving at all.

Training and Development

Once we have spent the time to hire new employees, we want to make sure they not only are trained to do the job but also continue to grow and develop new skills in their job. This results in higher productivity for the organization. Training is also a key component in employee motivation. Employees who feel they are developing their skills tend to be happier in their jobs, which results in increased employee retention. Dealing with Laws Affecting Employment (Labor Law)



Human resource people must be aware of all the laws that affect the workplace. An HRM professional might work with some of these laws:

- Labor laws
- Social Insurance Law
- Medical Insurance Law

- Health-care requirements
- Compensation requirements such as the minimum wage
- Worker safety laws
- Discrimination laws

The legal environment of HRM is always changing, so HRM must always be aware of changes taking place and then communicate those changes to the entire management organization.

Worker Protection

Safety is a major consideration in all organizations. Oftentimes new laws are created with the goal of setting federal or state standards to ensure worker safety. Unions and union contracts can also impact the requirements for worker safety in a workplace. It is up to the human resource manager to be aware of worker protection requirements and ensure the workplace is meeting both federal and union standards.



Worker protection issues might include the following:

- Chemical – fire hazards
- Heating and ventilation requirements
- Use of “No _____” zones
- Protection of private employee information

Communication

Besides these major roles, good communication skills and excellent management skills are key to successful human resource management as well as general management.



Awareness of External Factors

In addition to managing internal factors, the HR employee needs to consider the outside forces at play that may affect the organization. Outside forces, or external factors, are those things the company has no direct control over; however, they may be things that could positively or negatively impact human resources. External factors might include the following:

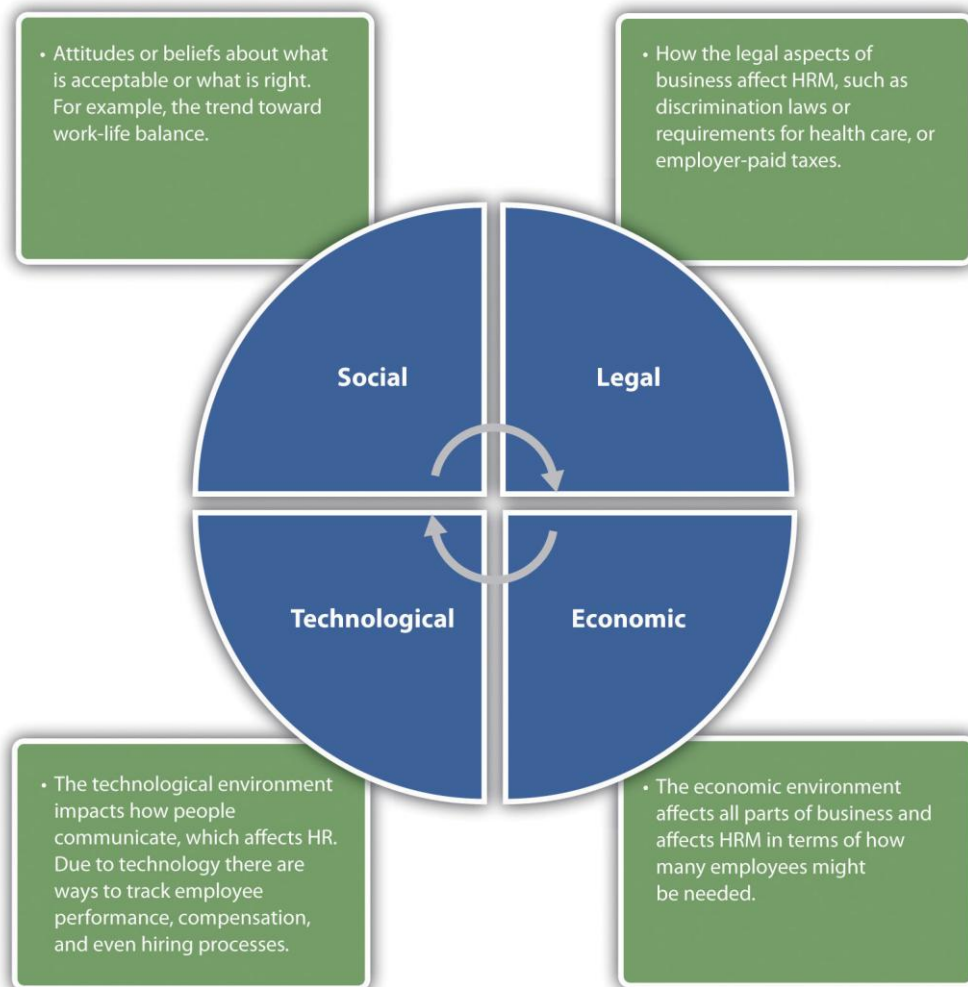
- Globalization and offshoring
- Changes to employment law
- Health-care costs
- Employee expectations
- Diversity of the workforce
- Changing demographics of the workforce
- A more highly educated workforce
- Layoffs and downsizing
- Technology used, such as HR databases
- Increased use of social networking to distribute information to employees



For example, the recent trend in flexible work schedules⁷ (allowing employees to set their own schedules) and telecommuting⁸ (allowing employees to work from home or a remote location for a specified period of time, such as one day per week) are external factors that

have affected HR. HRM has to be aware of these outside issues, so they can develop policies that meet not only the needs of the company but also the needs of the individuals. Compliance with this bill has huge implications for HR. For example, a company with more than fifty employees must provide health-care coverage or pay a penalty. Currently, it is estimated that 60 percent of employers offer health-care insurance to their employees. *Peter Cappelli, "HR Implications of Healthcare Reform,"*

Because health-care insurance will be mandatory, cost concerns as well as using health benefits as a recruitment strategy are big external challenges. Any manager operating without considering outside forces will likely alienate employees, resulting in unmotivated, unhappy workers. Not understanding the external factors can also mean breaking the law, which has a concerning set of implications as well.



An understanding of key external factors is important to the successful HR professional. This allows him or her to be able to make strategic decisions based on changes in the external environment. To develop this understanding, reading various publications is necessary.

Summary

Throughout this part you were able to:

- Define what Human Resource
- Identify Skills Needed for HR employees
- Describe the HRM Roles