

## LGO2222 Human Resource Management in LGO.

Collect and Rearrange By  
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## Introduction of human resource management

Chapter 1.

## The HRM model

### What makes a model of a management system?

- Definitions
- Assumptions
- Elements
- Connections between the elements
- Aims

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## Definition of HRM

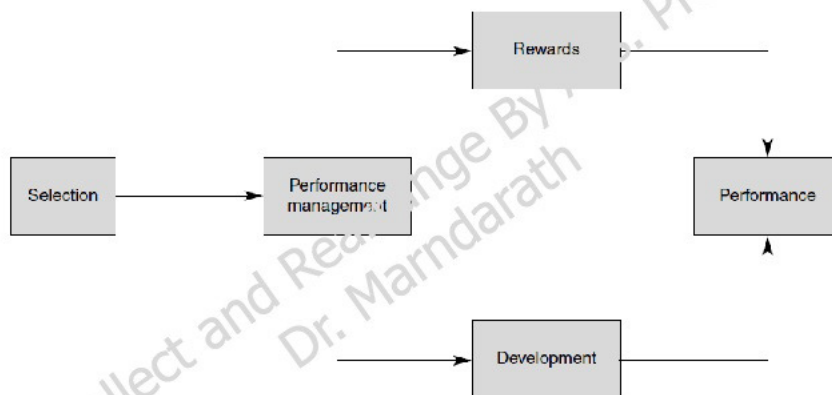
- Strategic and coherent **approach** to the management of an organization's **most valued asset** – the people working there who individually *and* collectively contribute to the achievement of its objectives.

## Historical models of HRM

- **The Michigan School Model:**
  - Congruency with organizational strategy (matching model)
- **The Harvard School Model (Harvard framework)**
  - Integrated parts towards a strategic vision and with a central philosophy

## The Michigan School Model

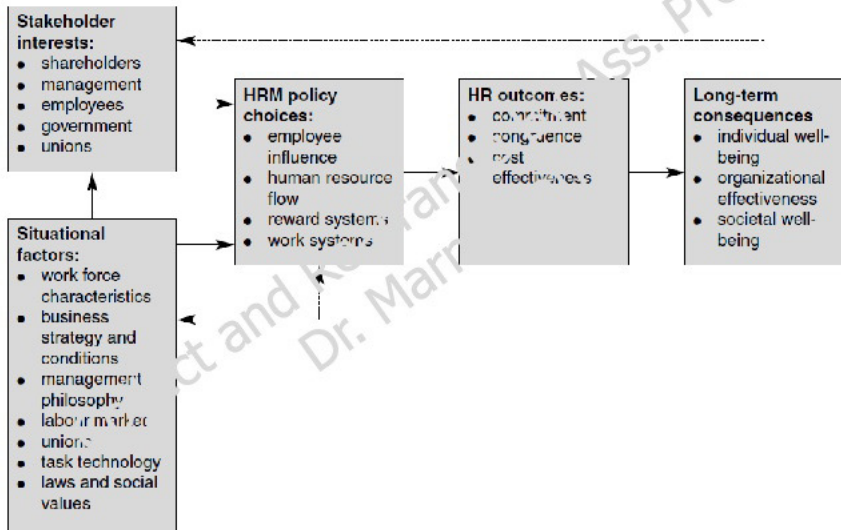
### The human resource cycle



## Elements of human resource cycle

- 1. Selection:** matching available human resources to jobs
- 2. Appraisal:** performance management
- 3. Rewards:** focus on organizational performance (most under-utilized and mishandled tool)
  - short-term and long-term
- 4. Development** – developing high quality employees

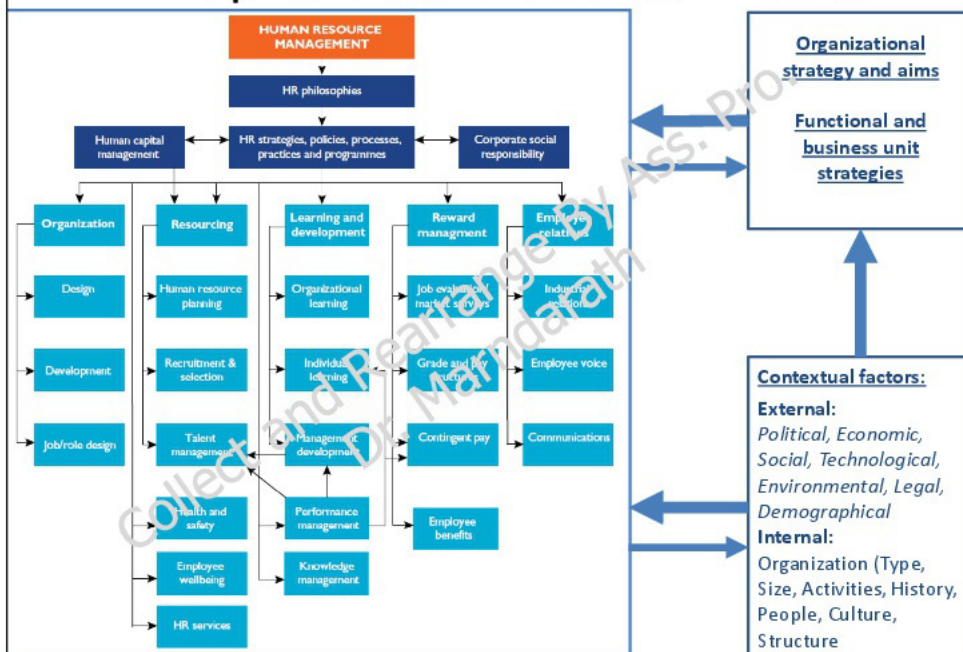
# The Harvard Framework



# Characteristics of HRM in the Harvard framework

- 1) line managers accept more responsibility for ensuring the alignment of competitive strategy and personnel policy
- 2) personnel has the mission of setting policies that govern how personnel activities are developed and implemented in ways that make them more mutually reinforcing

# An up-to-date model (by Armstrong)



# Aims of HRM 1.

## The objectives of HRM

- To ensure that the organization is able to achieve success through people.
- To increase organizational effectiveness and capability.
- To be concerned with the rights and needs of people in organizations through the exercise of social responsibility.

## The policy goals of HRM

- strategic integration;
- high commitment;
- high quality;
- flexibility.

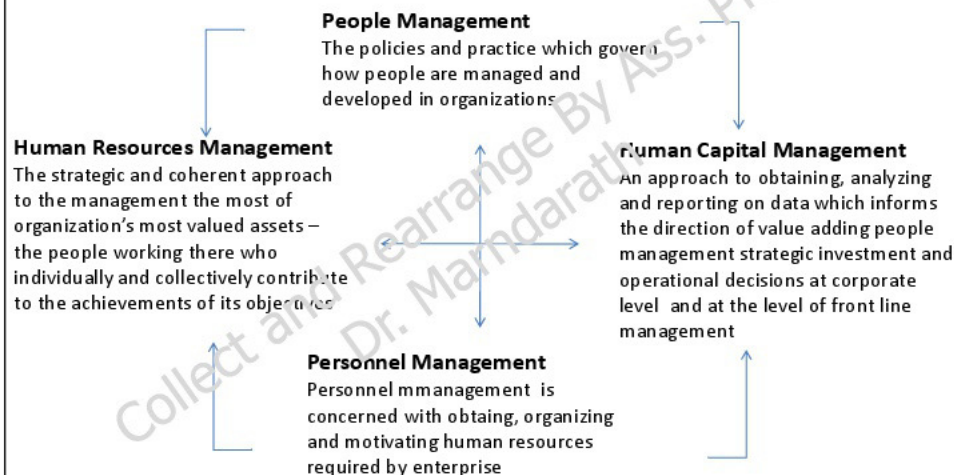
## Aims of HRM 2.

1. **Organizational effectiveness** (HRM makes a significant impact on firm performance)
2. **Human capital management** (HC is the prime asset – the aim is to develop the inherent capacities of people)
3. **Knowledge management** (support the development of firm-specific knowledge)
4. **Reward management** (enhance motivation, job engagement)
5. **Employee relations** (harmonious relationship between partners)
6. **Meeting diverse needs** (stakeholders, workforce)
7. **Bridging the gap between rhetoric and reality** (HRM is to bridge the gap – and to ensure that aspirations are translated to effective action)

## Human resource management system (the 5P model)

1. HR philosophies (values and guiding principles adopted in managing people)
2. HR programmes & strategies (defining the direction) & (which enable strategies, policies, practices to be implemented)
3. HR policies (how values, principles should be applied)
4. HR processes ( formal procedures and methods → put HR plans into effect)
5. HR practices ( informal approaches used)

## HRM concepts



## HRM and Personnel Management differences

HRM:

- places more emphasis on strategic fit and integration,
- is based on a management and business oriented philosophy,
- places more emphasis on mutuality,
- is more holistic,
- specialists are more like business partners than administrators,
- treats people as assets and not only costs.

## Hard and Soft HRM

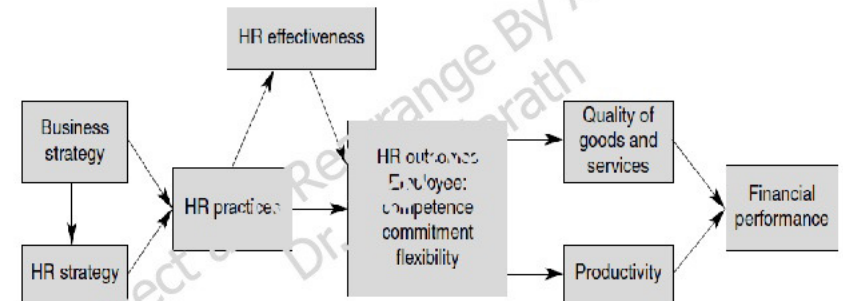
### Hard (instrumental) HRM approach:

- employees are viewed as a passive factor of production, an expense
- employees can be easily replaced and seen as disposable.
- Strategic, quantitative aspects of managing HRM as an economic factor

### Soft (humanistic) HRM approach:

- stresses active employee participation
- gains employee commitment, adaptability and contribution of their competences to achievement of organizational goals
- employees are valued as assets
- emphasizing communication, motivation and leadership

## The link between HRM and firm performance



## Questions

- Define HRM
- What elements does a general HRM model have?
- What are the core HRM functions?
- What are the main differences between Personnel management and HRM?
- What are the main differences between hard and soft concepts of HRM?
- Give a brief description of the two historical HRM concepts we