

What is Human Resources Management

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Definition

Human resource management (HRM, or simply HR) is a function in organizations designed to maximize employee performance in service of their employer's strategic objectives. (HRM in changing organizational contexts, 2009). HR is primarily concerned with how people are managed within organizations, focusing on policies and systems (Human resource management: A critical approach , 2009). HR departments and units in organizations are typically responsible for a number of activities, including employee recruitment, training and development, performance appraisal, and rewarding. HR is also concerned with industrial relations, that is, the balancing of organizational practices with regulations arising from collective bargaining and governmental laws.

HR is a product of the human relations movement of the early 20th century, when researchers began documenting ways of creating business value through the strategic management of the workforce. The function was initially dominated by transactional work, such as payroll and benefits administration, but due to globalization, company consolidation, technological advancement, and further research, HR now focuses on strategic initiatives like mergers and acquisitions, talent management, succession planning, industrial and labor relations, and diversity and inclusion.

Practice

Business function:

Dave Ulrich lists the functions of HR as: aligning HR and business strategy, re-engineering organization processes, listening and responding to employees, and managing transformation and change. (Human Resource Champions. The next agenda for adding value and delivering results. Boston, Mass., 1996)

At the macro-level, HR is in charge of overseeing organizational leadership and culture. HR also ensures compliance with employment and labor laws, which differ by geography, and often oversees health, safety, and security. In circumstances where employees desire and are legally authorized to hold a collective bargaining agreement, HR will typically also serve as the company's primary liaison with the

employee's representatives (usually a labor union). Consequently, HR, usually through representatives, engages in lobbying efforts with governmental agencies (e.g., in the United States, the United States Department of Labor and the National Labor Relations Board) to further its priorities.

The discipline may also engage in mobility management, especially pertaining to expatriates; and it is frequently involved in the merger and acquisition process. HR is generally viewed as a support function to the business, helping to minimize costs and reduce risk (Human Resource Management essays, 2007)

Careers:

There are half a million HR practitioners in the United States and thousands more worldwide. ("The Changing Environment of Professional HR Associations", 2010). The Chief HR Officer or HR Director is the highest ranking HR executive in most companies and typically reports directly to the Chief Executive Officer and works with the Board of Directors on CEO succession ("The 2011 CHRO Challenge: Building Organizational, Functional, and Personal Talent", 2011).

Within companies, HR positions generally fall into one of two categories: generalist and specialist. Generalists support employees directly with their questions, grievances, and work on a range of projects within the organization. They "may handle all aspects of human resources work, and thus require an extensive range of knowledge. The responsibilities of human resources generalists can vary widely, depending on their employer's needs." (Human Resources, Training, and Labor Relations Managers and Specialists, 2011). Specialists, conversely, work in a specific HR function. Some practitioners will spend an entire career as either a generalist or a specialist while others will obtain experiences from each and choose a path later. Being an HR manager consistently ranks as one of the best jobs, with a #4 ranking by CNN Money in 2006 and a #20 ranking by the same organization in 2009, due to its pay, personal satisfaction, job security, future growth, and benefit to society (Human Resources Manager., 2009)

Human resource consulting is a related career path where individuals may work as advisers to companies and complete tasks outsourced from companies. In 2007, there were 950 HR consultancies globally, constituting a USD \$18.4 billion market. (Towers Watson Executives See Growth Ahead For Merged Firms, 2007) The top five revenue generating firms were Mercer, Ernst & Young, Deloitte, Watson Wyatt (now part of Towers), Aon (now merged with Hewitt), and PwC consulting. For 2010, HR consulting was ranked the #43 best job in America by CNN Money. (HR consultant, 2011)

Some individuals with PhDs in HR and related fields, such as industrial and organizational psychology and management, are professors who teach HR principles at colleges and universities. They are most often found in Colleges of Business in departments of HR or Management. Many professors conduct research on topics that fall within the HR domain, such as financial compensation, recruitment, and training.

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