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Human resource management in perspective

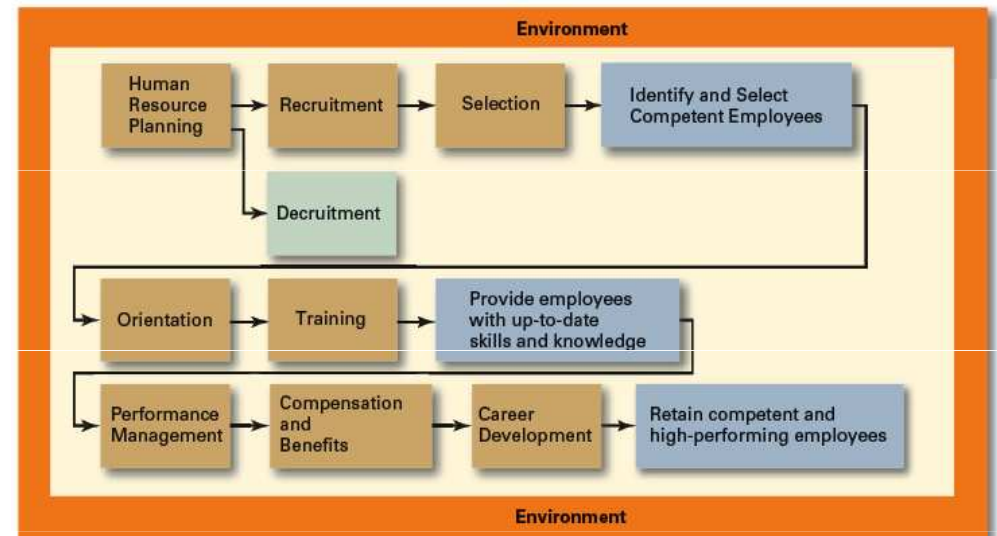
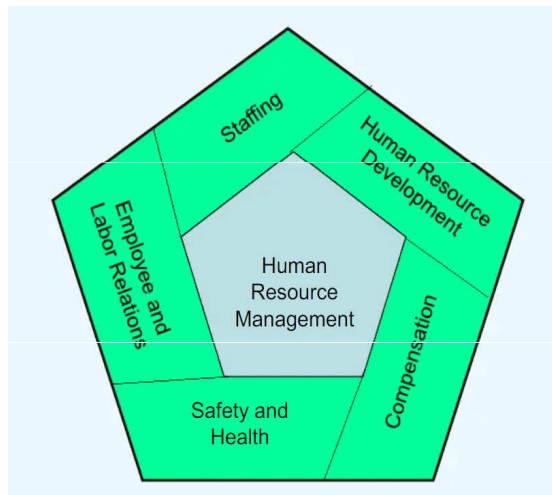
Petr Smutný

Agenda for today

- What is HRM and why is it important?
- Perspective 1: STRATEGIC
- Perspective 2: ORGANIZATIONAL
- Perspective 2: CULTURAL and BEHAVIORAL
- HRM for better PERFORMANCE
- Q & A

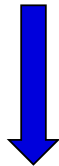
What is HRM?

- ... everything associated with employment relations in an organization.
- personnel management vs. high performance HRM.



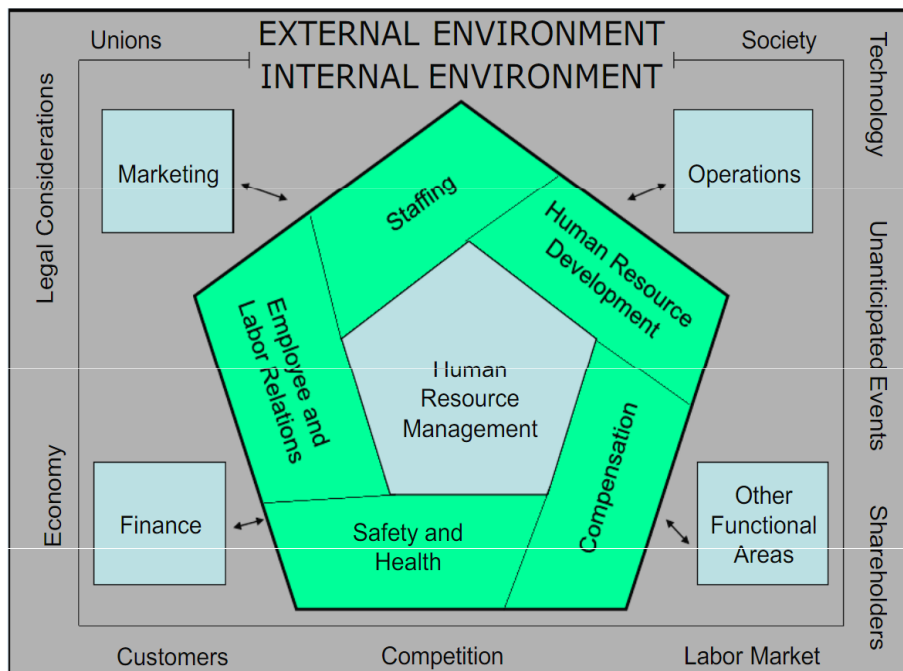
Why is HRM important?

- As an important strategic tool
 - HRM helps establish an organization's sustainable competitive advantage.
- As a necessary part of the organizing function of management
 - Selecting, training, and evaluating the work force



- Adds value to the firm
 - High performance work practices lead to both high individual and high organizational performance.

Reality is much more complicated...



HRM is

- just one of (many) functions of an organisation performs
- happening within an organizational setting (organizational structures)
- influenced by factors within an internal environment
- facing constraints from external environment and stakeholders



Balancing these (often contradictory) contingencies requires strategic perspective...

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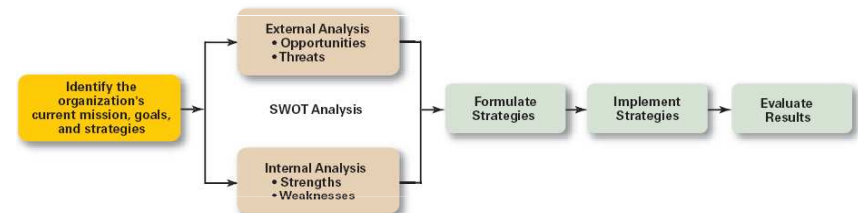
Perspective 1: STRATEGIC

Strategic management in a nutshell

Strategy = the approach selected to achieve specified goals in the future. A broad and long-term view is taken of where the business is going.



- overall plan for the entire organization and its strategic business units
- focused on how an organization should compete in each of its SBUs (strategic business units).
- concerns each organizational function, and how that organizational unit or division assigned that function will achieve its strategic objectives (a part of the business/competitive strategy).



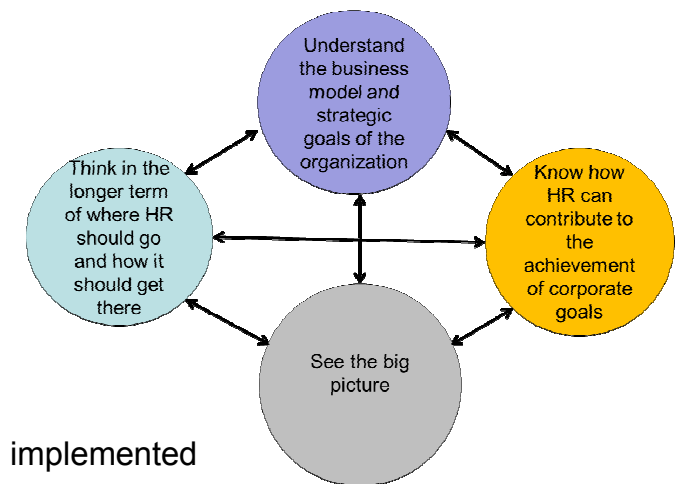
Strategic HRM

An approach to HRM in which

- a broad and long-term view is taken of where the business is going
- activities are managed in ways which ensure that this strategic thrust is maintained

Goals of strategic HRM

- Take a longer term view of where HR should be going and how to get there
- Make sure that integration or 'fit' between HR and business strategies is achieved
- Decide how coherent and mutually supporting HR strategies should be developed and implemented
- How members of HR function should adopt a strategic approach



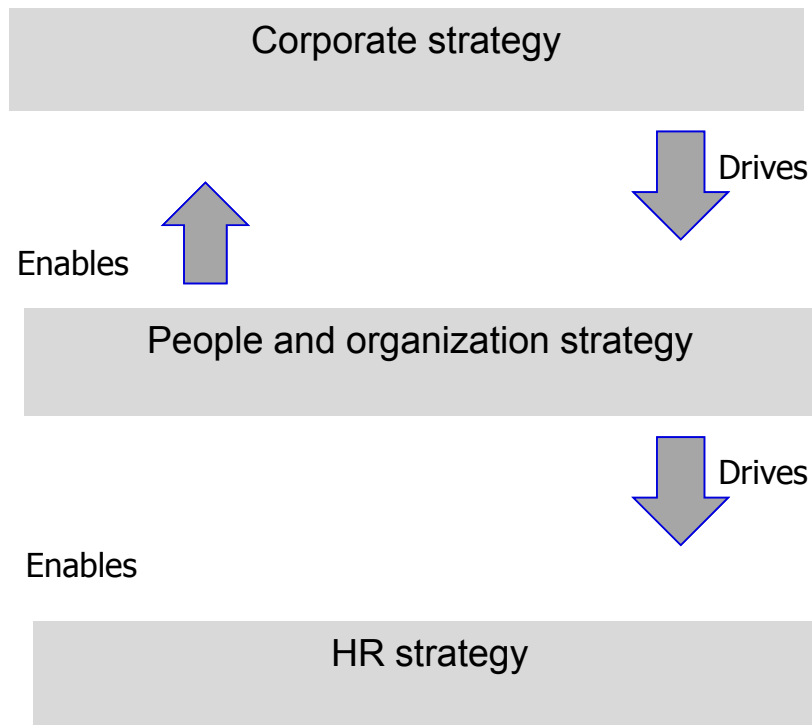
➤ to enable an organization to achieve its GOALS).

HR strategies (defined)

HR strategies

- specify what the organization is proposing to do about people management generally or in particular areas of HRM.
- are governed or at least influenced by the overall approach adopted to strategic HRM.

Strategic HRM and HR strategies



- Business priorities
- Business needs

- Skills and capabilities
- Leadership
- Organization and operating model
- Culture

- HR capabilities
- HR structure and operating model
- Practices, policies and processes

HR strategies (continued)

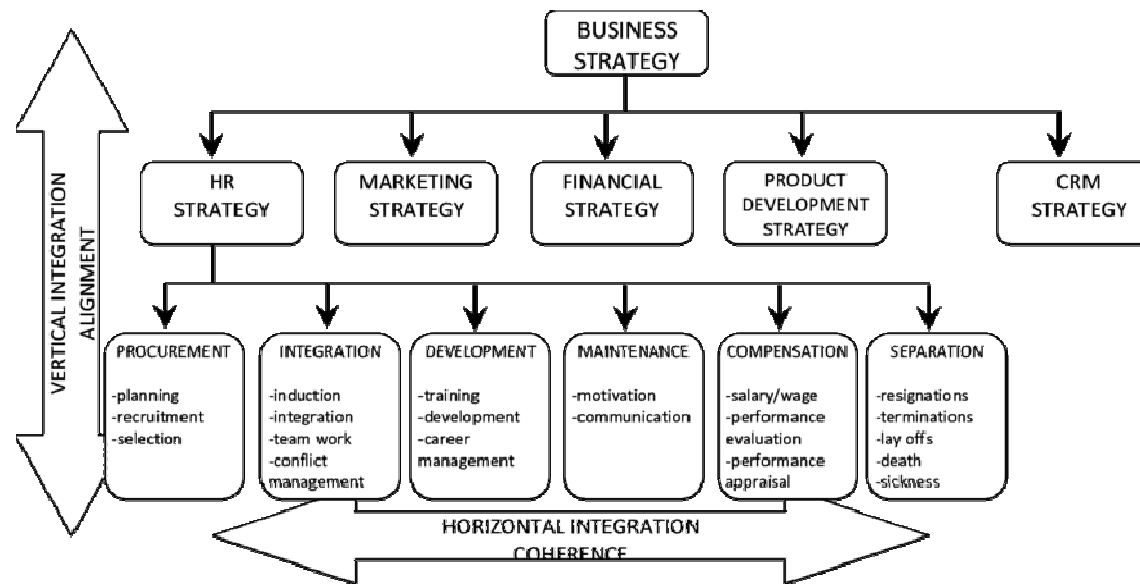
General HR strategies

- describe the overall system or bundle of complementary HR practices that the organization proposes to adopt or puts into effect in order to improve organizational performance.
- three types of general strategies are:
 1. High-performance management
 2. High-commitment management
 3. High-involvement management

Specific HR strategies

- set out what the organization intends to do in areas such as:
 - HR analytics
 - knowledge management
 - corporate social responsibility
 - engagement
 - organization development
 - resourcing
 - diversity and inclusion
 - talent management
 - learning and development
 - reward
 - employee relations
 - employee well-being

The need for alignment and integration



Strategies need to be implemented. Implementation is facilitated through organizational structures...

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Perspective 2: ORGANIZATIONAL

Organization structure

= the formal arrangement of jobs within an organization.

Organizing is a process involving decisions about six key elements:

- Work specialization
- Departmentalization
- Chain of command
- Span of control
- Centralization and decentralization
- Formalization

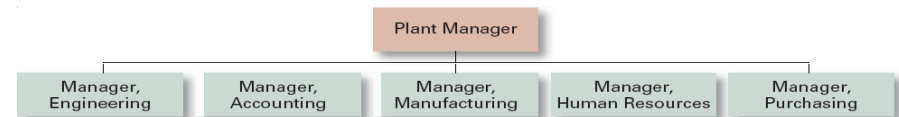
Structure always follows strategy.

Different types of organizational structures...

Types of departmentalization

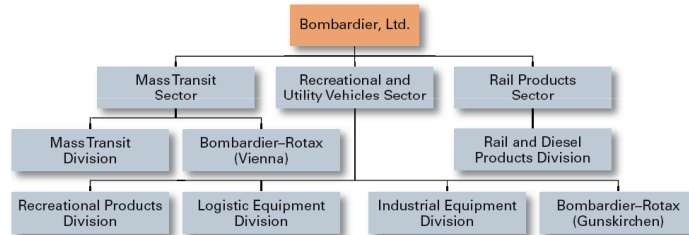
Functional

- by functions performed



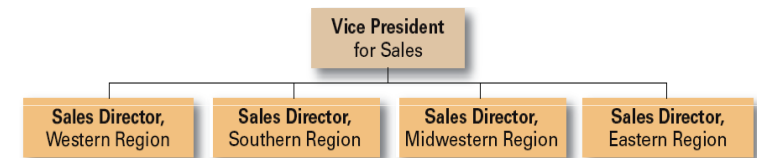
Product

- by product line



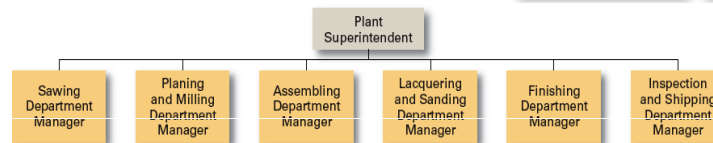
Geographical

- on the basis of territory or geography



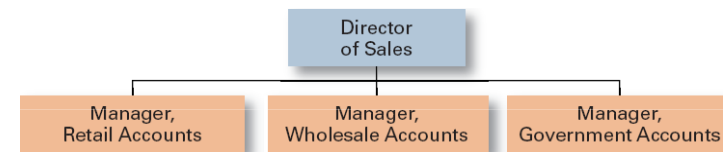
Process

- on the basis of product or customer flow



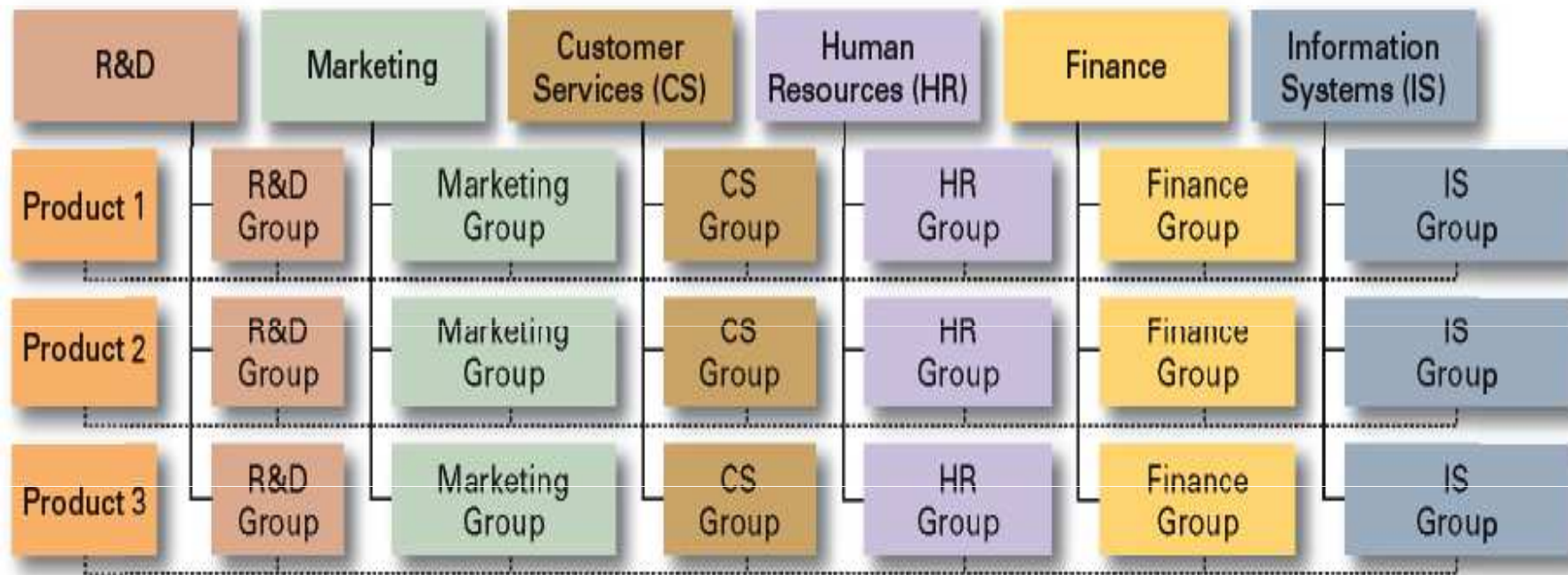
Customer

- by type of customer and needs



... are typically combined

Matrix structure



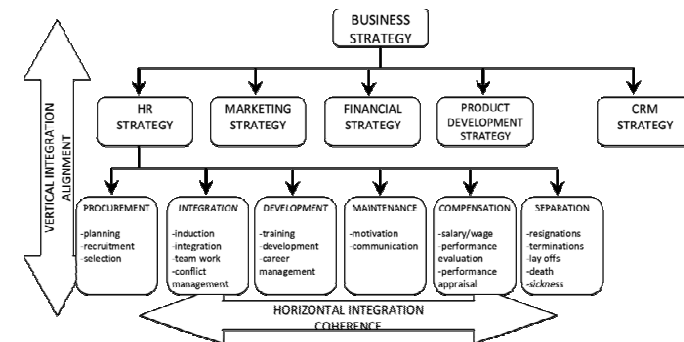
Why is it important for HRM?

It influences HRM strategies and processes.

Organizational structure

- Coordinates diverse organizational tasks.
- Establishes relationships among individuals, groups, and departments.
- Establishes formal lines of authority.
- Allocates and deploys organizational resources.

➤ Different structures do this in different ways.



HR strategies implementation

To ensure the **effective** delivery of HR strategies it necessary to

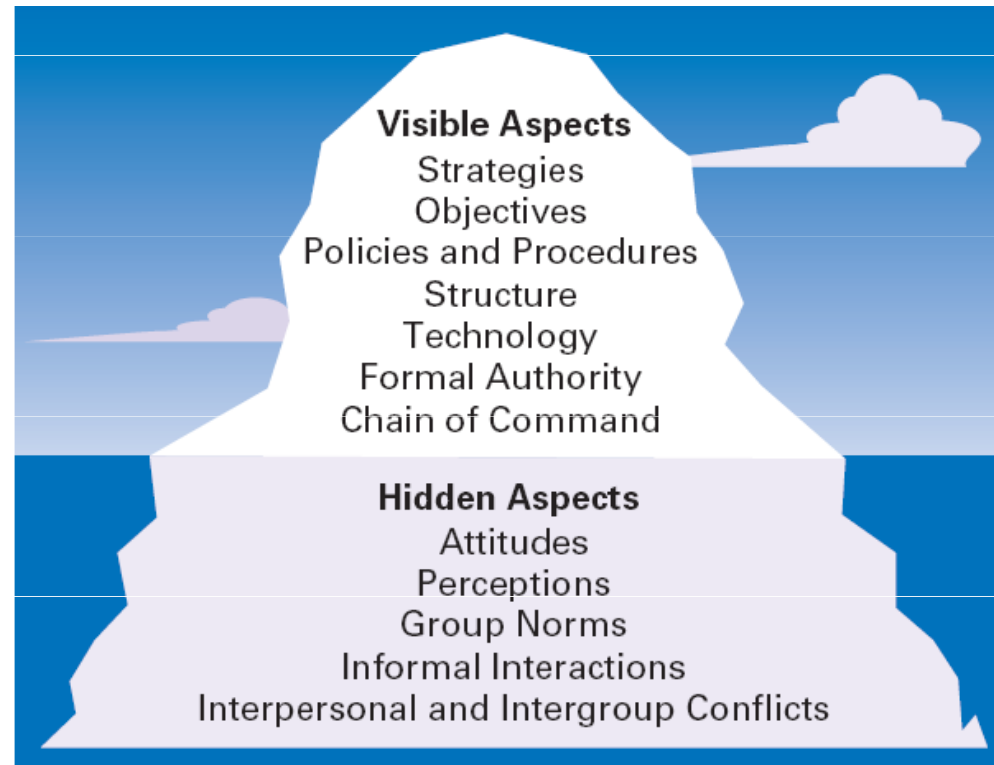
- formulate practical strategies – ones that can be readily put into effect
- involve line managers and other employees
- communicate
- build skills
- monitor and evaluate
- manage change

➤ This is done with and through other people - so organizational culture matters...

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Perspective 3: CULTURAL and BEHAVIORAL

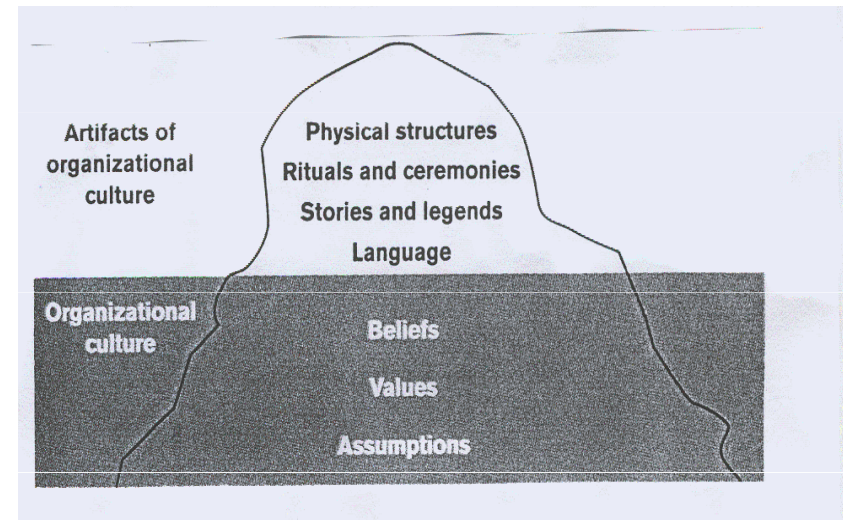
Organisation as an iceberg



Organisational culture defined

A system of **shared** meanings and common beliefs held by organizational members that determines, in a large degree, how they act towards each other.

„The way we do things around here.“



Why does this matter?

It influences how people, teams and organisations behave.

What (managerial) actions the organization **recognizes as proper or improper** on its behalf

What (organizational) activities the organization **values and encourages**

The overall **strength or weakness** of the organizational culture

Strong Cultures

- Values widely shared
- Culture conveys consistent messages about what's important
- Most employees can tell stories about company history/heroes
- Employees strongly identify with culture
- Strong connection between shared values and behaviors

Weak Cultures

- Values limited to a few people—usually top management
- Culture sends contradictory messages about what's important
- Employees have little knowledge of company history or heroes
- Employees have little identification with culture
- Little connection between shared values and behaviors



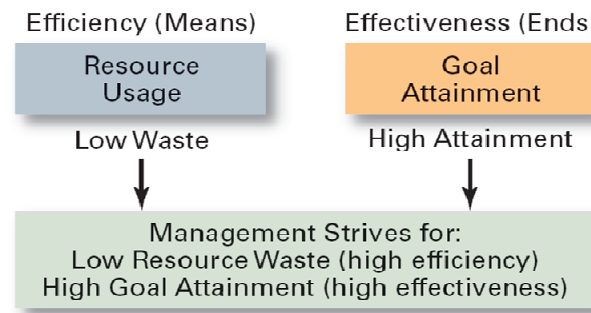
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HRM for better PERFORMANCE

Performance is important

EFFICIENCY VS. EFFECTIVENESS

Doing things right vs. Doing the right things



HRM strategies and processes must help organizations perform better.

Measuring organizational performance

Traditional view

- owners' perspective
- predominantly **financial** metrics
 - profitability
 - productivity

Contemporary systems

- more stakeholders taken into account
- multidimensional measurement

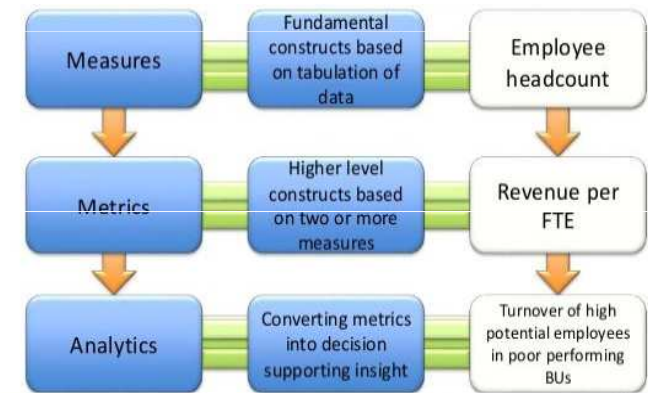


HRM and performance

- consensus emerging around existence of **HRM** → **performance** link
- quantification remains difficult

HR metrics, measurement and analysis

- assessing **costs and benefits** of HR strategies
- evidence-based + data-driven decisions
- benchmarking
- systematic collection of (quantitative) **data** is needed



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Q & A

Prepare for the seminar

- read chapter 3 of the textbook:

WILTON, Nick. *An introduction to human resource management*. Fifth edition. Los Angeles: Sage, 2022. ISBN 978-1-5297-5370-7.

- available in the library – PER 430
 - available on-line through E-loans service: [Holdings: An introduction to human resource management / \(muni.cz\)](#) – click „E-loans“ on the page (university login required)
- review the lecture slides

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THANK YOU

