

Cheat Sheet: Human Resource Management

Essential Concepts

Human Resource Management

Human resource management (HRM) is the management of people within organizations, involving activities such as recruitment, training, performance appraisal, and organizational change. HRM aims to maximize employee productivity and address strategic objectives, focusing on areas such as talent management, diversity and inclusion, and employee engagement, while specialized HR roles exist for recruiting, training, employee relations, benefits, and labor relations.

The core functions of HR involve staffing, training and professional development, compensation, safety and health, and employee and labor relations, encompassing activities such as recruitment, onboarding, talent development, compensation management, safety compliance, and mediation of employee-related issues.

HR and the Law

Federal and state legislation have been enacted to prevent discrimination, set minimum wages, establish maximum work hours, and set standards for health and safety. Laws such as the ADA, EEOC, and the Civil Rights Act combine to create a work environment that affords workers protection from discrimination and exploitation.

Recruiting and Hiring

Human Resource personnel have a crucial role in building organizations, starting with candidate recruitment and selection, and they also have the responsibility of managing the overall diversity of the organization. Diversity encompasses various dimensions beyond ethnicity and gender, and businesses benefit from diversity through better decision making, improved problem solving, innovation, understanding consumer markets, adaptability, and access to a wider talent pool.

Recruitment is crucial for an organization's success, and it can be done through internal and external methods. Internal recruitment utilizes existing employees and networking, while

external recruitment focuses on finding candidates outside the organization through online platforms, advertising, job fairs, campus visits, and recruitment services. A comprehensive recruitment strategy involves creating a diverse talent pool and maintaining ongoing communication with potential candidates.

The selection process involves determining which applicants possess the necessary qualifications for a job, using methods such as screening, selection tests, interviews, background checks, and physical exams, ultimately leading to a decision to hire based on technical requirements and organizational goals.

Training, Developing, and Rewarding Employees

Once employees are hired, the HR managers must manage the process by which employees are trained and compensated, and also evaluate their performance. Performance evaluations involve setting goals, completing a formal written evaluation, communicating the results to the employee, and then taking corrective action where needed. Professional development is the ongoing process of acquiring and updating skills and knowledge beyond initial qualifications to enhance personal growth, career advancement, and meet professional requirements.

HR professionals also oversee employees' compensation and benefits. Employee compensation encompasses various forms such as salary, wages, and hybrid systems like commission or bonus, with salaries being a fixed amount paid periodically and wages based on hours worked or production output, while hybrid systems combine elements of salary and commission/bonus to incentivize performance and sales goals. Employee benefits may include relocation assistance, insurance plans, retirement benefits, life and long-term care insurance, legal assistance, child care benefits, transportation benefits, paid time off, employee assistance programs, and fringe benefits that aim to attract, retain, and satisfy employees beyond their basic salary.

Retention and Turnover

Employee turnover refers to the rate at which employees leave an organization, and it can have both positive and negative impacts on a company, with high turnover increasing costs and potentially affecting productivity. Employee retention strategies such as creating a stimulating work environment, providing continuous training, and offering competitive wages, can help reduce turnover and improve overall company performance.

Terminations can occur for a range of reasons, both voluntary and involuntary. Types of termination include layoffs, being fired, attrition, mutual-agreement termination, and forced resignation. Some states allow at-will employment, which means that an employee can be dismissed by an employer without warning and for any reason—without the employer having to establish “just cause” for termination. Of course, the flip side is also true: employees can quit without notice or cause.

The future holds many challenges for HR Managers. An aging workforce, increased diversity, increased competition, working from home, and advances in technology all create an environment that brings new challenges to human resources.

Career Connection: Functional Résumé

A functional résumé focuses on your skills and abilities rather than chronological work experience, making it suitable for new graduates, individuals with employment gaps, or those transitioning to a different field. It includes sections such as contact information, a summary of experience, skills, education and training, and optional additional sections like job objectives or accomplishments. However, personal details that may lead to discrimination or potential harm should be omitted, and the résumé should be visually appealing, error-free, and continuously refined.

Glossary

affirmative action

policies and practices that are aimed at eliminating unlawful discrimination, addressing the results of prior discrimination, and preventing discrimination in the future

applicant tracking system

software that human resource professionals use to project manage the recruiting and hiring process; one use is to speed up the process of reviewing applications by filtering them for key words related to the job description

apprenticeship

combines specific on-the-job instruction with classroom training and is common in skilled trades such as carpentry, plumbing, and electrical work

attrition

the departure of employees from the organization for any reason (voluntary or involuntary) including resignation, termination, death or retirement

at-will employment

employment relationships in which an employee can be dismissed by an employer without warning and for any reason or an employee can resign without notice

behavioral interview

applicants are asked situational questions to reflect on their past experiences; applicant answers reveal whether they have the skills for the job

compensation

this HR function focuses on identifying appropriate compensation based on role, performance, and legal requirements

diversity

dimensions of diversity include, but are not limited to age, ethnicity, ancestry, gender, physical abilities/qualities, race, sexual orientation, educational background, geographic location, income, marital status, military experience, religious beliefs, parental status, and work experience

downsizing

a reduction in the size of the workforce

employee and labor relations

this HR function focuses on defending employee rights, coordinating with unions, and mediating disagreements between the organization and workers

Equal Employment Opportunity Commission

the federal agency whose mission is to enforce federal anti-discrimination laws

external recruitment

looking outside the organization for potential candidates

forced resignation

employer's manipulating work conditions to induce the employee to quit rather than firing the employee; employers risk lawsuits for constructive discharge, which is illegal, if they intentionally create hostile work conditions

functional résumé

an alternative résumé format that presents your experiences grouped by skills rather than by the jobs you have held

human resource management

a function within an organization that deals with maximizing employee performance and productivity

internal recruitment

using existing employees as a talent pool for open positions and taking referrals from current employees

job rotation

the reassignment of workers to several different jobs over time

layoff

involuntary termination from a job that has to do with economic cycles or the company's need to restructure itself, the firm itself going out of business, or a change in the operations of the employer rather than performance problems

mentoring

involves a senior manager or other experienced employee providing job- and career-related information to a mentee

mutual agreement

the employer and employee both decide on the employee's separation

orientation

getting a new employee ready to perform on the job, including introducing new employees to the workplace, job responsibilities, team members, and their departments.

performance appraisal

a comparison of actual performance with expected performance to determine an employee's contributions to the organization and to make decisions about training, compensation, promotion, and other job changes

professional development

continued training beyond initial qualifications in order to maintain, upgrade, and update skills throughout working life

recruitment

attracting a diverse pool of qualified potential candidates who can be considered for employment

redundancy

eliminating positions that aren't needed

safety and health

this HR function requires understanding and implementing the best safety and health practices in their industry and addressing any relevant employee concerns

sexual harassment

harassment due to a person's sex; may include unwelcome sexual advances, requests for sexual favors, and other verbal or physical harassment of a sexual nature

selection

the process of determining which people in the applicant pool possess the qualifications necessary to be successful on the job

situational interview

the applicant is asked to explain how they would handle a series of hypothetical situations

staffing

this HR function involves hiring new full-time or part-time employees, hiring contractors, and terminating employee contracts

structured interviews

interviews where each applicant is asked the same questions and is scored with a consistent rating process

termination without prejudice

the fired employee may be rehired readily for the same or a similar job in the future

termination with prejudice

an employer will not rehire the former employee to a similar job in the future

training and professional development

this HR function deals with on-boarding new employees and providing professional development and training opportunities

training needs assessment

a systematic and objective analysis of both the employee and organizational knowledge, skills, and abilities to identify gaps or areas of need

turnover

the rate at which employees leave an organization