# Human- and Organisation Management

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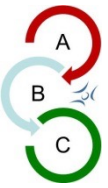
Business strategy defines functional managements

o Business strategy is the key to functional management

o Processes should serve the whole business

o Organization should serve the processes

o Business and corporate culture will influence them

STRATEGY

PROCESSES

RESOUR-CES

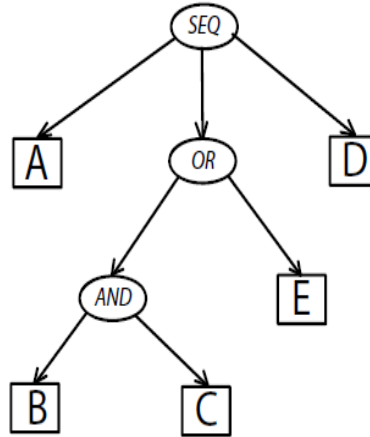**ORGANI-ZATION**

CORPORATE CULTURE
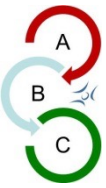
Process management

Business process reengineering

- See the output needed at the end of the processes
- Calculate the minimal input (resources + workforce) needed
- Plan the most efficient process to produce the output

Business process management

- Map all human-made and machine-made processes
- Define quality indicators to each processes
- Build up a continuous monitoring system to measure process-quality indicators
- Improve monitored processes to achieve better quality scores

Workflow Trees for Representation and Mining of Implicitly Concurrent Business Processes
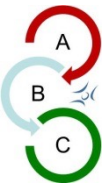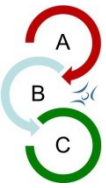
Organization development

Process based

- Bottom up approach
- Starts from the stable part of processes,
- Organizational units & their role in processes is clear
- There are no parallel units and processes
- Everything is clearly visible
- *(dream or reality?)*
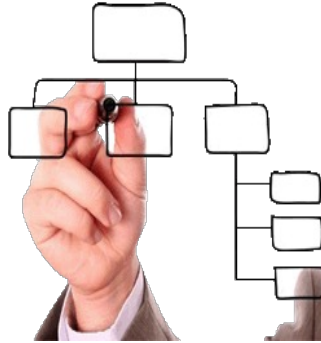
•**Person related**

- Top down approach
- There are tasks and responsibilities to be taken
- Who is able to do them?
- Who can cooperate with the others
- Is there anything left to do?
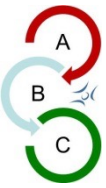- Is there someone left to empower?
- *(dream or reality?)*

Human manager's role

To **administrate** the employment:

- employment contracts
- managers' contracts
- rent workforce
- tax/… issues related to the staff
- social welfare of the staff
- normative and individual compensation package of the staff & managers

To **prepare decisions**:

- assuring workforce needed
- enhancing skills of workforce
- seaking new managers (in/outside)
- staff reduction when needed
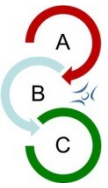- releasing managers when necessary

Leadership

•How to lead a human comunity?

- Responsibity for the group
- Credibility
- Clear directions
- Stability on style
- Perception of the nonverbal reactions
- Intuition

**•How to become a leader?**

- Ambition
- Professional credibility
- Managerial skills: understand, communicate, delegate, timing, integrate
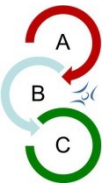- Matured personality
- Situation

Human Resource Management

- Strategic and coherent approach

- HR is the organization's most valued asset (people working there: individually and collectively contribute to the achievement of the organization's objectives)
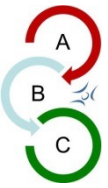
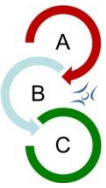# In the HR system of the organization:

- HR philosophies (values and guiding principles adopted in managing people)

- HR strategies (defining the direction)

- HR policies (how values, principles should be applied)

- HR processes (formal procedures and methods → put HR plans into effect)

- HR practices (informal approaches used)

- HR programmes (enable strategies, policies, practices to be implemented)
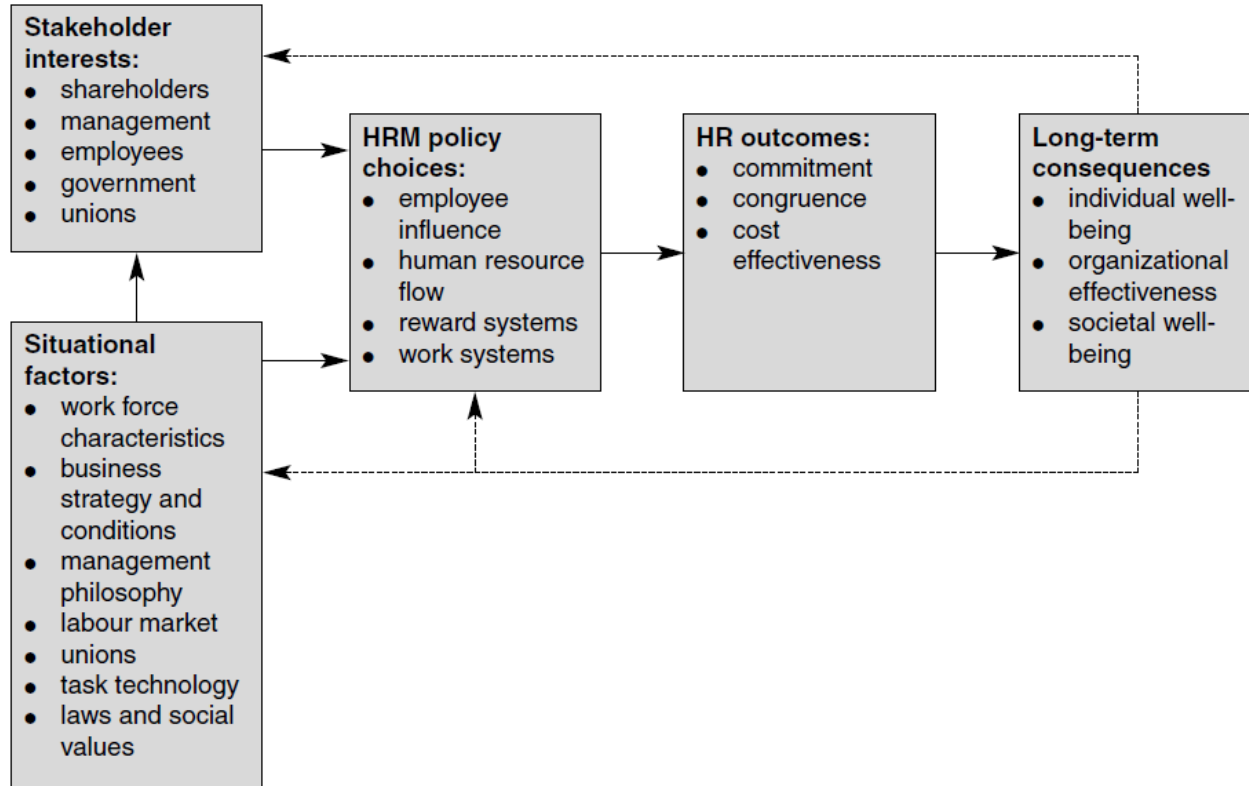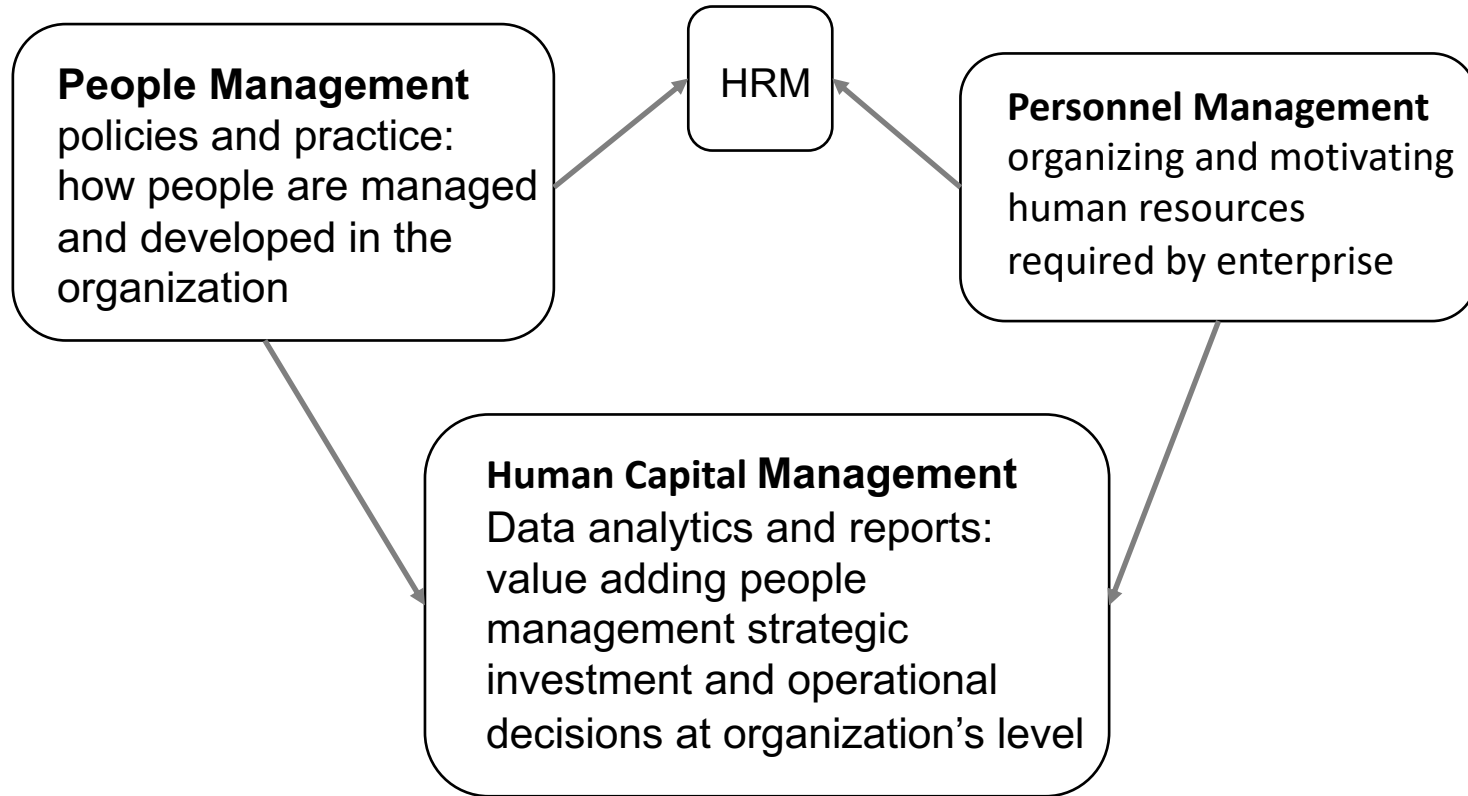
Aims of HRM

- Organizational effectiveness

- Human capital management

- Knowledge management

- Reward management (enhance motivation, job engagement)

- Employee relations

- Meeting diverse needs (stakeholders, workforce)

- Bridging the gap between dreams and reality

Example: The Harvard Framework

Stakeholder interests:
- shareholders
- management
- employees
- government
- unions

Situational factors:
- work force characteristics
- business strategy and conditions
- management philosophy
- labour market
- unions
- task technology
- laws and social values

HRM policy choices:
- employee influence
- human resource flow
- reward systems
- work systems

HR outcomes:
- commitment
- congruence
- cost effectiveness

Long-term consequences
- individual well-being
- organizational effectiveness
- societal well-being

People Management
policies and practice:
how people are managed
and developed in the
organization

HRM

Personnel Management
organizing and motivating
human resources
required by enterprise

Human Capital Management
Data analytics and reports:
value adding people
management strategic
investment and operational
decisions at organization's level

HRM for organizations performance

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Business strategy ─┐
                   ├─→ HR practices ─→ HR outputs (employee competence, commitment) ─┬─→ Quality of products, services ─┐
HR strategy ───────┘                                                                 │                                  ├─→ Business performance
                                                                                     └─→ Productivity ──────────────────┘
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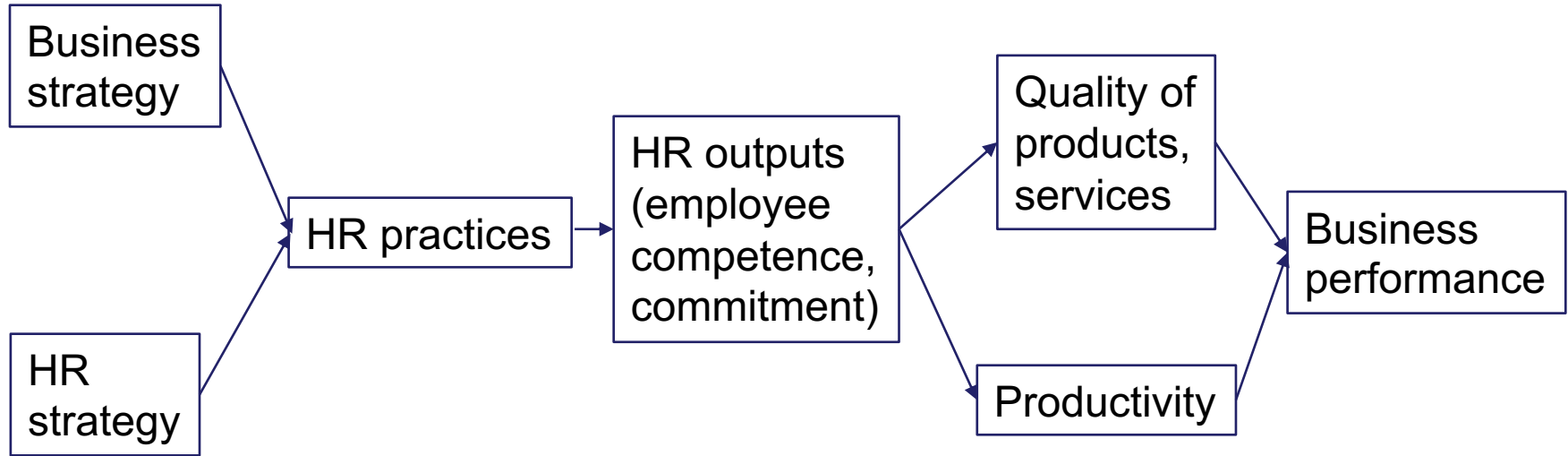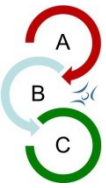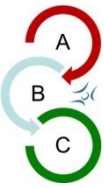
Essence of Employee Value

- Professional (technical) Knowledge

    - Processes, Customers, Markets, …

- Ability to Learn

    - Openness acquisition of knowledge and skills

- Decision Making Capabilities

- Motivation

- Commitment

- Ability for Teamwork

    - Interpersonal and leadership skills

Workforce generations

- Silent Generation   1925 - 1945
- Baby Boomers   1946 - 1964
- Generation X   1965 - 1980
- Generation Y (Millennials)   1981 - 1999/2000
  - Digital Natives; Google Generation
- Generation Z   1999/2000 -
  - Generation 2020 or Digital Natives
- Generation Alpha   2010 -
- Sometimes used:
  - 2000-2009 – "E"decade: e learning; e books.
  - 2010-2020- "S"decade: Social Networking; Social Media; Social Learning.
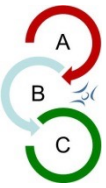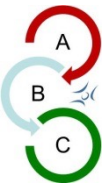
Each Generation has

Expectations

Defining Moments

World Views

Modes of Communicating

Values

E.g. often presented as values of Millenials
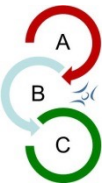
Work-Life Balance

Achievement-Focused

Quick Impact

Social Commitment

Comfort with Technology

Networking
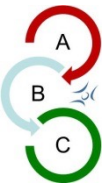
E.g. often presented as values of Gen Z

Highly connected
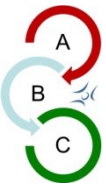
Don't believe in American Dream

"Digital Natives"

Diversity

Actual trends in HR management

- Virtualization of Work

- Increasing use of data analytics and business intelligence to support complex metrics

- Demographic Workforce Changes

- Rising healthcare costs

- Complexity of Legal Compliance

IT trends affecting HR management

- Automatization
- Remote (home) office work
- Online customer and partner interactions, collaborations
- Bring your own Device
  - Challenge of support, security, privacy issues, company image
- Software as a Service (SaaS)
- Social Networking
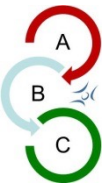
How technology alters HRM?

- Working „any time and anywhere"
- Automated surveillance, monitoring of activities
- Cloud (SaaS) based applications gives felxibility and scalability in HR Systems (incl. Functionality)
- HR's administrative responsibilities remains
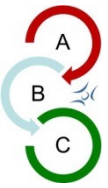- HR has shifted to a more strategic focus
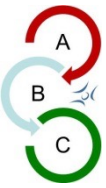
Engineering Management BMEVITMMB03

Management in Practice Managerial style and culture
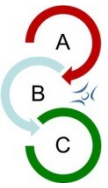
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PROCESS OF BECOMING LEADER

Becoming a leader - a possible process of the deployment of personality evolution

- It needs:
    - Professional knowledge, capability to have a grip on the situation, stress the essence
    - Self-confidence, persistence, stress tolerance, self-knowledge,
    - Opportunity, recognized chance
    - Trust, tolerance, patience
- Typical evolution phases (in enterprise):
    - Valuable team member, responsible for theme
    - Project manager, coordinator
    - Permanent line manager at lower or middle level
    - Middle manager, at functional or business area
    - Top manager, head of business unit

MANAGERIAL CAPABILITIES

- Capability to have a grip and find the essence on his/her professional area
  - Must be professional competence on an area, but may not be everywhere
  - Capable to learn unknown areas, apply analogies
- Communication capability
  - Manager must formulate, allocate and control tasks
  - Manager must ask other professionals and understand the answers
- Capability to make decision and take responsibility
  - If necessary, decision immediately, with responsibility in the lack of information
  - To take responsibility for a decision later
- Internal feeling obliged to work, shared attention
  - To make others work, who is able to set in action themselves
  - To have attention on more persons and topics at the same times
- Empathy, intuition, creativity, initiative
  - Think of the situation of others, be patient
  - Listen to your anticipation, undertake the unusual new one.
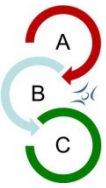
PROFESSIONAL COMPETENCE

Competence as Latin word: capability to do something. Common meaning: scope, authority, and professional knowledge, savvy, resp.

Definition [Karl-Erik Sveiby]: Competence is a personal resource, formed as a results of learning and experiences, which make it possible constructive and successful application of the obtained knowledge.

Components of individual competence on an defined area:

- explicit knowledge (ability to know, transmit and deepen knowledge, facts)
- practical perfection (having experiences and ability for judgment)
- embedding (national and international level, and professional and societal level.

Organisational competence is the sum of competences of members, plus the criterion of critical (minimum) mass.
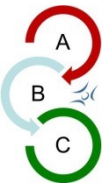
MANAGERIAL CULTURE

The whole of routines, customs, values, expectations relating to the leadership in an organisation:
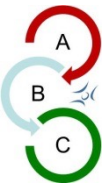
- Expected attitude, it influences the manager's behaviour
- Power distance between the managers and subordinates
- Power distance between the managers of different level
- Communication rules in the management
- Customs in becoming leader
- Rewards, tolerance to mistake, penalty in the management
- Acceptance of the dissentients, tolerance in the management

Historical and professional dependent, changes, evolves - influenced by:

- type and state of the work place (life cycle period),
- external factors (economic environment, organisational, owner's, multinational, national, local culture).
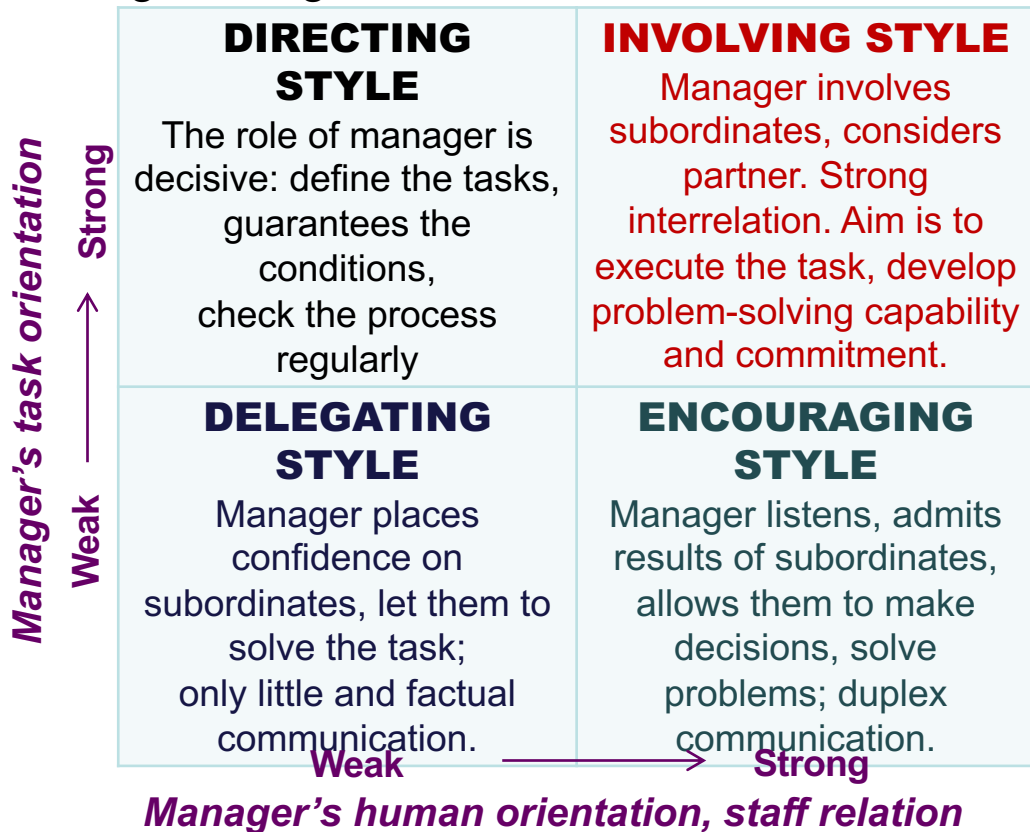
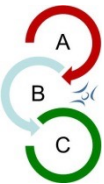Hofstede determined dimensions of organisational and national culture.

- E.g.: military, government, company, SME, R&D institute, university
- E.g. for changing culture: monopoly – competition
  - technology orientation – customer orientation
  - national firm – daughter company of multinational firm

MANAGERIAL STYLES

Engineering tasks; aim: to attain common result

	DIRECTING STYLE The role of manager is decisive: define the tasks, guarantees the conditions, check the process regularly	**INVOLVING STYLE** Manager involves subordinates, considers partner. Strong interrelation. Aim is to execute the task, develop problem-solving capability and commitment.
	DELEGATING STYLE Manager places confidence on subordinates, let them to solve the task; only little and factual communication.	**ENCOURAGING STYLE** Manager listens, admits results of subordinates, allows them to make decisions, solve problems; duplex communication.

Manager's task orientation — **Strong** / **Weak**

Weak ⟶ **Strong**

Manager's human orientation, staff relation

MANAGERIAL STYLES
Generic tasks and classical types

THEORETICAL TYPES	Characteristics	PRACTICAL TYPES
Autocratic	Honour, distance, experience; mostly exclusive decision and preparation written records, rigid deadlines, commands, information-portioning	**Diktatoric** *Formal* **Authoritarian**
Democratic	Peer-to-peer , community norms, striving after consensus, flexibility, compromise searching, verbalism and short notes, information-sharing	**Harmonic** *Consultative* **Integrative**
Liberal	Looking after, frame conditions, individual info', situation recognition, informal leaders and decisions, verbalism, intuition, creativity, variability	**Anarchic** *Permissive* **Motivating**
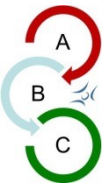
WHEN, WHERE, WHAT
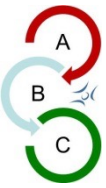# MANAGERIAL STYLUS IS EFFECTIVE?

Effective managerial style depends on the situation and persons, there is no best style:

- *In the relation to task and human orientation* we apply such ratios and combinations of the four basic styles, so that both the result and the atmosphere (satisfaction) are optimal in the group or to a subordinate.

   Why do not we always apply the involving style ?

- *In generic managerial situations*:

   Respect, carism (lift the flag)

   Dictatoric style is good in crisis, critical execution

   Integrative style: everybody feels his/her contribution to
   the decision, nevertheless progresive

   Motivating manager, drawing attention

                                  ⟷   Sparkling, easygoing manager
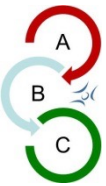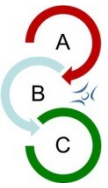
MOTIVATION AND PERSONALITY

• The aim of motivation is to attain cooperation, joint results, and make subordinate perform his/her task independently and conscientiously:

- motivation is always individual, therefore it is not uniform
- motivation tool depends on personality and age
- „optimal job", where capabilities can be deployed
- good answer for the question „What is the point of my job?" leads to motivation; (Finding answer can be helped by information, however ultimately we must find it ourselves).

• Subordinate uses his/her negotiation position:

- he/she desires recognition and performance (ambition),
- withholds a part of his/her capacity,
- influences indirectly or in the background (informal).

• Everybody strives for internal balance, harmony and intelligence.

Contribution of motivation tools to successfulness

SUCCESS-FULNESS	Effectiveness	Efficiency
Short time	**P** **Harmony of performance requirement and income**	**A** **HR support systems (incentives, job descriptions)**
Long time	**E** **Motivating environ (work conditions, tasks, reward, carrier chances...)**	**I** **Integrating objectives (cust'r, owner, employee), organizational culture, consistency**

PROBLEM SOLVING, DECISION

Capability to change viewpoint (lateral thinking):

New possibilities, solutions, emerson from routin,

„Masterly stroke" – some kind of essential simplification

To consider problem or crisis as a challenge, a chance, and not as a threat:

„To make benefit from problem" – to accept we must change, but then it should have a point (target).

To increase consciousness, strive for having a grip on the situation, a constructive resolution of conflict (strength finding: do not see only weakness and threats).

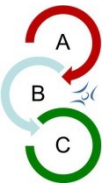Strive for „win-win" solutions, avoid to make a wound:

- harmony of competition and collaboration,

- synergy of optimal compromise

Significance of internal priority, integrity preservation: you must recognize, what is allowed by your conscience.
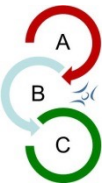
MANAGERS AMONG THEMSELVES

- Hierarchical relations
  - Directing, vs. reporting relationships
  - Among the upper, middle and lower managerial levels
- Horizontal relations
  - Cooperation built in the processes
  - Common ad-hoc works
- Committees, bodies
  - Forums of collective decision making and information collection
- Teams, projects
  - Collective creation processes: strategy, concept, development
- Informal nets
  - Information exchange and mutual favours
  - Alliances, loose nets, clans
- Internal lobby
  - Conviction of internal decision makers in advance
  - Disclose of alternatives and their evaluation built on empathy (Why good for him ?).
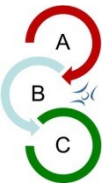
HR Data Analytics

- The process of collecting and analyzing HR data.

- Aims to improve the organization's workforce performance.

- „talent analytics"
  „people analytics"
  „workforce analytics"
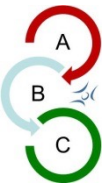
HR Data Analytics examples

- Analyze history data on turnover to identify patterns why employees quit.

- Data on employee working behavior (e.g. productivity).

- Correlate different types of data (e.g. better understand the reasons of turnover).

  - Predictive models

- Data-based decisions to improve the work environment.

- Identify patterns of employee engagement and performance.