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Human resources, HR, a critical part of many companies and other organizations. But what is the function of human resources departments? The human resources team consists of the people responsible for hiring and training new staff, preparing and delegating contracts, and dealing with employee conflicts within an organization.

But that's not all they do. Keeping close contact with customers, employees, management, and government bodies means they are typical to the success of the business. This program explores the HR management function of two organizations, Shell and Intrepid Travel, including the relationships between employees and employers, the methods used to manage people, and the drive to achieve a motivated and productive workforce.

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Human resource management covers many important areas vital to the ongoing success of any organization. Effective human resource management results in satisfied employees performing at their best to achieve the objectives of the business. Sourcing and selecting the right people for the job, as Kairen Harris from Shell explains, is just one part of HR's role.

So, human resources looks after the people systems in an organization, so that's basically finding enough people with the right skills doing the right job to the very best of their ability with the purpose of getting really good business outcomes. So, we're really responsible for things like attracting and recruiting people for the development of staff while they're there.

The importance of a skilled and motivated workforce is directly linked to the success of an organization. Shell is one of the world's largest oil and gas companies, with thousands of employees worldwide. Kairen says it's important to focus on a big picture.

One thing that is often unique in a business is the quality of the particular people they've got, and they are the people that create value for an organization. So, if you look at two aspects, for example, creativity, businesses that actually have new ideas faster than the next one and get them to market make money, and that comes basically from people.

And the other one would be productivity. So, really efficient operations where things work really well, goods are produced at low cost, at high quality, and what customers want. And all of those things really relate to the skill and the capability of the people, and the fact that the skilled, capable people are actually doing the right task. So, that's why it's important, and it creates value for a company.

Though Intrepid Travel has fewer than 1,000 employees, the need and desire for a talented and dedicated team is no different to that of a larger company. Andrew Keen is HR manager.

So, having a skilled and motivated workforce who are intrinsically linked to the values of their organization, who love to travel, naturally. And being a travel company has meant that we've been able to attract really capable specialist people and really dedicated travel professional people who have really been the backbone to the success of the company.

Regardless of the size of an organization, the factors affecting human resource management are similar. Human resource managers need to be aware of current social, legal, economic, and ethical factors.

There are social issues such as changing work patterns and expectations of employees, legal issues such as occupational health and safety rules, compulsory superannuation, and employment contracts and conditions,

economic factors like making the decision to outsource, manufacturing overseas, and the ethical outcomes that result from such decisions.

Unfair dismissal and workplace bullying and harassment are key areas HR also must deal with efficiently. Objectives of HR departments include treating all employees fairly, recruiting and hiring the best people with the right skills for the job, and those who are compatible with the organization's environment, making sure employees understand and promote the organization's missions and strive to achieve its outcomes.

Ensuring all employees receive the right training and feedback required for the best job performance, and the organization supports all employees and promotes effective communication.

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Employment positions within an organization are like building blocks, with each job consisting of group-related tasks and responsibilities, all linked to other departments. The relationship between job analysis and job design in the planning of a highly skilled team of employees that satisfy the organization's strategies for the future.

This can be done by accurately analyzing each job requirement and description, also known as job analysis.

So, job design is a very important part of the HR task, because businesses need to employ enough people to get the job done, but not more than enough people, because that makes them uncompetitive and it's expensive. So, designing the work so that you've got the jobs very clear is important, but it's also really important for the people in the jobs that they're well designed.

So, people want a job that's appropriate for their skill level. They don't want to be doing something that's well beneath their skill level, neither do they want to be doing something that's well above it. So, it's important for their motivation that that is right, but also how it relates to the other jobs in the business. So, what level of supervision is being provided?

What authorities do they have? All of those make it easy for people to work efficiently. And two people doing the same task but not knowing they're both doing the same task makes for a lot of frustration as well as very costly organization. So, that piece of the jigsaw at the front end's really important to get right.

Increasing employee job satisfaction demands that jobs not only meet the demands of the organization's goals, but also the goals of its staff members. The travel industry is a competitive one, and Intrepid has found a variety of incentives to satisfy its team members.

When I talk about rem, it's our jargon for remuneration. We can't compete on base salaries necessarily with other industries, so we look at total rem as all the things that make up the employee benefits at Intrepid. So, that includes base salaries, naturally the statutory requirements around superannuation, et cetera, but then our extensive range of benefits that we like to offer.

And some of those, I guess, have a monetary value, like our ability to provide extensive discounts to employees for Intrepid trips, which is great for us, because they go off and they're always learning about the kind of trips that we're running and gives them a wonderful travel holiday for a very cheap price for them.

We also have things like [INAUDIBLE] roster days off that we allow people to work for, which provides a great work life balance for all of our people. And there's things that, I guess, have a non-monetary value, like a very relaxed, casual environment, a very values-driven organization, a socially responsible, driven organization.

Recruitment of new employees requires relevant job descriptions and specifications. A job description details the tasks, duties, and responsibilities of the available position. A personal profile may also be included, which establishes the required educational qualifications and work experience.

Employment arrangements such as whether or not the roll is part time, casual, or permanent, may be included, as well as rate of pay, benefits, and flexible working conditions. These should all be discussed in the interview process later on down the track. Discrimination must be avoided in recruitment, and choosing your words carefully is a must.

Never include what you're not looking for, and only list specific qualifications or experience that are relevant to the role. A job analysis should also include occupational health and safety criteria, the fact that the position is an equal employment opportunity, and that the organization has affirmative action programs.

This sample demonstrates what an advertised job description may look like. The title of the company, position available, and a short explanation of the personal qualities sought after in a customer service position. With job description in hand, human resource management can move onto the next step of devising a suitable recruitment method in order to attract the best possible candidates.

Possible avenues of advertising could include both internal and external methods, such as noticeboard, via email, websites, local newspapers, or recruitment centers. Throughout the selection process, it's essential to establish these sought after features of the job description whilst assessing each applicant.

A pros and cons or point-type system can be implemented, whereby lists are made rating each applicant's strengths and weaknesses, such as this list, used for a customer services manager in a call center. Those that make the short list can now be contacted for an interview. The interview process is usually a face to face meeting between the potential employee and an HR representative and department manager.

All parties ask questions, and candidates may be required to undertake a competency-based test or job task, which demonstrates their skill.

Thank you very much, thanks for your time. We'll be in touch.

When we get to recruiting, there are probably three areas that you need to be testing for having got a clear job specification. The one is the knowledge the person brings, and that's often very easy to check from things like a CV. The second one is the skill they have. And often, you might want to test that by actually getting them to do a task that demonstrates whether they can or can't do the type of activities you're going to want them to do.

And then the third one probably is more conceptual. So, you want to be able to test how they think through things, so you might give them typical problems that they might come across and see how they would resolve those. And then the last one is, I think, around attitudes and values, which is by far the most difficult thing to test.

But you do want people who are going to fit into your organization. So, in our organization, for example, we have a very high priority, necessarily, on safety. And people are expected to follow rules, because if they don't, people die. So, the ability to understand the importance of a rule and follow it in that sort of area is totally critical. So, we would test that type of thing.

And then the recruitment tools are lined up with those requirements. So, typically, at the most senior levels we would have, for example, an assessment center where we would get people to do exercises which we would observe. We might get them to do exercises in groups so that you can see how they react with other team people. Do they lead? Do they listen? so, all of that would be designed very much around the job.

[MUSIC PLAYING]

Getting your employees off to the right start is crucial for any work place, and a formal induction program is an effective way to achieve this. Induction is a process whereby new employees are familiarized with the business and learn how their role contributes to the overall success of the organization.

So, when employees arrive in an organization, it's really important that they're quickly able to do the job. And that requires you to give them the necessary tools. And that, for us, really come in in layers. So, the first one is that when you walk through the front door, you need to be able to find your way at a very basic level around the building and the IT system you've got. So, there's basic stuff about getting people familiarized with the building, and the rules around the building, and the tools.

The second one is that they need to understand what they need to do in their job. So, somebody, and that's usually the supervisor, will tell them what is expected, how they actually operate in their job, when they'll be supervised. The third one really is then understanding the business they're in and the company they're in.

So, what is the big picture? What is the business trying to achieve, and how does their job fit into that? And then the last one is probably the corporation they belong to. So, having a context of how the big picture fits together. And that would be done in a whole range of different ways. Some of it would be by dialogue, some of it would be providing written information.

We have quite a lot of web-based tools these days, questionnaires and ways of people accessing data when they want to get to it and when it's just the right point. And some of it would be group learning. So we would have, for example, induction programs with all the new people in a classroom where we would do exercises together.

Induction programs also introduce new employees to the socialization aspects of the organization, such as learning about workplace etiquette and other such values.

Like most things in Intrepid, the way we engage employees and new employees in particular with induction has changed quite a lot as we've grown. When the company started, it was two guys, two friends, Darrell and Geoff, and they built a team, and that team continued to grow.

And the philosophy for all new employees has really been that everybody knows each other in the company, and they all work very closely together across departments, et cetera. And the induction has replicated that historically where the induction has largely been one on one with each department head or manager, if you like.

So, when a new person would start, they would have time. The manager would book them time with each of the department heads for half an hour or an hour to have an overview and get a really in depth understanding that also built this culture that everybody knew each other personally. It was a great culture.

Benefits associated with the induction include increased employee productivity, positive employee morale, successful facilitation of learning, and lower turnover. Many employers skip the induction process and expect employees to pick up things as they go. Spending just a few hours with employees on their first day will contribute to them becoming loyal and well-balanced employees.

Training and development are ongoing processes, and one of the main functions associated with HR management. Training and development of staff includes external training and internal professional development. Performance appraisal systems have the ability to influence employee behavior. They also play an important part in identifying training and development needs.

Feedback is often targeted at an employee's stronger and weaker points. Constructed efforts to lift an employee's performance in [INAUDIBLE] weaker areas can be made through training and development. Ongoing appraisals can evaluate the success of training program. Linking performance to rewards is something Shell looks at positively.

So, it's very important at the front end of the process to get clear with people what they are expected to deliver during the year. And we would describe that as tasks and targets, if you like. Thereafter, there's a process of checking how that is progressing. And typically in our company, we would have a formal review every six months with a written review at the end of the year.

That's really looking at the business outcomes, and those outcomes would be assessed, and an individual would get some form of personal reward on the back of the quality of the delivery that they've given. In doing that also though, you need to understand how the individual employee is going with their own skills to do the job.

So, in looking at what's delivered, we also look at what the individual needs to learn or develop to do the job better next year, and that would lead to a learning plan. So, that comes out of that same process.

Reward systems are often linked to motivational series, which seem to work well for intrepid employees.

Our performance appraisal methodology at Intrepid is a fairly robust one, it's fairly consistent. We do performance reviews or performance appraisals, if you like, twice a year. We have those linked very closely to how we look at our remuneration and those structures, and the competency of people within our remuneration structure, and where they sit, and that largely determines the salary for the next year.

And we also link it very closely to our incentives gain, which is around stretch goals, or performance pay goals we like to call them. And I guess, linking that to motivational theories, that's probably the extent of it is that we have a strong belief that having the right people in the right jobs will keep them motivated.

[MUSIC PLAYING]

As a response to economic and technological pressures, changes with an organization are inevitable, and none more so than in the employment sector. But it's not only the termination or restructuring of jobs that are affected by such challenges. Employees too are making decisions that affect their employment status.

Reasons why an employee would choose to leave an organization may include a better employment opportunity elsewhere, a change in career path, voluntary redundancy, studies, travels, maternity leave, or retirement.

So, employees leaving our employment are largely resignations, which is where the employee usually has another offer to go somewhere else and chooses to take it. Typically, in our case, that will be around career opportunities, it may be about job quality. The research would suggest that that's very often about supervisor equality, but these days it could also be because they've relocated, or they want to go traveling, or really any number of other reasons.

In Australia, there is no retirement age, so in fact, retirement is a concept that's rapidly becoming obsolete, and in fact, very few people end up retiring these days. So, really, resignation is the largest part of the voluntary exist.

Often, people might leave us to go and do what they love, which is to go traveling. And that's a great thing for us, because generally they'll come back, and they'll come back with even more knowledge than they had before to help our business grow.

Part of human resource management is to implement cost-effective measures in achieving organizational goals. This unfortunately means they are responsible in many cases for implementing the steps involved in terminating job roles. Reasons why an employer might choose to terminate a position or contract may include, the employee not fulfilling their role probably, the role becoming redundant, the employee was retrenched, or the employee took part in illegal or unacceptable behavior, such as bullying or workplace harassment.

So, people leaving us when we've decided they need to go would fall into the categories of redundancy, and that's usually where the job they're doing is no longer required, and therefore we need to lay them off. Those individuals would normally go with some form of compensation, and a support process is put in place to help them find other employment in the market and to bring up to speed their skills, and CV writing, and interview techniques, and things of that sort.

We would also have employees that leave us due to ill health, so they're no longer able to do the job for which they were employed. In that case, we would look very hard to see if there are other jobs that they are still capable of doing. But if we get to a point where there is nothing that they can continue to do for us, those employees would also leave, and they would also leave with some compensation.

The third group are employees who leave because they are not doing the job that they're required to do, and the reason is not because the job doesn't exist or because they're too unwell. It might be a capability issue, or an attitude issue, or a breach. And those individuals would leave because they're dismissed. And in that case, there isn't compensation available.

As we've heard, HR managers are involved in the exit and transition process of many leaving employees. This may include conducting exit interviews, assistance with resume writing, and interview skills and techniques. Financial help and support in terms of investing and spending money wisely may also be offered to employees receiving a compensation package.

[MUSIC PLAYING]

No one could put a price on the value of good relationships between employees and management. Therefore, it is in an organization's best interests to keep staff motivated. This is best done through open communication.

So, as far as employee relations concern, the largest number of our staff which have an individual relationship with the company-- and that really means that the company is represented through their local supervisor, so, conversations about their career, and their development, and their happiness with what's going on in general-- is managed through the supervisor. HR is there to support either of those two parties if they need some help in resolving issues.

Companies and organizations have many stakeholders with many levels of interest. They too must be kept up to date on all changes occurring, and it is the role of HR to represent employees in such discussions. Outside organizations such as unions and government groups can also play a major part in the functioning of an HR department.

HR also keeps up relationships with people outside the company where it needs to be involved in helping to set policy that might, for example, end up in the legislative sphere. So, in HR, and I have a relationship with the Diversity Council of Australia where we like-minded employer groups come together to look at how we can prosecute an agenda for making the workplace better for disabled people, or women, or gay and lesbian staff, that type of thing.

In terms of employer bodies, we don't tend to have those relationships. We're members of several organizations that we tap into for various needs sometimes, and often use them to provide training to us or help us navigate through some tricky situations that we haven't had before. But largely we don't. We're fairly innovative as an employer. We think the kind of benefits that we offer, the way we structure our rem, we like to think that we're at the forefront of that for our industry.

The rules and regulations that govern workplace relations involve groups such as unions and employees, and employers and their associations.

So, the industrial relations system has changed quite considerably over the last 15 or 20 years. And in fact, it's quite parallel to what's been happening in businesses. So, the system once worked so that, for example, in the oil industry, all of the oil industry employers were bound by one set of arrangements that applied to all of the oil industry operators.

Over time, there's been an increasing view that different businesses need to be able to be more flexible with their own work forces, as they're all pursuing their own agendas and they may be different. So now, we're really at the point where each independent refinery would have its own arrangements with it own workforce, still done through a union.

Change management is a key priority for HR, and as we have seen, change is constant.

If there is mass changes to the business that will affect a lot of people, we have lots of communication sessions. We have what we call coffee sessions, if you like, where our management group, after they meet, if things are critical to the business, they will hold a few coffee sessions where all employees can grab a coffee in our communal area come along and Q&A with their management group.

Industrial action is not something an organization wants or needs to deal with, so conflict resolution needs to be implemented by HR efficiently, especially if there's the potential to lose millions of dollars as a result.

In the industrial relations side, it is in no one's interest to end up in a strike. So, I think both parties work very hard to avoid that position. From our perspective, if you shut down a refinery, it costs you $1 million a day, and it takes a week to shut it and a week to get it back again. So, any form of dispute that gets in the way of the refinery operating is a massively expensive exercise for us.

And you as consumers obviously don't like to go to the fuel station and find there is no fuel, so we're all very motivated for that not to happen.

[MUSIC PLAYING]

Human resource management is a crucial part of business. Without a smooth functioning HR department, many organizations would simply fail to succeed. HR teams are involved in a huge diversity of workplace operations, including employee recruitment and retention, employee relations, and liaising with management, government bodies, professional associations, and unions.

Importantly, having an open communication policy and keeping up to date on legislative changes will go a long way towards insuring success for any HR team, and as a result, their entire organization.

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