

LECTURE 1

INTRODUCTION TO HUMAN RESOURCE MANAGEMENT

By

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LEARNING OUTCOMES

On successful completion of this lesson, the learner will be able to:

- LO1:** Define HRM and fundamental concepts.
- LO2:** Explain the elements of Human Capital.
- LO3:** Explain the overall purpose & primary objectives of HRM.
- LO4:** Describe the nature and evolution of HRM.
- LO5:** Examine different approaches to HRM.
- LO6:** Discuss outcomes, issues and challenges of HRM.

DEFINING HRM

- “**Decisions and actions** which concern the management of employees at all levels in the business, and which are related to the implementation of strategies directed towards creating and sustaining competitive advantage”
Miller (1987).
- “**A strategic, integrated and coherent approach** to the employment, development and well-being of the people working in organizations” **Armstrong (2009).**
- “**The process** of acquiring, training, appraising, and compensating employees, and of attending to their labor relations, health and safety, and fairness concern”
Dessler and Varkkey (2018).

DEFINING HUMAN CAPITAL

- “The combined intelligence, skills and expertise that gives the organization its distinctive character” **Bontis et al. (1999).**
- “Knowledge and skills which individuals create, maintain, and use” **Armstrong (2006).**
- “The knowledge, skills, competencies and attributes embodied in individuals that facilitate the creation of personal, social and economic well-being”.
Organization for Economic Co-operation & Development

UNDERSTANDING HUMAN CAPITAL

What do you know?

KNOWLEDGE

Laws, policies, procedures,
practices, principles

What can you do now?

SKILLS

Strategic decision making,
critical analysis,
communication, writing,
negotiation, managing
performance & projects

How would you do something?

OTHER CHARACTERISTICS

Good work ethics, work
styles, values, engaging,
loyal, committed

What do you possess to do something?

ABILITIES

Speed, flexibility, agility,
composed, potential,
creativity, managing
relationships

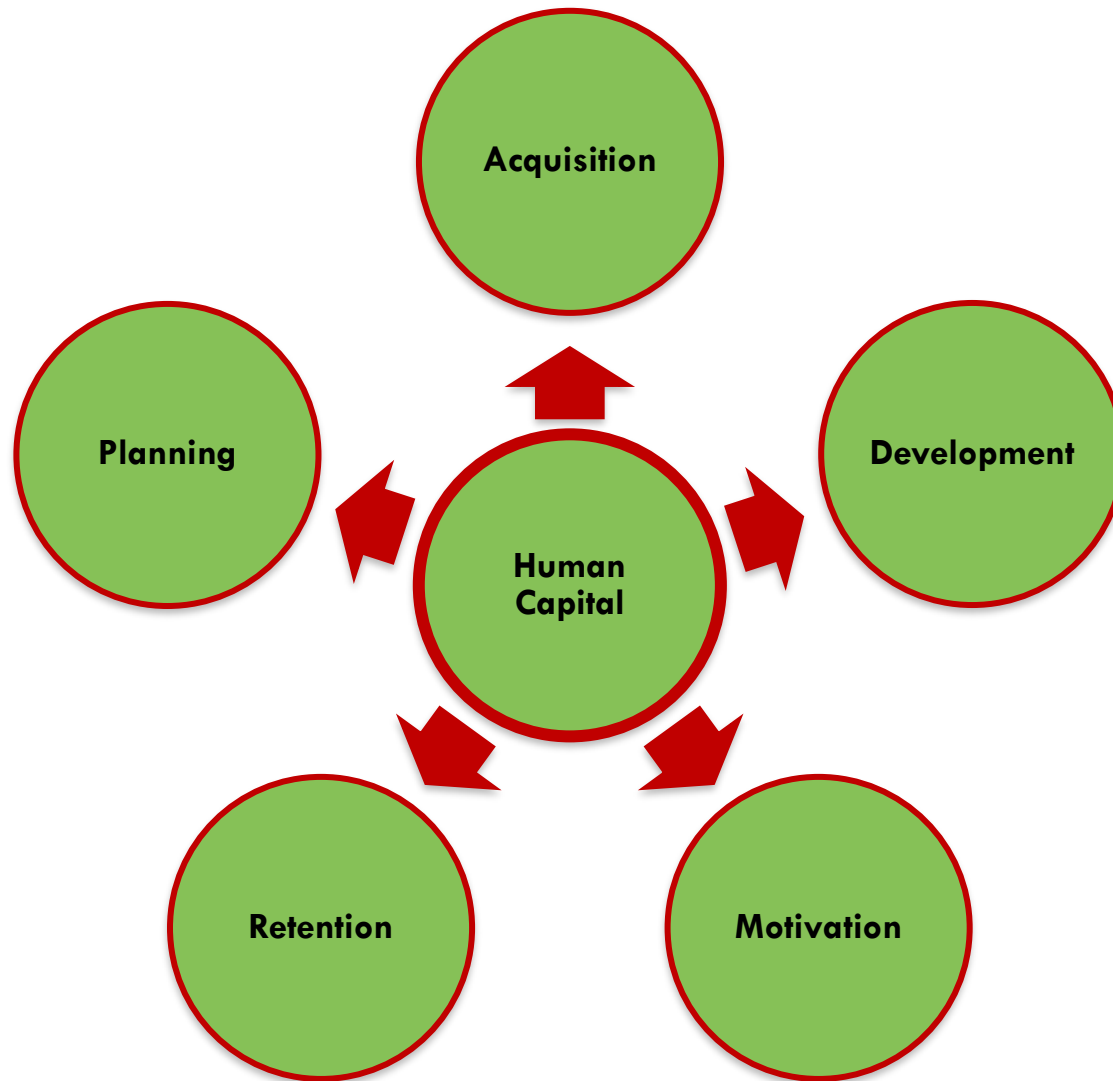
KSAOs

OVERALL PURPOSE OF HRM

The main purpose of HRM is to improve the productive contribution of people to the organization in ways that are strategically, ethically and socially responsible.

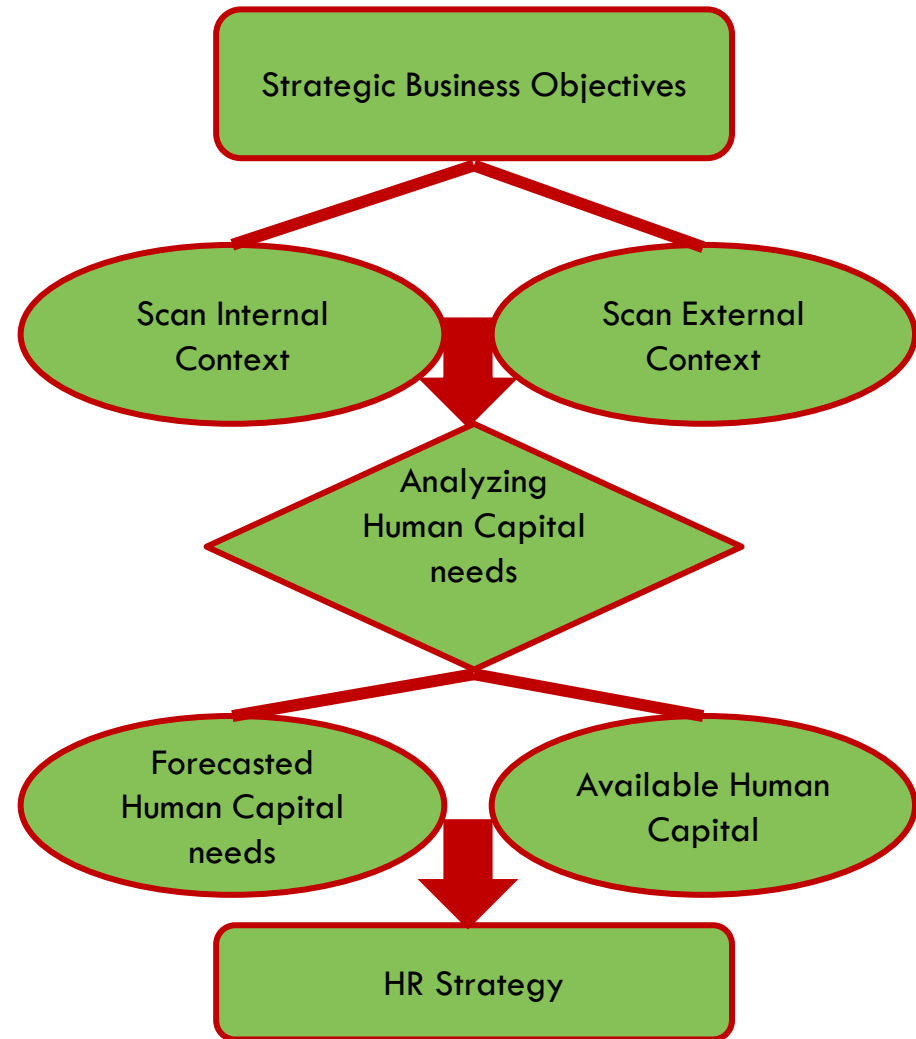
- HRM is responsible at:
 - Personal level
 - Functional level
 - Strategic level
 - Societal level

PRIMARY OBJECTIVES OF HRM



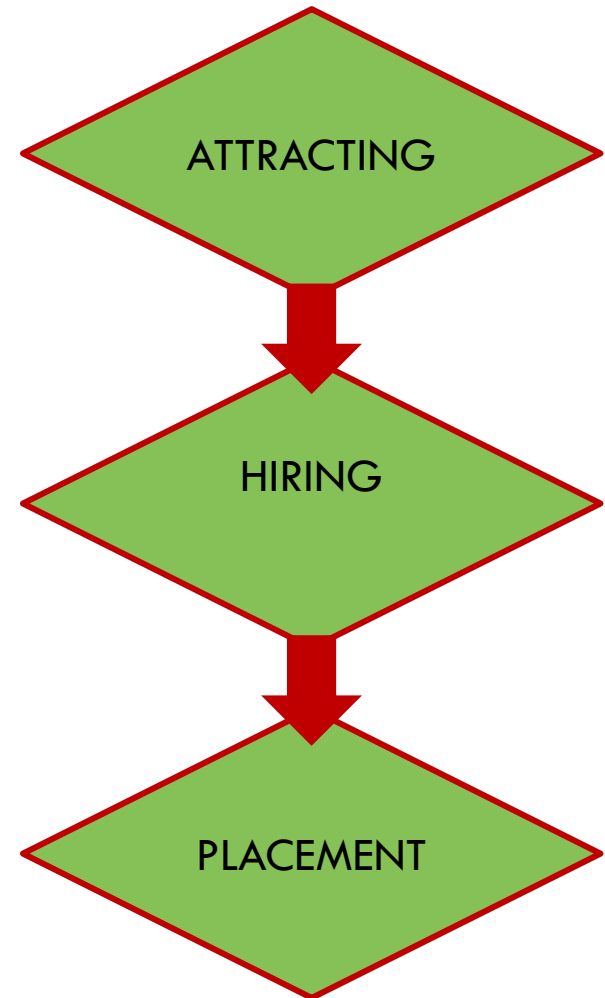
PLANNING HUMAN CAPITAL

- Identifying the right quality and quantity of people for right jobs at the right time and cost.



ACQUISITION OF HUMAN CAPITAL

- Onboarding new employees (KSAOs) with the organization to become more effective and achieve competitive advantage.



DEVELOPMENT OF HUMAN CAPITAL

➤ Improving employee competencies and performance through:

- Education
- Training
- Conferences
- Seminars
- Workshops
- Research

(Including but not limited to)

MOTIVATION OF HUMAN CAPITAL

- **Persuading employees towards set objectives by means of:**
 - Performance & recognition
 - Compensation
 - Benefits
 - Incentives
 - Work-life balance

(Including but not limited to)

RETENTION OF HUMAN CAPITAL

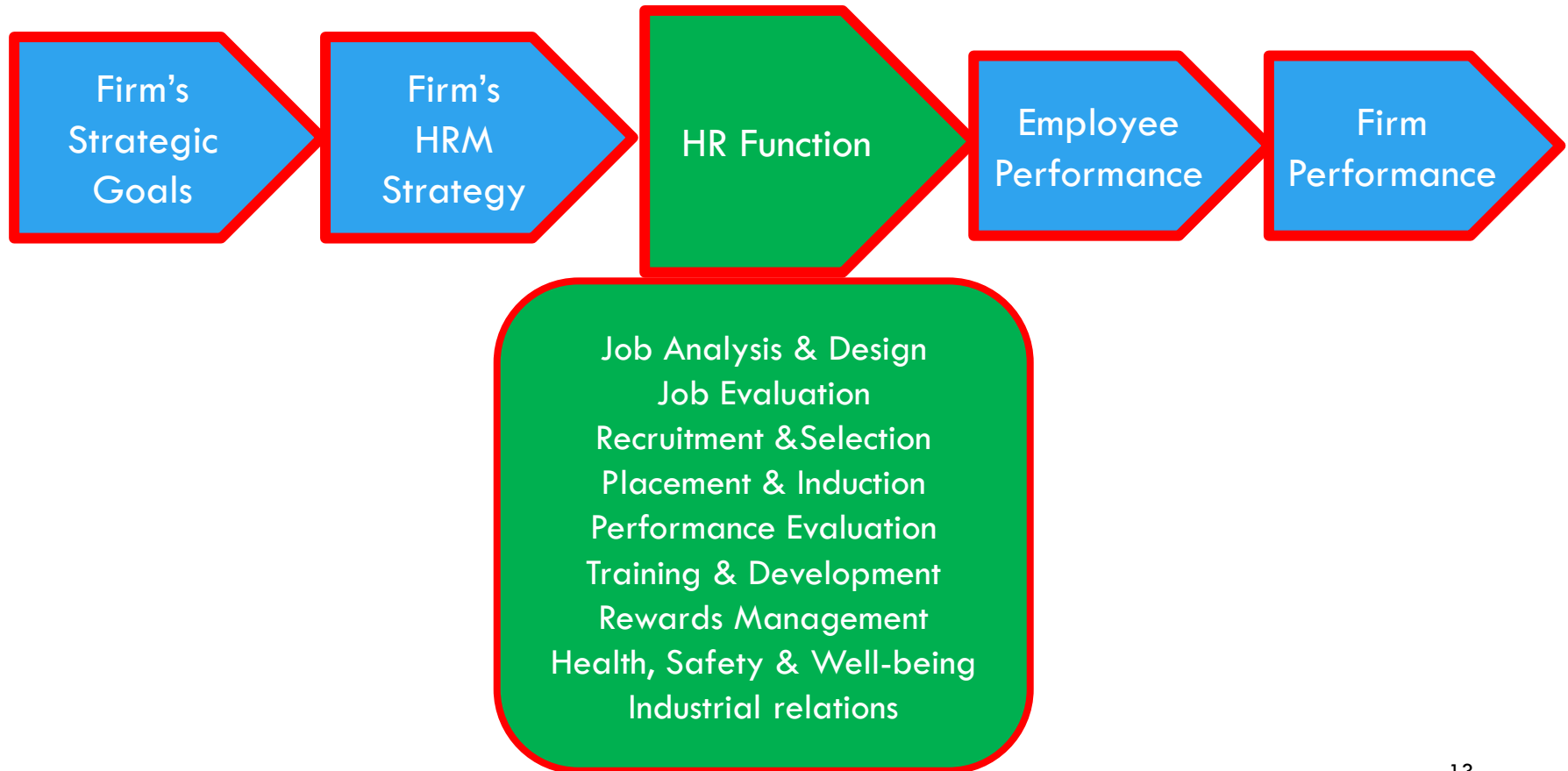
➤ Preventing key employee turnover by fostering:

- Career ownership and inclusion
- Winning incentives
- Employer brand
- Exceptional work experience
- Supportive culture
- Health and safety

(Including but not limited to)

SCOPE OF HRM

HR Department works as a profit center within an organization



MULTIDISCIPLINARY NATURE OF HRM

- **Configuration of Knowledge:**
 - Economics
 - Management
 - Law & Ethics
 - Psychology
 - Sociology
 - Communication

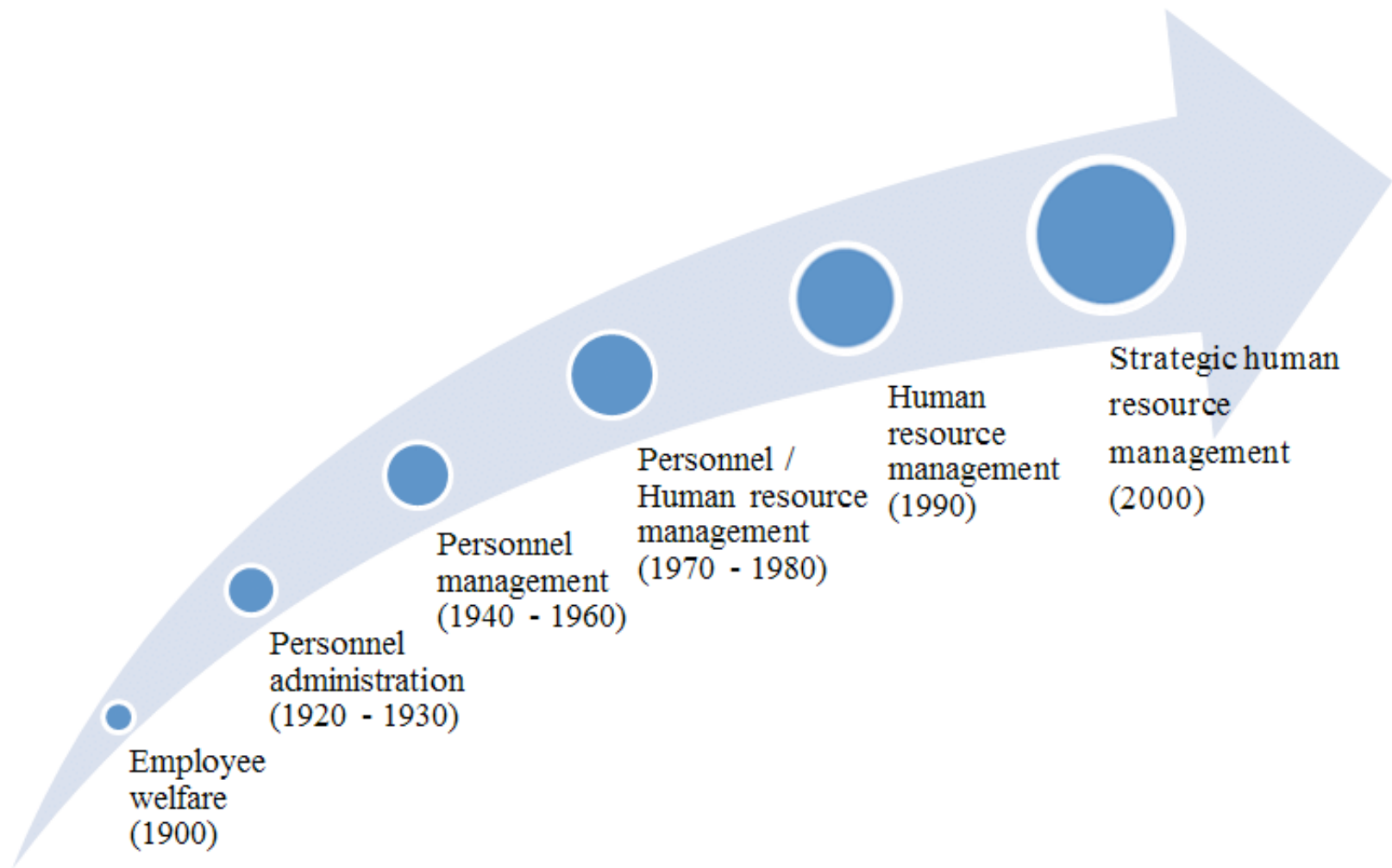


MAIN ERAS OF HRM DEVELOPMENT

A particular approach to HRM is seen in each era which is to some extent overlapping.

1. Industrial revolution era (18th century)
2. Trade union movement era (Early 19th century)
3. Social responsibility era (beginning of the 20th century)
4. Scientific management era (1900 – 1920s)
5. Welfarism and industrial psychology era (1920 – 1930)
6. Human relations era (1930s – 1950s)
7. Behavioral science era (1950s – 1960s)
8. Systems and contingency approach era (1960 onwards)
9. Human resource management era (1980 onwards)
10. Strategic human resource management era (2000 onwards)

HRM TIMELINE AND NAME CHANGE



APPROACHES TO HRM

- Hard HRM
- Soft HRM
- Best fit HRM
- Best practice HRM



HARD Vs SOFT APPROACHES TO HRM

Hard HRM

- Task oriented
- Minimum wages
- Cost control
- Efficiency
- Organizational goals

Soft HRM

- Employee engagement
- Competitive pay
- Job satisfaction
- Employee motivation
- Employee & organizational development

BEST FIT HRM

- Each business is different.
- Each business is at a different stage.
- No “one size fits all”.
- Best fit is contextual.

BEST PRACTICE HRM

- Each business aims at higher performance.
- Higher performance is linked with sets of good HRM practices.
- These sets of best practices can take many forms.
- Best practice can be universal.

DIFFERENT HRM PERSPECTIVES

- Senior managers' perspective
- Line managers' perspective
- Employees' perspective



OUTCOMES OF EFFECTIVE HRM

1) Attaining Strategic Business Objectives:

- Managing human capital
- Integrating with other functions
- Increasing employee performance
- Increasing stakeholder satisfaction
- Managing change

(Including but not limited to)

OUTCOMES OF EFFECTIVE HRM

2) Adhering to Professional and Ethical Principles:

- Advancing professional development
- Advocating professional responsibilities
- Maintaining ethical leadership
- Fostering fairness and justice
- Protecting conflicts of interest
- Ensuring proper use of information

(Including but not limited to)

OUTCOMES OF EFFECTIVE HRM

3. Enhancing employee engagement:

- Empowering employees
- Fostering greater employee wellness
- Fostering better work-life balance
- Establishing equal treatment policy
- Establishing better grievance handling mechanism

(Including but not limited to)

MAIN ISSUES IN HRM

- Increased competition
- Aging workforce
- Managing change/transition
- Skills and labour shortage
- High turnover/low retention
- Workforce planning
- Social concerns/changes
- Work-life balance
- Rapid development of technology
- Disciplinary issues
- Workforce diversity

KEY CHALLENGES IN HRM

- Global economic competition
- Technological and communication breakthroughs
- Demand for personal flexibility
- Skills convergence in a multi-disciplinary environment
- Global best practice changes
- Changing business standards
- Government regulations
- Political influence

SUMMARY

- HRM is the effective management of people in an organization which helps to bridge the gap between employee performance and organization's strategic business objectives.
- Human Capital is the stock of knowledge, skills, abilities and other characteristics of the workforce which is thus the backbone of any business.
- The main objectives of HRM are to plan, acquire, develop, motivate and retain human capital for which HR functions are put in place.
- HRM does not operate in a vacuum instead interconnected with internal and external factors thus HRM demands knowledge in different disciplines.
- There is no one-fits-all approach to HRM instead different models and perspectives of HRM are in practice.
- HR managers are to be proactive for dealing with HRM issues and challenges.

REFERENCES

- Armstrong, M. (2009) Armstrong's Handbook of Human Resource Management Practice. 11th Edition, Kogan Page Limited, London.
- Boxall, P., Purcell, J. and Wright, P. (2007). The Oxford Handbook of Human Resource Management. Oxford: OUP .
- Gibb, S. (2007). Human Resource Development: Processes, Practices and Perspectives. Basingstoke: Palgrave.
- Marchington, M. & Wilkinson, A. (2011). Human Resource Management at Work: People Management & Development. 5th Edition. London: CIPD.

NEXT LECTURE

- **Date:** 02 April 2025
- **Time:** 12:00 – 2:00 pm
- **Topic:** Role of the HR Function and Practitioner