

CHAPTER-1

INTRODUCTION OF HUMAN RESOURCES MANAGEMENT

1.1 Concept of Human Resource Management

The objectives of an organization get fulfilled their target objectives by the mobilization of various resources such as man, machine, material, money and so on. Among these resources, Human Resource (man) is the most important resource that helps to mobilize other resources and also facilitated to achieve organizational goals. Human Resources are the key resources to increase productivity and enhance the quality of work life that results to success an organization. Human resource is the greatest liabilities and the biggest assets. The productivity and quality of work life depend upon better recruitment, selection, development and placement of qualified and competent Human Resource.

Human Resources Management is about managing people. It is concerned with the “People” dimensions such as recruitment, selection, training and development, motivation and maintenance. It creates harmony between the objectives of organization and individual.

According to Decenzo and Robbins, “Human Resource Management is a process consisting of acquisition, development, motivation and maintenance of human resources.”

In conclusion we can define Human Resources Management is regarded as people as a strategic resource that recognizes the common interests and needs of employees and firm. This is responsive to the environment changes and regards employees as important assets.

Characteristics of Human Resources Management

1. Focus in human beings
2. Continuous function
3. Dynamic function
4. Management function
5. A system
6. Universally applied
7. Integration of goal
8. Complex function

1. Focus in human beings

The main characteristics of Human Resources Management is that any decision made in the firm will have the implications in the management of people, i.e. recruitment and selection, performance evaluation, training and development, rewards etc.

2. Continuous function

Human Resources Management is a continuous function not a onetime activity. It ensures continuous commitment of employees by motivating them to perform well. The high level of employee's commitment, employees can contribute more responsibly and work by the feeling of ownership.

3. Dynamic function

We know that environment is dynamic and influences to the activities to the activities of an organization. Human Resources Management is a dynamic function. It helps human resource to work adapting to the changing political-legal, economic, socio-cultural and technological forces.

4. Management function

It is an integral function of the management process that involves the management functions as planning, implementing and controlling of human resources for the achievement of organizational goals.

5. A system

Human Resources Management is a system consisting of acquisition, development, utilization and maintenance functions. It takes a system approach to management of human resource as input, processing and output.

6. Universally applied

One of the most important characteristics of Human Resources Management is universally applicable. Every organization uses human resources in order to mobilize other available resources in order to achieve common goal.

7. Integration of goal

Human Resources Management encourages employees to give their best performance in order to increase productivity and improve quality of work life that automatically fulfills the individual goals. So, it is helpful to integrate the organizational and individual goal.

8. Complex function

The behavior, nature, capacity, skill of individual is different .It is complex function and difficult to predict them. In such complexity, Human Resources Management manages people accordingly to their behavior in suitable job.

1.3 Objectives of Human Resources Management

1. Goal achievement

Human Resources Management helps to achieve the following goals.

a. Personal goal

Human Resources Management assists employees their personal goal that may be related to compensation, development , placement and career advancement. This helps to meet individual as well as organizational goal.

b. Human Resources Management goal

Human Resources Management goal can be timely and effective by acquisition, development, utilization and retention of capable employees.

c. Organizational goal

Human Resources Management help to recruit, select and placement of competent and qualified workforce which facilitates to increase productivity that help to achieve organizational goal.

d. Societal goal

Organization survive, grow and operate in the society. Human Resources Management attain to achieve societal goal for the welfare of the society and consumer. Such goals can be achieved by the creation of employment , solution of social problem and protection of environment.

2. Goal Harmony

Human Resources Management creates harmony and integrate organizational goal and individual goals. Further it satisfies individual need by maintaining morale among employees, providing the job satisfaction and so on.

3. Structural Maintenance

Organizational structure is an important thing to perform the work effectively and efficiently. A structure defines authority and responsibility of each individual. Human Resources Management supports in placement of right person at right job.

4. Productivity Improvement

Productivity improvement is one of the important objectives of Human Resources Management. Human Resources Management ensures competent and qualified employees in work place that ultimately increases and improve the productivity.

5. Efficiency promotion

Human Resources Management ensures cost effective utilization of human resources. This avoid waste and maximize productivity and profit. Productivity promotes the efficiency in work and workers.

6. Change management

Change is making things different. Human Resources Management helps management change in organization to adopt with changing environment. Effective Human Resources Management promotes readiness to change among employees.

7. Quality of work life

It is employee's perception of their physical and psychological well-being at work. Human Resources Management improves quality of relationship between employees and total working environment. This helps better quality of work life.

8 . Ensure ability of qualified and competent workforce

The main objectives of Human Resources Management is to hire qualified and competent work force to increase and improve the productivity that facilitate to fulfill the organizational and individual goal.

1.4 Function of Human Resources Management (Components)

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|-------------------------|-------------------------|
| 1. Acquisition function | 3. Utilization function |
| 2. Development function | 4. Maintenance function |

1. Acquisition function

Acquisition is related with staffing function that deals with hiring competent employees in an organization. It ensures the number of employees at right place at right time. The components of acquisition are as follows:

a. Human Resource Planning

Planning is the process of predicting future human resource needs. Human Resources Planning ensures the number of employees needed who are qualified and competent employees in order to achieve organizational goals.

b. Human Resource Recruiting

When an organization receives application from the job seekers, recruitment process gets complete. It consists of identifying prospective candidates and stimulating them to apply for the job that help firm to choose better employees.

c. Human Resource Selection

It consists of choosing qualified and right person from among the prospective candidates so that firm can achieve its goal considering individual goal.

d. Human Resource Socialization

It is the process of adaptation of new employees to organization culture so that organization can get work completed as planned and achieve the common goal.

2. Development function

Development function ensures skilled, competent employees to handle the work. It consists of following activities.

a. Training and Development

It is done to lower level basically to cope with the current jobs. Employees potential for growth is identified. Training and development is necessary to adopt with environment.

b. Career Planning

It is the responsibilities of Individual to create the path for future job responsibilities. Timely development of human resource is necessary for career planning.

3. Utilization function

It is related with employees performance for increasing and improving productivity. It ensures how to utilize human resource for achieving organizational goal. It includes following activities:

a. Performance appraisal

It is the process of evaluating the employees performance to bring effectiveness in work and workers for the achievement of common goal on time.

b. Motivation

Motivation is the process of creating willingness among employees to work for higher productivity. It focuses on the behavior of employees to exert high energy levels.

c. Compensation

The money or non-monetary incentive received by employees as per their performance and qualification is compensation. It includes money, bonus, promotion, benefit and services, etc.

4. Maintenance function

This function is concerned with retention of competent employees in the organization. It ensures that employees maintain their loyalty and commitment to the firm. It consists of following activities:

a. Employee discipline

It ensures adherence by employees to rules and standards of acceptable behavior. Employee discipline is necessary to bring efficiency in work and workers to achieve organizational goal.

b. Labor relation

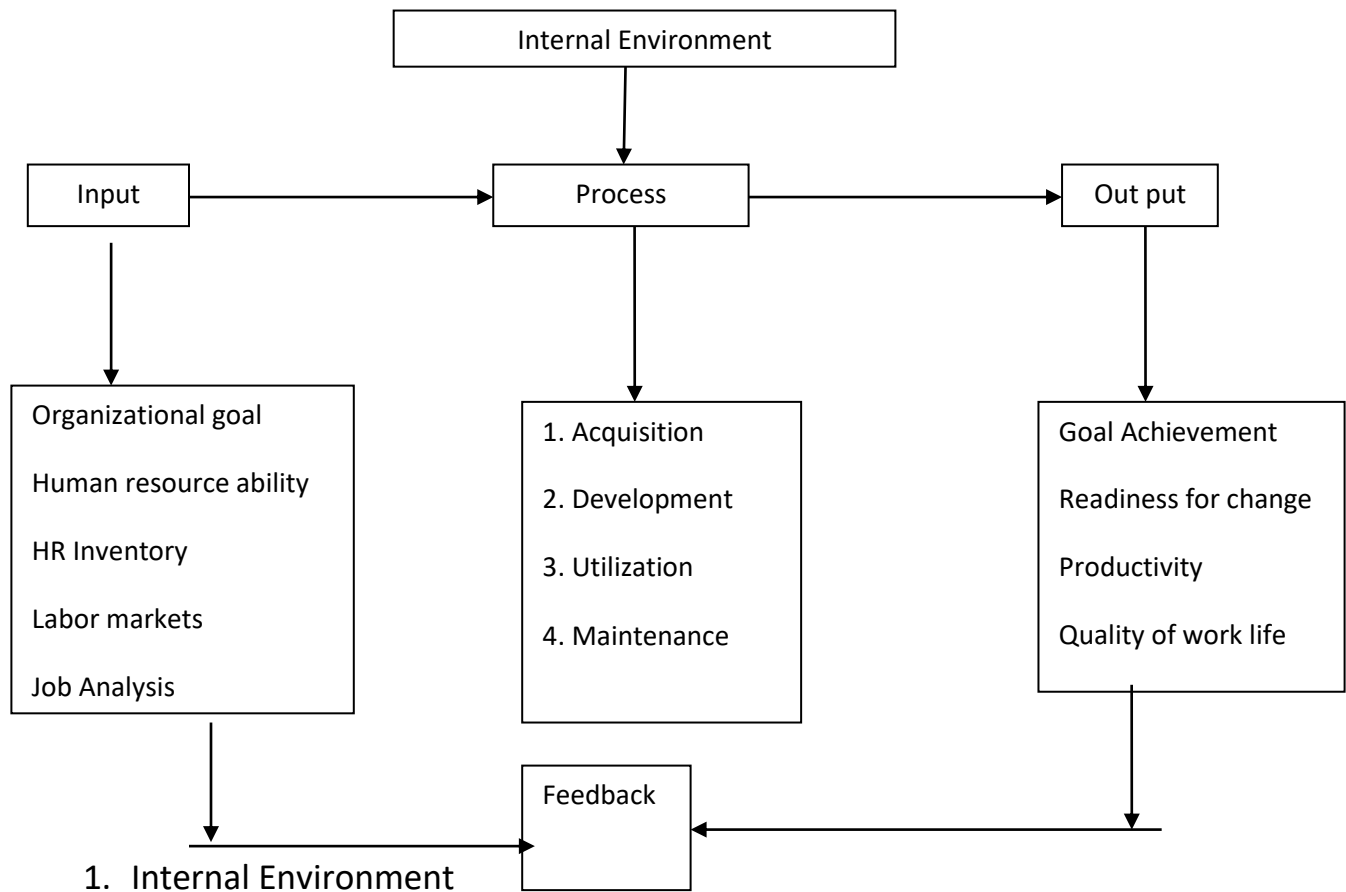
Another important function of Human Resources Management is to maintain harmonious relation between management and labor in the firm. It helps in handling grievances , labor management consultative meetings, setting disputes etc.

c. Employee welfare

It consists of various activities and programs that promote employees welfare such as safety, health, sports, recreations, etc.

1.4 Human Resources Management System

Human Resources Management is an open system that is concerned with people. Human Resources Management system provides a conceptual framework for integrating the various components within the Human Resources Management System. It can be clear with the help of following:



Input

The effort kept for processing to achieve definite goal is known as input for an organization. The inputs of human resource may be as follows:

a. Organizational Goal

This states overall organization goal, strategy and targets within which the Human Resources Management functions to achieve definite goals.

b. Human resource ability

Ability is related with skill, knowledge, attitudes, experiences, potential and physical strength to do the work.

c. Human resource inventory

It indicates the record of necessary employees available in the organization having their own skill and ability to complete the assigned work.

d. Labor market

This is the source of external supply for human resources that may be national or international.

e. Job analysis

Job analysis is related with the data collection regarding job description, job specification and job analysis or evaluation for further improvement in job.

1. Processing of Human Resources Management System

The components of processing of Human Resources Management system are as:

a. Acquisition

This ensures entry of **the right number of people at right place at right time** in the organization. It includes the activities of recruitment, selection and socialization etc.

b. Development

This ensures proper competencies and qualification of employees to handle the jobs assigned. It consist the activities of training and development, career planning and so on.

c. Utilization

This includes how to get the better output from the utilization of human resource. In another word, it is the willingness of employees to increase productivity by

using their full effort. It includes motivation, performance appraisal and compensation.

d. Maintenance

This ensures the retention of competent employees in the organization by performing various activities like as Labor relation, employees welfare and employees discipline.

2. Outputs of Human Resources Management System

The components of output of Human Resources Management system are as below:

a. Goal achievement

According to input and processing, goal is aimed to be achieved. If input are properly processed the targeted goal of an organization can be achieved timely.

b. Readiness for change

If human resources are properly processed through various management functions as a result they decide to change as necessary for organizational effectiveness.

c. Productivity

It is the efficiency relationship between input and output. Human Resources Management System brings about productivity improvements.

d. Quality of work life

Human Resources Management improves the quality of relationship between employees and total working environment in an organization.

- Feedback is necessary components to redesign Human Resources Management inputs and processing as based on output effectiveness.

- Internal environment should consider that provides strengths and weaknesses of an organization. It may be organizational goal, structure, policies, resources, management and so on.
- The external environment provides opportunities and threats to the firm that is uncontrollable by the management. It may be political and legal forces, economics, socio-cultural and technological factors.

1.5 Difference Between Personnel Management & Human Resources Management

| <i>Basis of Diff.</i> | <i>Personnel Management</i> | <i>Human Resources Management</i> |
|-----------------------|--|---|
| 1.Planning | It focuses on short-term planning. Whenever there is a problem it makes plan to solve it. | It follows a long-term approach to work on a problem or change. HRM is a system that makes wide plan by integration of HRM activities with business strategy. |
| 2.Job Design | Under it particular work is provided to an individual to accomplish it. So, co-ordination is difficult to maintain among employees. | Human Resources Management focus on teamwork to accomplish the work. So, co-ordination among workers can be easily maintained. |
| 3.Role | The role of individual employee is taken as an important criterion for selection for selection, training performance appraisal etc decision of personnel management. | Under Human Resources Management importance is given to the role of effective team or group performance. It says that team effort is necessary to achieve goal. |
| 4.Interest | Here only the organizational interest is considers rather than individual interest. | Both the organizational and individual interest is considers during the performance. |
| 5.Focus | The main aim of personnel management is to reduce the cost of production and production units. | Rather than the cost of production and production units quality of work is considered. |
| 6.Decision | Any decision related to organization is taken by the | There is participative management in Human |

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| | manager solely. | Resources Management |
| 7.Outcomes | Employee's satisfaction and increase in production are the outcomes of it personnel management. | Quality of work life, productivity and readiness for change as well as goal Achievement are outcomes of Human Resources Management. |

1.6 Human Resources Management Outcomes/Outputs

The outcomes of the human resources may be as discussed below:

1. Quality of Work life(QWL)

Quality of work life refers to the quality of relation between employees and the total working environment of the organization. It is the employee perception of physical and psychological well being at work. It emphasis that improving human dimension of work for employee satisfaction. It can be defined as the extent to which members of an organization are able to satisfy personal needs through the organizational process.

Quality of work assume a working environment where;

- a. People based employees activities are important in organization practices.
- b. Policy and Procedures make the work less routine and more rewarding for employees, which are;
 - **Autonomy:** It refers to the freedom to employees to do the work. It makes employees to participate in decision making what they does, this makes them to give best effort that provide them autonomy.
 - **Recognition:** The appreciation that is provided to employees for their contribution to organization to achieve goal.
 - **Belonging:** The social need that employees feel that they are one of the important parts to an organization.
 - **intrinsic rewards:** It is the internal rewards which the employees gets after their progress and development.

- **External rewards:** It refers to the financial and non-financial rewards such as increase in salary, promotion, bonus and so on.

2. Productivity

The concept of productivity refers to the ratio of output to input, within a time period with due consideration for quality. The term productivity can be defined as the relationship between real inputs and outputs. Productivity is the measure of how well resources are combined and utilized to produce a result desired by management. Higher productivity ensures less cost of production and most effective utilization of available resources.

According to Decenzo and Robbins, “Productivity is the amount of work that is being produced in organization in terms of how much and how well. “

Productivity is the result of many factors, which are as described below:

a. Capital investment

Availability of latest technologically advanced machinery and equipment that help improve worker efficiency.

b. Innovation

It is the process of generating and implementing new and creative ideas in the performance of the firm.

c. Learning

It is the process of acquiring new skills, knowledge, ideas that is needed for an organization's performance. Timely training is needed for gaining skill.

d. Motivation

It is the psychological aspect that creates willingness among the employees to give the best possible effort to achieve the organizational goals.

3. Readiness for change

The increasing challenges from environmental forces force every organization to try to cope with them. Change is the fact of life in out both private and business life. Organization needs changes in order to remain balance with ever changing environment. The survival, growth and profitability of an organization depend on its situation and process in response to changing environment. Employees may resist the introduction of new techniques or method because they feel secure under existing condition and fear that the changes will destroy inter personal relationship.

1.7 Relation between Quality of Work Life (QWL), Productivity and Readiness for Change

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It can be clear with the help of following figure:

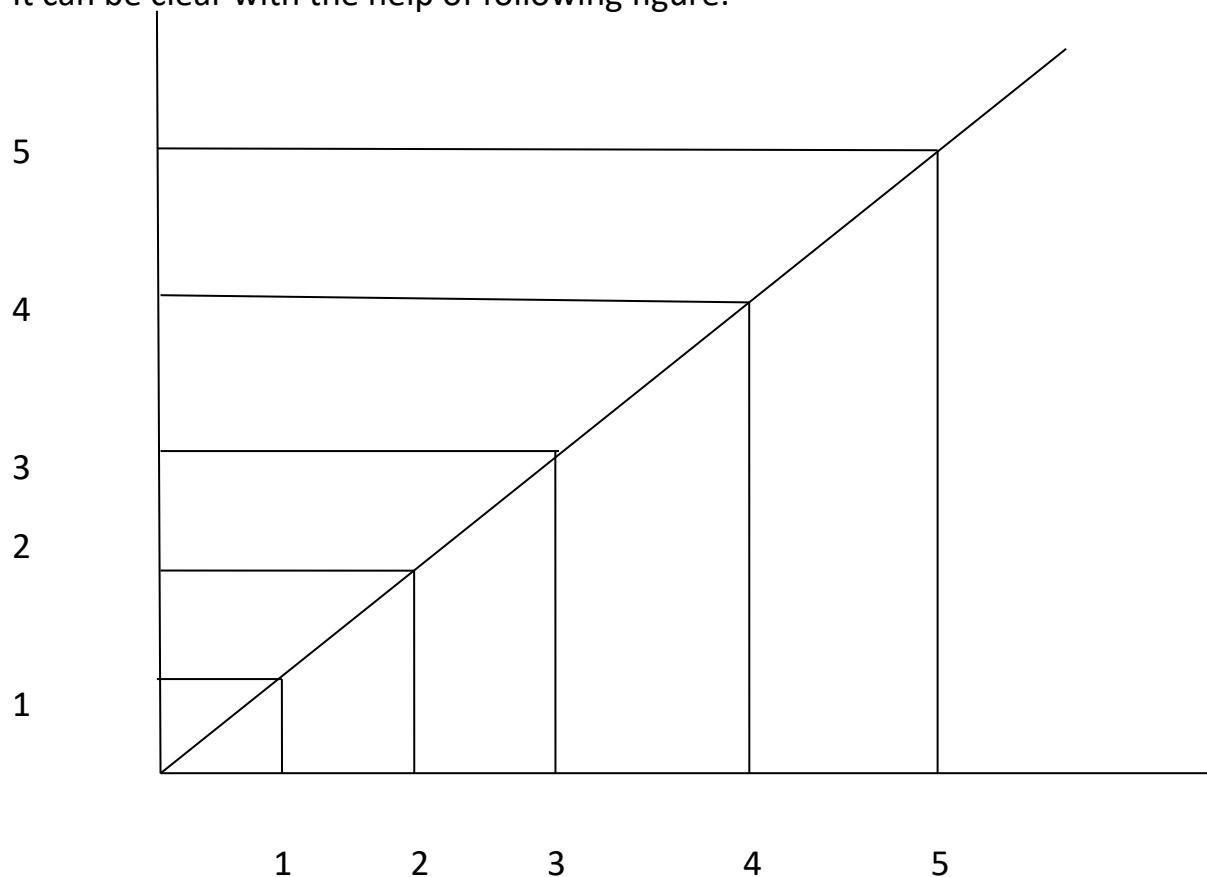


Fig: Relation between QWL, Productivity and Readiness for change

In the above figure, it shows that when quality of work life and readiness for change increases, productivity also increases and vice-versa. There is positive relationship Between QWL, Productivity and Readiness for change.

1.8 Challenges of Human Resource Management/Emerging issues of HRM

Human source are the most important assets of the organization that utilizes all other resources to achieve predetermined objectives. During the performance, human may face many challenges and it is necessary to overcome for the effective and efficient performance in the organization. The challenges of Human Resource Management are as below:

1. Globalization

It is the process of doing business activities world widely that facilitates in free flow of capital and technology, people, information etc. Globalization has led to operation in several countries and faces competitions, human resource should be timely trained, selection of qualified and competent employees to handle it.

2. Contingency Work force

In an organization, there are various employees from different tribe, culture, etc are involved. Contingency work force consists of part-time, temporary and contract employees are increasing. Such system helps to increase productivity. So, retooling of skills of human resources is needed on a continuous basis.

3. Learning Organization

In today's world, learning system is very much essential for continuous survival of an organization. Firm needs continuous learning and update knowledge. As per change in environment, employees have to work accordingly. So, manager needs to find ways to expand employee's capacity through continuous learning.

4. Complexity

With the development of modern organization, the complexity also takes place that may be one of the challenges to firm and Human Resource Management. So, the manager needs to find ways to expand employee's capacity through continuous learning.

5. Technological

Technology is growing in nature. To handle and work with the growing technology technically skilled, competent, qualified human resources should be hired to overcome the challenge. Information technology is the most important to know about other technology. This possesses challenge for Human Resource Management to avoid skill deficiencies.

6. Change Management

Change in an organization is necessary for continuous survival of it. Competent and qualified employees are essential to manage the change. Human Resource Management plays an important role in selecting workers commitment to change.

7. Size of work force

It deals with the selection, recruitment, promotion and placement of human resource. The proper and appropriate size of work force facilitates to perform smoothly to achieve firm's goal. Size of work force is also one of the challenges to the Human Resource Management.

8. Mobility of work force

Qualified and competent employees get many opportunities that increase their salary, living standard and knowledge. They go where there is opportunity. The existing organization the employees leave may face the challenge of human resource. So, proper utilization should be there.