

# Human Resource Management

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# Definition

It is a management function that helps managers recruit, select, train and develop members for an organization

It is the planning, organizing, directing and controlling of the procurement, development, compensation, integration, maintenance and separation of human resources to the end so that individual, organizational and social objectives are accomplished

It refers to a set of programs, functions and activities designed and carried out in order to maximize both employee as well as organizational effectiveness

- HRM can be defined as a process of procuring, developing and maintaining competent resources in the organization so that goals of an organization are achieved in an effective and efficient manner. In other words HRM is an art of managing people at work in such a manner that they give best to the organization.

# Nature/Feature of HRM

- ***Pervasive force***

HRM is pervasive in nature. It is present in all enterprises.

- ***Action oriented***

Its focus attention on action rather than on record keeping, written procedures or rules.

- ***Individually oriented.***

It tries to help employees develop their potential fully. It encourages them to give their best to the organization.

- ***People oriented***

It is all about people at work, both as individuals and groups. It tries to put people on assigned jobs in order to produce good results.

- ***Future oriented***

It helps an organization meet its goals in the future by providing for competent and well-motivated employees.

- ***Integrating mechanism***

It tries to build and maintain cordial relations between people working at various levels in the organization.

- ***Inter disciplinary function***

It is a multidisciplinary activity, utilizing knowledge and inputs drawn from psychology, economics, etc

- ***Continuous function:***

HRM is not a one shot deal. It cannot be practiced only one hour each day or one day a week. It requires constant awareness in every day operations.

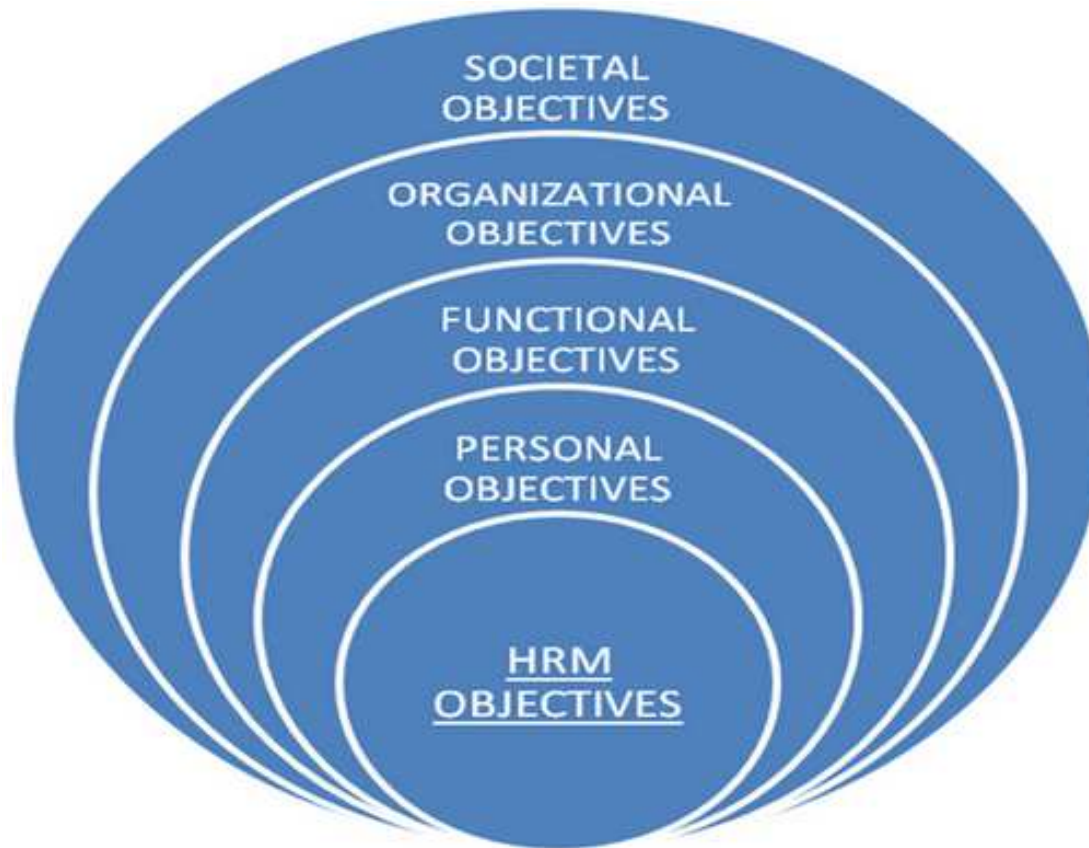
# Nature of HRM

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- Its focus is on results rather than on rules.
- It tries to help employees develop their potential fully.
- It encourages employees to give their best to the organization.
- It is all about people at work, both as individuals and groups.
- It tries to put people on assigned jobs in order to produce good results.
- It helps an organization meet its goals in the future by providing for competent and well-motivated employees.
- It tries to build and maintain cordial relations between people working at various levels in the organization.
- It is a multi-disciplinary activity, utilizing knowledge and inputs drawn from psychology, economics, etc.

# Scope of HRM

- Personnel aspect-This is concerned with manpower planning, recruitment, selection, placement, transfer, promotion, training and development, layoff and retrenchment, remuneration, incentives, productivity etc.
- Welfare aspect-It deals with working conditions and amenities such as canteens, crèches, rest and lunch rooms, housing, transport, medical assistance, education, health and safety, recreation facilities, etc.
- Industrial relations aspect-This covers union-management relations, joint consultation, collective bargaining, grievance and disciplinary procedures, settlement of disputes, etc.

# Objectives of HRM





# Objectives of HRM

- ***Societal Objectives:-*** To be socially responsible to the needs and challenges of the society while minimizing the negative impact of such demands upon the organization. The failure of organizations to use their resources for the benefit of society in ethical ways may lead to restrictions.
- ***Organizational Objectives:-*** To recognize the role of HRM in bringing about organizational effectiveness. HRM is not an end in itself. It is only a means to assist the organization with its primary objectives. Simply stated, the department exists to serve the rest of the organization.

# Objectives

- ***Functional Objectives:-*** To maintain the department's contribution at a level appropriate to the needs of the organization. Resources are wasted when HRM is either more or less sophisticated to suit the organization's demands. The department's level of service must be tailored to fit the organization it serves.
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- ***Personal Objectives:-*** To assist employees in achieving their personal goals, at least insofar as these goals enhance the individual's contribution to the organization. Personal objectives of employees must be met if workers are to be maintained, retained and motivated. Otherwise, employee performance and satisfaction may decline and employees may leave the organization.

# Objectives

To help the organization reach its goals.

- To ensure effective utilization and maximum development of human resources.
- To ensure respect for human beings. To identify and satisfy the needs of individuals.
- To ensure reconciliation of individual goals with those of the organization.
- To achieve and maintain high morale among employees.
- To provide the organization with well-trained and well-motivated employees.
- To increase to the fullest the employee's job satisfaction and self-actualization.
- To develop and maintain a quality of work life.
- To be ethically and socially responsive to the needs of society.
- To develop overall personality of each employee in its multidimensional aspect.
- To enhance employee's capabilities to perform the present job.
- To equip the employees with precision and clarity in transaction of business.
- To inculcate the sense of team spirit, team work and inter-team collaboration.

# Managerial Functions

- **PLANNING:** This involves predetermined course of action. In this process organizational goals and formulation of policies and programs for achieving them are chalked out. A well thought out plan makes execution perfect and easy.
- It involves forecasting and research .
- It forecasts need for human resources, Predicting labour, wages etc

# ORGANIZING

- This is a process by which the structure and allocation of jobs are determined. Organizing involves each subordinate a specific task, establishing departments, delegating authority to subordinates, establishing channels of authority and communication, and coordinating the work of subordinates.

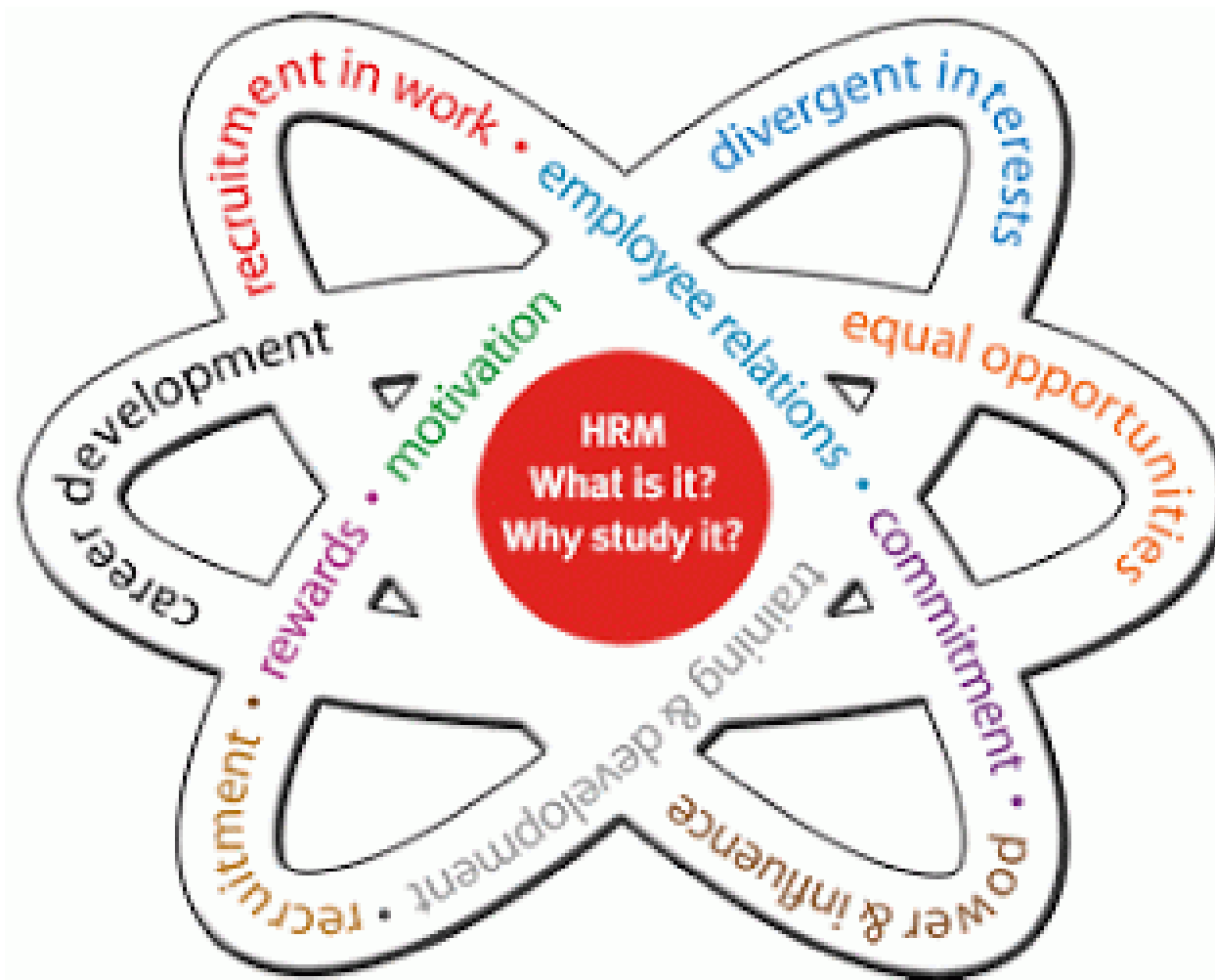
# DIRECTING

- It is the process of activating group efforts to achieve the desired goals.
- It is the process of motivating activating, leading and supervising people, it includes supervision of subordinates.
- Directing is the heart of the management process because it is concerned with initiating action, securing willing cooperation of employees and tapping their maximum.

# CONTROLLING

- This is the process of setting standards for performance, checking to compare see how actual performance compares with these set standards and taking needed corrective action.
- It implies checking ,verifying and regulating to ensure that every thing occurs in conformity with the plans adopted and the instructions issued.
- Controlling the management of hr involves auditing training programs, analyzing labour turnover records, directing morale, surveys etc

# Operative functions





# Procurement function

1. It is concerned with securing and employing the right kind and proper number of people required accomplishing the organization objective.
  - Job analysis - : It is the process of studying in detail the operation and responsibilities involved in a job so as to identify the nature and level of HR required. Job description is prepared with the help of information provided by Job Analysis.
  - Hr planning: It is the process of estimating present and future manpower requirements of organization and formulating action programs to bridge the gap of manpower.

- Recruitment: It is the process of searching for required personnel and stimulating them to apply for job in the organization. A proper balance should be maintained between internal and external sources of recruitment.
- Selection: It refers to employers judging the suitability of different candidates for job in the organization and choosing the most appropriate persons
- Placement: It means assigning suitable jobs to selected candidates so as to match employees qualification with job requirement
- Induction: It involves familiarizing the new employees with company. The work environment and existing employees so that the new people feel at home and can start work confidently.

# Human Resources Development

- It is the process of improving, and changing the skills, Knowledge, creative ability, aptitude, values, commitment etc., based on present and future job and organizational requirements.
  - Performance Appraisal: It is the systematic evaluation of individuals with respect to their performance on the job and their potential for development. It includes: Developing policies, procedures and techniques.
  - Training: It is the process of imparting to the employees technical and operating skills and knowledge. It includes: 1. Identification of training needs of the individuals and the company. 2. Developing suitable training programmes.
  - Management Development: It is the process of designing and conducting suitable executive development programmes so as to develop the managerial and human relations skill of employees. It includes: 1. Identification of the areas in which management development is needed. 2. Conducting development programmes

- Career Planning and Development: It is the planning of one's career and implementation of career plans by means of education, training, job search and acquisition of work experiences. It includes internal and external mobility.
- Internal Mobility: It includes vertical and horizontal movement of an employee within an organization. It consists of transfer, promotion and demotion
- Transfer: It is the process of placing employees in the same level jobs where they can be utilized more effectively in consistence with their potentialities and needs of the employees and the organization. It also deals with:
  - Developing transfer policies and procedures
  - Guiding employees and line management on transfers.

- Promotion: It deals with upward reassignment given to an employee in the organization to occupy higher position which commands better status and/or pay keeping in view the human resources of the employees and the job requirements.
- Demotion: It deals with downward reassignment to an employee in the organization.
- Retention and Retrenchment Management: Employers prefer to retain more talented employees while they retrench less talented employees. Employers modify existing human resource strategies and craft new strategies in order to pay more salaries provide more benefits and create high quality of work life to retain the best employees. Management pays less to the less talented employees and plan to retrench the misfits as well as unwanted employees depending upon the negative business trends.

- Change and Organisation Development: Change implies the creation of imbalances in the existent pattern or situation. Organisation development is a planned process designed to improve organizational effectiveness and health through modifications in individual and group behaviour, culture and systems of the organization using knowledge and technology of applied behavioural sciences

# Compensation

- It is the process of providing adequate and fair remuneration to the employees. It includes job evaluation, wage and salary administration, incentives, bonus, fringe benefits, social security measures etc.
  - Job Evaluation: It is the process of determining relative worth of jobs.
    - Select suitable job evaluation techniques.
    - Classify jobs into various categories.
    - Determining relative value of jobs in various categories.
  - Wage and Salary Administration: This is the process of developing and operating a suitable wage and salary programme.
    - Conducting wage and salary survey.
    - Determining wage and salary rates based on various factors
    - Administering wage and salary programmes.
    - Evaluating its effectiveness.
  - Incentives: It is the process of formulating, administering and revising the schemes of financial incentives in addition to regular payment of wages and salary.
    - Formulating incentive payment schemes.
    - Helping functional managers on the operation.
    - Review them periodically to evaluate effectiveness.
  - Bonus: It includes payment of statutory bonus according to the Payment of Bonus Act, 1965 and its latest amendments.

- Fringe Benefits: These are the various benefits at the fringe of the wage. Management provides these benefits to motivate the employees and to meet their life's contingencies.
  - Disablement benefit.
  - Housing facilities.
  - Educational facilities to employees and children.
  - Canteen facilities.
  - Recreational facilities.
  - Conveyance facilities.
  - Credit facilities.
  - Legal clinics.
  - Medical, maternity and welfare facilities.
  - Company stores.
- Social Security Measures: Managements provide social security to their employees in addition to the fringe benefits.
  - Workmen's compensation to those workers (or their dependents) who involve in accidents.
  - Maternity benefits to women employees.
  - Sickness benefits and medical benefits.
  - Disablement benefits/allowance.
  - Dependent benefits.
  - Retirement benefits like provident fund, pension, gratuity etc.



# Human Relations

- Practicing various human resources policies and programmes like employment, development and compensation and interaction among employees create a sense of relationship between the individual worker and management, among workers and trade unions and the management.
- It is the process of interaction among human beings. Human relations is an area of management in integrating people into work situations in a way that motivates them to work together productively, co-operatively and with economic, psychological and social satisfaction.
  - Understanding and applying the models of perception, personality, learning, intra and inter-personal relations, intra and inter-group relations.
  - Motivating the employees.
  - Boosting employee morale
  - Developing the communication skills.
  - Developing the leadership skills.
  - Redressing employee grievances properly and in time using well formulated grievance procedure.
  - Handling disciplinary cases by means of an established disciplinary procedure.
  - Counseling the employees in solving their personal, family and work problems and releasing their stress, strain and tensions.
  - Providing a comfortable work environment by reducing fatigue, monotony boredom and industrial accidents.
  - Improving quality of work life of employees through participation and other means.

# Industrial Relations

- The term 'industrial relations' refers to the study of relations among employees, employers, government and trade unions. Industrial relations include:
  - Indian labour market
  - Trade unionism
  - Collective bargaining
  - Industrial conflicts
  - Workers' participation in management and
  - Quality circles.

# Recent Trends in HRM

- Human Resources Management has been advancing at a fast rate. The recent trends in HRM include:
  - Quality of work life
  - Total quality in human resources
  - HR accounting, audit and
  - research and recent techniques of HRM.