



# HUMAN RESOURCE MANAGEMENT

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## LEARNING OBJECTIVES

After completing this section the learner will be able to —

- explain the concept of Human Resource Management
  - discuss the importance of Human Resource Management
  - describe the functions of Human Resource Management Professionals
  - identify qualities required by a successful HR professional.
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## INTRODUCTION

You must be aspiring to take up careers and desiring to hold important positions that are rewarding. When you apply for the job, like many others, some person(s) will scrutinise all applications, shortlist prospective candidates and arrange for the interview. This work is primarily the responsibility of the HR (Human Resource) Department. Human Resource Management (HRM) is an important field of study that emerges out of Resource Management which has an impact on efficiency of an individual and organisations. In Class XI, you have learnt about the importance of human resource. In this chapter, we will discuss the field of HRM as a potential career option and what it entails.

In the past, large organisations had a “Personnel Department” which was largely responsible for hiring people, maintaining paper work and paying the employees. Later, it was replaced by Human Resources Department (HR Dept.) which played a major role in selection, staffing, training and helping the workforce to improve capability and achieve better performance. HRM and Personnel management are the terms used interchangeably but, both differ in terms of their content. In case of personnel management, focus is more on routine activities whereas there is continuous development of human processes in HRM. In recent times, the phrase “Talent Management” is being used globally, to refer the activities of HR professionals to attract, develop and retain employees.

## SIGNIFICANCE

Workforce is vital for any organisation. All organisations are manned by people, regardless of their size or extent of its resources. The overall performance and profitability of any organisation is largely dependent on the quality of its manpower, i.e., the capabilities and performance of its human resource. Let us take a closer look at the role and responsibilities of professionals in the field of Human Resource Management (HRM).

Let us first understand HRM. It can be defined as a strategic and coherent approach to the management of an organisation’s most valued assets — its human capital, i.e., the people working in the organisation, who individually and collectively contribute to the achievement of the organisational, goals effectively and efficiently. HRM also focuses on maximising the capabilities and performance of the workforce. Thus:

- HRM is a management function that takes care of all the decisions in an organisation that are undertaken by a manager to select, recruit, train and develop the employees. Basically HRM focuses on the human resources of an organisation.
- HRM is concerned with getting better results with the collaboration of people by focussing on ‘people’ issues, and refers to all of the activities implemented and used to affect the behaviors of employees. HRM is an integral but distinctive part of management, which helps in attaining maximum individual development, by providing desirable working conditions and improving relationships between employees and employers as well as among the employees themselves.
- HRM is a multi-faceted process involving various areas like selection and placement of personnel, their induction and training, performance appraisal, career planning and potential development of personnel etc. It also includes motivation, leadership, management

of resources, and training and development of the entire workforce within an organisation.

- HRM also includes Human Resource Development (HRD). HRD is the process of increasing the knowledge, skills and capacities of the personnel in the organisation. It also aims at getting the best out of the members of the organisation.
- The scope of HRM is limited only to develop and administer people whereas HRD has a wider scope where the organisation is matured as a whole. For example, recruiting the employees is an HRM activity whereas training the recruited employees is an HRD activity.

Managements must foresee and ensure that there is an appropriate match between individual abilities and organisational needs. Some persons may be qualified but may not be adequately trained for the specific tasks that they are required to perform and hence need to be given additional training and further education. Competent employees may not remain competent forever. Thus, persons who have been with the organisation for considerable period of time and perform well may need capacity building and upgradation of skills to meet new challenges in the work environment (Fig. 16.1).



**Fig. 16.1: Contributions of HRD**

The primary aim of HRM is to ensure that productivity of the organisation is maximised through improving work life of employees, treating them as a vital and critical resource and helping them to be as effective as possible. In this effort, HRM focusses on personal development, employee satisfaction and compliance with regulations.

Let us understand the functions of Human Resource Management professionals (Fig. 16.2). Major Functions of Human Resources/Talent Management are:

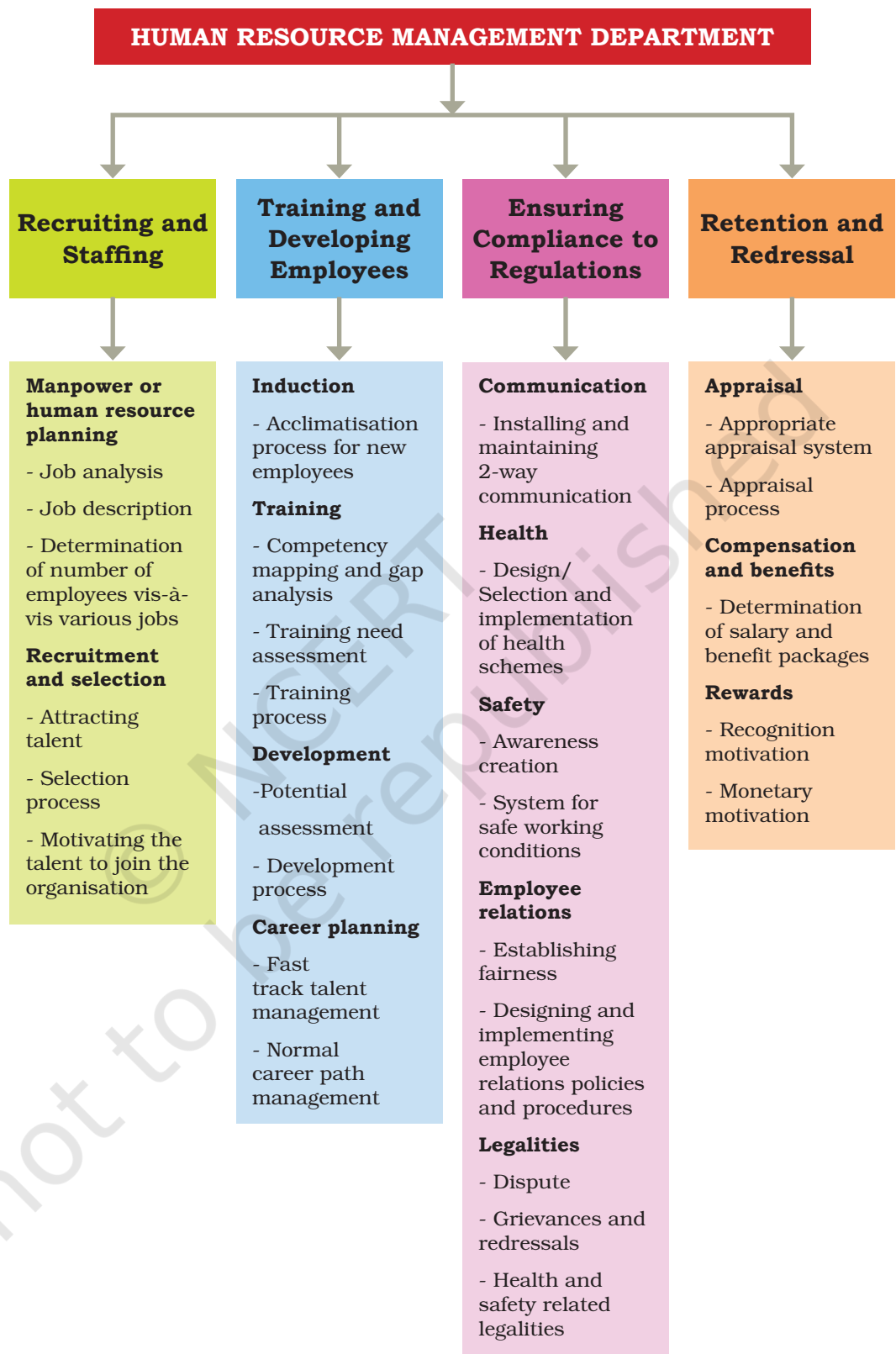
1. Recruiting and Staffing, i.e., Getting the Best Employees
2. Training and Developing Employees
3. Ensuring Compliance to Regulations
4. Retention and Redressal:
  - Ensuring Fair, Safe and Equitable Work Environments and Paying fair wages to employees and performance appraisal through bonus and other benefits.
  - Sustaining High-Performing Employees

### 1. Recruiting and Staffing

#### *Manpower/Human Resource Planning*

Manpower or human resource planning is concerned with assessment of present and future needs of the organisation in relation to present resources and future predicted demands and changes. Appropriate steps are then planned to bring demand and supply of man power into balance. Thus the first step is to take a 'satellite picture' of the existing workforce profile (numbers, skills, ages, flexibility, gender, experience, forecast capabilities, character, potential, etc., of existing employees) and then to assess needs for 1, 5 and 10 years ahead. This requires adjustments for planned staff movements, retirements, normal turnover etc, in line with the organisational plan for the corresponding time frames. Before recruitment the first step is to do job analysis.

Glance through some newspapers and study a few advertisements for personnel in detail. Note the specific requirements in terms of qualifications, skills, work experience and the expectation of the company. You will notice that essentially the advertisement for job contains the job description but this is possible only after the HR department has done job analysis.



**Fig. 16.2: Functions of Human Resource Management at a Glance**

*What is Job analysis?* It is the process used to collect information about the duties, responsibilities, necessary skills, outcomes, and work environment to perform a particular job. An important concept of Job Analysis is that the analysis is conducted of the Job, not of the person. Job and task analysis is performed as a basis for: defining a job domain; describing a job; developing performance appraisals, selection systems, promotion criteria, training needs assessment and compensation plans. One of the main purposes of conducting job analysis is to prepare job description and job specification which in turn helps to hire the right quality of workforce into the organisation. The general purpose of job analysis is to document the requirements of a job and the work performed. It also helps to determine the actual number of manpower needed and the skills that this manpower should have.

The information from this analytical study of the tasks to be performed are written into a *job description*, so that it can be determined as to what physical and mental characteristics applicants must possess, what qualities and attitudes are desirable and what characteristics are decided by disadvantages. These are important tasks of the HR professional. Thus job description is an outcome of job analysis. Based on this, the company decides the number of positions at various hierarchal levels, the number of persons per position, develop recruitment plans and advertise the posts.

After receiving applications in response to the advertisement, the HR department will scrutinise applications and shortlist suitable applicants for interview. This takes us to the next step, i.e., selection and recruitment of employees.

#### *Selection and Recruitment of Work Force/Employees*

Recruitment is determining the best candidate for the 'job' from among the numerous applicants, by arranging interviews, tests, and verification of documents and references. Effectively, selection is 'hiring' an appropriate and suitable employee. HR professionals are hired in placement Agencies/ Organisations that exist to 'head hunt'. Their main role is to attract talented staff and motivate them to join the organisation and recruit them. When the selection process of prospective employees is done by well experienced and knowledgeable person(s) with good judgement, it will contribute in the progress rate of the organisation.

After recruitment and staffing the next major function of HRM is training and development which is one of the important responsibilities of the HR department starting with conducting induction programmes for new employees.

## 2. Training and Development

**Training** is the systematic development of attitudes, knowledge, skills required by a person to perform a given task or job adequately and **development** is 'the growth of the individual in terms of ability, understanding and awareness'. It consists of guiding and directing members of the workforce to enhance their knowledge base (learn new things), apply this knowledge and translate them into skills in order to achieve the goals of the organisation and its people. Within an organisation Training and Development is necessary in order to:

- Develop workers to undertake higher-grade tasks;
- Provide the conventional training to new workers (e.g., as apprentices, clerks, etc.);
- Raise efficiency and standards of performance;
- Meet legislative requirements (e.g., health and safety);
- Inform and acquaint persons/acclimatisation process for new employees (induction training, pre-retirement courses etc.).

Following are some of the common techniques/processes of training and development:

- Lectures and talks by senior or specialist managers;
- Group discussion (conference and meeting) activities;
- Briefing by senior staff;
- Role-play exercises and simulation of actual conditions;
- Video and computer teaching activities;
- Case studies (and discussion), tests, quizzes, 'games', group forums, observation exercises, inspection and reporting techniques.

Employee training gives individuals the specific skills that they require for effective execution of their responsibilities. Career counselling and guidance, Career planning, Management development are also key responsibilities of HRD.

### *Motivating and Mentoring*

An organisation needs to constantly take stock of its workforce and to assess its performance in existing jobs for three reasons:

- To improve organisational performance through encouragement of employees for the individual performance.



- To identify potential, i.e. to recognise existing talent and utilise the same to fill other vacancies in the organisation or to transfer individuals into jobs where better use can be made of their abilities.
- To provide an equitable method of linking payment to performance.

An important function of HR professionals is to retain the right employee for the right job, which is achieved by motivating employees. Employees' appraisals, compensation and 'working rewards' are thus important.

#### *Retention and Redressal of Employees*

Attention to the mental and physical well-being of employees is normal in many organisations as a means of retaining good staff and attracting others. To achieve this HR officials have to design health and welfare schemes for staff, create awareness among them regarding safe environment and maintain two-way communication. They provide or liaise with specialists for providing care services such as health care, counselling for people with personal or domestic problems affecting their work. They are also required to handle disputes, grievances and industrial action, often dealing with unions or staff representatives.

*Ensuring Compliance to Regulations and Safe Equitable Work Environments* involves (a) compliance with the laws and regulations of the government (central and state governments) and municipality, (b) interaction between the management and the unions, and (c) employee behaviour and discipline. Generally employee appraisal is undertaken and in case of indiscipline efforts are made to change employee behaviour. Incentives may be given for good behaviour. Besides working with labour unions and devise systems to foster cooperation, the HRM professional would be required to develop policies and handle issues such as sexual harassment, theft, misbehavior as well as administer programmes to enhance communication and cooperation among employees and management.

One major responsibility of the HRM department is the safety and health of all its employees including protection from hazards in the workplace. There are regulations related to occupational safety and health, environmental protection, workers' compensation in case of accident/injury/death. HRM managers must work to minimise the company's exposure to risk by implementing preventive safety and training programmes.

*Paying Employees and Providing Benefits* is an important function and includes paying employees (timely, due and appropriate wages) and providing incentives. The HRM department is responsible for developing salary systems, employee quality, retention, satisfaction and motivation (such as bonus etc). Ultimately, the aim is to have wage and pay packages



that maximise the company's investment and achievement of the company's goals. As part of this, rewards/recognitions may be given for good work, yet the morale of all employees has to be kept high. Benefits given to employees such as retirement benefits, pension, gratuity, provident fund, retirement investment plans, tax incentives, health benefits such as medical services, medical insurance, life insurance, disability insurance, vacations and leave, employee ownership of company shares etc. are under the purview of the HRM department.

*Sustaining high performance employees* is also important. In any organisation, there are persons/employees whose performance is very good and often outstanding. Such employees' performance needs to be sustained and good organisations generally make all efforts to retain such persons. In different companies, different strategies are used to sustain such persons. Some offer rewards or compensation packages in terms of financial incentives or in kind such as paid holidays for the entire family, financial packages for children's education, 'wardrobe basket', benefits like expensive cars, financial compensation in terms of driver's wages, petrol costs, medical expenses, housing etc. The key is to have a positive work environment where employees are recognised and rewarded for good performance, where there is good communication, and where everyone shares in the excitement of being part of a successful organisation. Positive work environment is provided not just on a daily basis but also in terms of celebration of festivals for persons of all religious denominations, organising get-togethers, picnics, social clubs for wives, among many other activities.

## PREPARING FOR A CAREER

To work in any profession, one should not only have "Subject Matter Expertise" but also qualities, work ethics, loyalty and a positive attitude to work efficiently and to sustain in the given profession. Failing this, growth in a profession will not be easy. There are some minimum expectations from HR Professionals, in the manner they behave and present themselves as professionals.

1. *Clarity regarding goals* — HR Professionals need to be clear about the goals of the company and work systematically towards achieving them. This can only happen if one has clarity about goals, planning, employees' expectations and their role besides good communication skills.
2. *Efficiency in Time Management* — HR professionals are expected to be efficient in time management. They are expected to help planning within a given time-frame and identify time wasters.

3. *Compare Performances* — Knowingly or unknowingly quite often, instead of circumstances and situations, people tend to compare two different persons. Instead of analysing the behaviour of a person we tend to analyse the individual. The very basic principle of the science of management says that no two individuals are the same. A good HR professional always keeps this in mind and remains unbiased in his/her judgement.
4. *Knowledge about the Business and Industry* — It is important for HR professional to know and understand the business and goals of the company so that effective employee schemes and policies can be formulated.
5. *Vision and Goal for the Department, Team and Organisation* — What do you want to do for the organisation? Are you planning to implement a competitive compensation plan? Do you want to take your company in the bracket of 25 “Best Employers in the Country”? Are you planning to acquire best of the talent from market? Do you think that you need to control the growing Attrition Rate of your company? Have you thought about “Organisation Development” and “Talent Management”? They should have vision for the organisation for HR perspective, and goals for their department and team. Until and unless you are sure about your destination, you cannot take the path.
6. *Enthusiasm to Share/Develop/Coach and Mentor* — “Knowledge is wealth; the more you distribute/share, the more you gain”. HR professionals are privileged and in a very unique position where they can develop people. They are required to help staff in changing their perception and behavior. They have a very important and crucial role to play. For being successful in this task, HR officials have to be enthusiastic and positive in attitude, to be effective mentors and trainers.
7. *Work Ethics/Trustworthiness* — This is a very important quality and a must for all HR Professionals. Candidates, at the time of interview share important information with HR. Employees share information, personal/professional ideas, suggestions, plans for the future, dreams etc. If the HR professional shares this information with others in the team of HR, will that employee ever comeback to HR to share anything? HR professionals need to win the trust of the employees and then maintain that trust. This is very true for HR Professionals, who are working in “Employee Relations”. Relation of any kind is based on trust and honesty.

People with good human resource management skills are highly in demand today, making courses in this field popular among learners. While

recruiting the right kind of manpower is important for the successful running of a company, managing the existing human assets is also of great concern today, considering the high attrition rate and volatility of job market. Thus, organisations need efficient professionals trained in management of human resources.

HRM courses are offered at both degree and diploma level by various universities, deemed universities, private colleges and other institutes. Candidates having a graduate degree from a recognised university are eligible for post graduate degree and diploma courses in HRM. Candidates willing to study post graduate courses in HRM will find many options across India including those offered through correspondence. You can also enrol for post graduate courses in HRM through correspondence while working. When enrolling in a private college, care must be taken to ensure the authenticity and credibility of the institution/organisation offering the course.

Candidates pursuing a post graduate HRM course will gain insight into areas like Training and Development, Perspectives of Management, Employee Compensation Management, Labour Welfare and Social Security, Human Resource Management and Organisational Behaviour.

There are careers involved with employment, recruitment and placement. Training and development specialisation is often conducted by trainers and orientation specialists. Smaller organisations may employ less number of persons who would be required to work in more than one area of HRM. In large organisations, different individuals may be entrusted with each special area of HRM.

The career paths lead from technical HR jobs to positions in senior HR management, such as Manager of Compensation, VP of Labour Relations, Director of Employment and others. Most of the students choose to take up the general field of management. Students are trained to become 'generalists' in human resources or to specialise in areas such as organisation development, training and development, labour relations, and compensation and benefits. However there is more to HRM than just being the internal functionary of a corporate. Some options for professionals are:

**Corporate HRM:** The role of a HR manager in the corporate sector is to search, select and recruit suitable, qualified staff for the organisation. It is also concerned with the development, motivation and training of the staff in order to maximise their satisfaction as well as minimise turnover. Typically a bachelor's degree in management allows entry into a junior cadre of HRM, or an MBA is usually the norm for entry into mid level/senior position into HR department of large organisations.

**Training and Development (T&D):** There are some companies/organisations that specialise in T & D as a business. The job of the T & D

team is broadly to “Train the Trainer” or in other words, train HR managers who, in turn, train employees of their organisation and equip them with certain skill sets. They often hold workshops on “behavioural skills”.

**Recruitment Consulting:** You can be hired by reputed placement consultancies or recruitment agencies if you have this qualification. Recruitment consulting is actually a very lucrative and fruitful field. There are several recruitment consulting firms in India. The general requirement to become a recruitment consultant is an MBA with specialisation in HR.

**HR Consulting:** This is an upcoming field, wherein organisations employ the services of HR consultants to either find solutions or help tide over issues relating to people in the organisation. In the case of organisations that need to re-structure, HR consultants help decide on who need to be retained, terminated/services discontinued or promoted. In public sector companies when voluntary retirement schemes are announced, HR consultants are hired to make the process smooth.

**Career Counseling:** This field includes the paid services of private organisations, schools/colleges that provide career counselling to their students. Several schools and colleges hire counsellors to conduct behavioural test for students who are on the verge of choosing a career stream. They conduct behavioural tests which help students ascertain their skills set and the field that would be ideal for them to join.

**Academic Institutions:** If a person is interested in academics and is keen to teach HR, then a Post Graduate degree with a specialisation in HR, T&D or organisational behaviour is the best option. This, followed by doctorate in the same field, would make you eligible to teach HR or OB at any institution.

### CAREER OPTIONS

- HR managers
- Professionals specialised in Training and Development
- Recruitment Consultants
- HR Consultants
- Career Counsellors
- Teaching
- Research

**ACTIVITY 1**

Students can be divided in two groups. Group I to identify HRM courses offered by different institutes in local or regional areas, their duration, eligibility and identify whether it is a Certificate/Degree/Post Graduate Diploma/Master's Degree, etc. Group II to enumerate the qualities that are required for an HR professional.

**A Note for the Teacher**

Teacher can assist the class in selection of class representative and discuss the role HR professionals play in an organisation.

**KEY TERMS**

HRM, HRD, Staffing, Recruitment, Training and Development, Appraisal. Motivation, compliance

**REVIEW QUESTIONS**

1. Explain the concept of HRM.
2. What are the qualities required in HR professionals?
3. Explain the functions of HRM professional.
4. Which are the parameters to bear in mind while selecting workforce?
5. What is meant by Job Analysis?
6. Explain some of the advantages of Training.
7. What are the different techniques used in training and development?

## PRACTICAL 1

**Theme :** Evaluate the advertisement for a given position.

- Tasks :**
1. Study advertisements for different jobs in newspapers.
  2. Analyse variations in job descriptions in terms of positions, educational qualifications, skills needed, work experience, salary etc.
  3. Prepare a job description for the same position in different companies.

**Purpose :** To enable the student to understand —

1. Role of HRM Department in an organisation;
2. To identify the selection criteria for the different positions;
3. To identify differences between companies offering the same position.

### Conducting the Practical

1. Divide the class into six groups.
2. Each group can select a different profession.
3. The members of the group can collect 5–6 advertisements from different newspapers, websites, magazines etc. for the selected profession.
4. One group can be assigned the task of collecting advertisements for positions in the HRM department.
5. The groups should study and identify common requirements of the given profession advertised by different companies, and identify any special or specific requirements, given in the following recording format.
6. Each group can present a report on the selected profession by giving an introduction to that profession followed by other details/specifications.



**Name of the Profession:**

Sr. No	Common Features of the Advertisements	Advertisement Number				
		1	2	3	4	5
1	Name and Address of the company					
2	Telephone No, Email					
3	Advt. appeared in which paper(name)					
4	Date of the advertisement					
5	Position advertised					
6	Work experience					
7	Age Limits					
8	Educational Qualifications					
9	Job Specifications					
10	Compensation package(salary and perquisites)					
11	Last Date for Application					
12	Details of contact person in the company					

Note: More features can be added in the list.

- Each group of students should draft an advertisement for a selected profession.