

# Human Resource Management

**Human Resource Management** (“HRM”) is the process of people management within companies and organizations, as well as that of managing inter-personal relationships. Both of these processes are important for ensuring business growth and success.

Human Resource Management is ultimately focused on the people within an organization.

To be successful it requires planning, monitoring and evaluation on a regular basis.

When successfully implemented and managed it will ensure that all employees will know their role, career path and feel part of an organization that is able to manage and reconcile their expectations with those of the organization and its objectives.

# Human Resource (HR)

HR is fundamentally an expression of an organizations belief in the employee element of that organizations success.

The ability of HR to add value lies in its ability to leverage the tools that it has at its disposal, these include:

1. [Workforce Planning](#)
2. [Remuneration](#)
3. [Job AnalysisRecruitment & Selection](#)
4. [Training and Development](#)
5. [Industrial Relations / Employee Relations / Employment Relations](#)
6. [Organisational Development / Change Management](#)

# **Scope of Human Resource Management**

The scope of HRM is extensive and far-reaching. Therefore, it is very difficult to define it concisely. However, we may classify the same under following heads:

**1. HRM in Personnel Management**

**2. HRM in Employee Welfare**

**3. HRM in Industrial Relations**

# Processes in Human Resource Management

**The following are the various HR processes:**

1. Human resource planning (Recruitment, Selecting, Hiring, Training, Induction, Orientation, Evaluation, Promotion and Layoff).
2. Employee remuneration and Benefits Administration
3. Performance Management.
4. Employee Relations.

# Human Resource Planning

Generally, we consider Human Resource Planning as the process of people forecasting. Right but incomplete! It also involves the processes of Evaluation, Promotion and Layoff.

1. **Recruitment:** It aims at attracting applicants that match a certain Job criteria.
2. **Selection:** The next level of filtration. Aims at short listing candidates who are the nearest match in terms qualifications, expertise and potential for a certain job.
3. **Hiring:** Deciding upon the final candidate who gets the job.
4. **Training and Development:** Those processes that work on an employee on-board for his skills and abilities up-gradation.

# HR Challenges - How to cope with them efficiently ?

To remain in business, human resource managers need to efficiently address following human resource challenges:

- 1. Handling Multicultural / Diverse Workforce**
- 2. Managing Change**
- 3. Retaining the Talents**
- 4. Conflict Management:**

# **Difference between Personnel Management & HRM**

## **Personnel Management:**

In earlier times, the Personnel Manager of a factory or firm was the person in charge of ensuring employee welfare and interceding between the management and the employees.

Traditionally the term personnel management was used to refer to the set of activities concerning the workforce which included staffing, payroll, contractual obligations and other administrative tasks.

In this respect, personnel management encompasses the range of activities that are to do with managing the workforce rather than resources.

Personnel Management is more administrative in nature and the Personnel Manager's main job is to ensure that the needs of the workforce as they pertain to their immediate concerns are taken care of.

Further, personnel managers typically played the role of mediators between the management and the employees and hence there was always the feeling that personnel management was not in tune with the objectives of the management.

# **Difference between Personnel Management & HRM**

## **HRM Management:**

With the advent of resource centric organizations in recent decades, it has become imperative to put “people first” as well as secure management objectives of maximizing the ROI (Return on Investment) on the resources.

This has led to the development of the modern HRM function which is primarily concerned with ensuring the fulfillment of management objectives and at the same time ensuring that the needs of the resources are taken care of.

In this way, HRM differs from personnel management not only in its broader scope but also in the way in which its mission is defined.

HRM goes beyond the administrative tasks of personnel management and encompasses a broad vision of how management would like the resources to contribute to the success of the organization.



# What is Staffing?

**Staffing** is the act of employing people in an organization.

People with right qualifications for various posts are usually hired by employers in the job market.

In an organization, there is mostly a group of general staff and subordinate staff.

Staffing refers to the process of recruiting, hiring, orientating, retaining and firing employees. Staffing is a human resources term, and inside staffing is conducted within a company by a member of the human resources team.

# Developing Staffing Plans

Staffing plans help employers analyze and respond to staffing gaps.

Many factors drive the loss of staff, including changing labor markets, wage inflation due to competition for key skills, lack of employee engagement, and retirement.

The model below outlines how employers can evaluate and respond to such losses:

## **Step 1: Demand Forecast:**

Identify how many staff are needed to meet deliverables, outputs, and performance measures. The most accurate forecasts are one to three years into the future. Consider:

- 1. Staffing Level:** How many positions will be needed in 'core' job areas?
- 2. Regular Turnover:** What is the projected turnover rate due to competition?
- 3. Retirement Turnover:** What is the projected turnover rate due to anticipated retirements?
- 4. Knowledge and Skill Loss:** What percentage of staff's knowledge and skills will become outdated without any training or development?

# Developing Staffing Plans

## Step 2: Supply Forecast

Identify what and how many staff will be available to meet staffing needs. Consider:

1. **Internal Availability:** How many employees will be promotable within the target timeframe?
2. **External Availability:** How many people are doing similar work in the target recruitment area? How many people are regularly hired away from other employers?.
3. **Future Labor Supply:** How many people will be entering the qualified labor pool from schools and training programs in the target recruitment area?
4. **Current Training and Development:** What percentage of core knowledge and skill loss is presently being mitigated by training and development efforts?

## Step 3: Gap Analysis

Subtract the projected supply from the projected demand. A negative result indicates the need for a new strategy.

# Developing Staffing Plans

## Step 4: Strategy Identification

There are Demand-side and Supply-side staffing strategies. Consider a combination of strategies when addressing staffing gaps.

### Demand-side Strategies

1. Demand-side strategies reduce the number of positions that need to be filled. They include:
2. Retention: **Reduce turnover through retention incentives and employee engagement strategies.**
3. Reorganization: **Reduce the number of management positions by expanding supervisory span of control.**
4. Work Process Redesign: **Reduce staffing needs by streamlining workflows and methods.**
5. Employee Performance Management: **Reduce staffing needs by improving individual productivity.**

### Supply-side Strategies

Supply-side strategies help fill the remaining staffing gap once demand-side strategies have reduced the number of positions that must be filled. They include:

1. Recruitment: **Expand applicant pools through enhanced marketing (e.g., broadening the target recruitment area, increasing advertising venues, and improved branding strategy).**
2. Modified Qualifications: **Expand applicant pools by considering a broader range of experience and education.**
3. Workforce Development: **Grow future applicant pools by supporting schools and apprenticeship programs.**
4. Training and Development: **Keep current staff up-to-date in their knowledge and skills through on-the-job and other training and development programs.**
5. Succession Planning: **Grow new internal applicant pools through training and development programs.**