

# Human Resource Management

## Meaning of Human Resource Management

Human Resource Management is the process of recruiting, selecting, inducting employees, providing orientation, imparting training and development, appraising the performance of employees, deciding compensation and providing benefits, motivating employees, maintaining proper relations with employees and their trade unions, ensuring employees safety, welfare and healthy measures in compliance with labor laws of the land.

- It involves procurement, development, maintenance of human resource
- It helps to achieve individual, organizational and social objectives
- Human Resource Management is a multidisciplinary subject. It includes the study of management, psychology, communication, economics and sociology.
- It involves team spirit and team work.
- It is a continuous process.

**Human resource management as a department** in an organization handles all aspects of employees and has various functions like human resource planning, Conducting Job analysis, recruitment and conducting job interviews, selection of human resources, Orienting , training, compensating, Providing incentives, appraising, retaining, Career, Quality of Work Life, Employee Discipline, black out Sexual Harassments, human resource auditing, maintenance of industrial relationship, looking after welfare of employees and safety issues , communicating etc.

**Societal Objectives:** To be ethically and socially responsible to the needs and challenges of the while minimizing the negative impact of such demands upon the organization. The failure of organizations to use their resources for the society's benefit in ethical ways may lead to restrictions. For example, the society may limit HR decisions through laws that enforce reservation in hiring and laws that address discrimination, safety or other such areas of societal concern.

## **Definition of HRM**

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

**Edwin Flippo** defines Human Resource Management as “planning, organizing, directing, controlling of procurement, development, compensation, integration, maintenance and separation of human resources to the end that individual, organizational and social objectives are achieved.”

In simple words, HRM is a process of making the efficient and effective use of human resources so that the set goals are achieved.

## **Nature of Human Resource Management**

### **1. A part of Management Discipline**

HRM is a part of management discipline. It is not a discipline in itself but is only a field of study. HRM, being a part of management process, draws heavily from management concepts, principles and techniques and apply these in the management of human resources.

### **2. Universal Existence**

HRM is pervasive in nature. It is present in all enterprises. It permeates all levels of management in an organization.

### **3. Concerned with People**

HRM is all about people at work, both as individuals and groups. It tries to put people on assigned job in order to produce goods results. The resultant gains are used to reward people and motivate them towards further improvement is productivity.

### **4. Action oriented**

HRM focuses attention on action, rather than on record keeping, written procedures or rules. The problems of employees are solved through rational policies.

## **5. Directed towards Achievement of Objectives**

HRM is directed towards achievement of organizational objectives by providing tools and techniques of managing people in the organization effectively.

## **6. Integrating Mechanism**

HRM tries to build and maintain cordial relation between people working at different levels in the organization. It tries to integrate human assets in the best possible manner for achieving organizational goals.

## **7. Development Oriented**

HRM intends to develop the full potential of employees. The reward structure is turned to the needs of employees. Training is provided to improve the skill of employees. Every attempt is made to use their talents fully in the service of organizational goals.

## **8. Continuous Process**

HRM is not a one short deal. It cannot be practiced only one hour each day or one day a week. It requires constant alertness and awareness of human relations and their importance in every day operations.

## **9. Comprehensive Function**

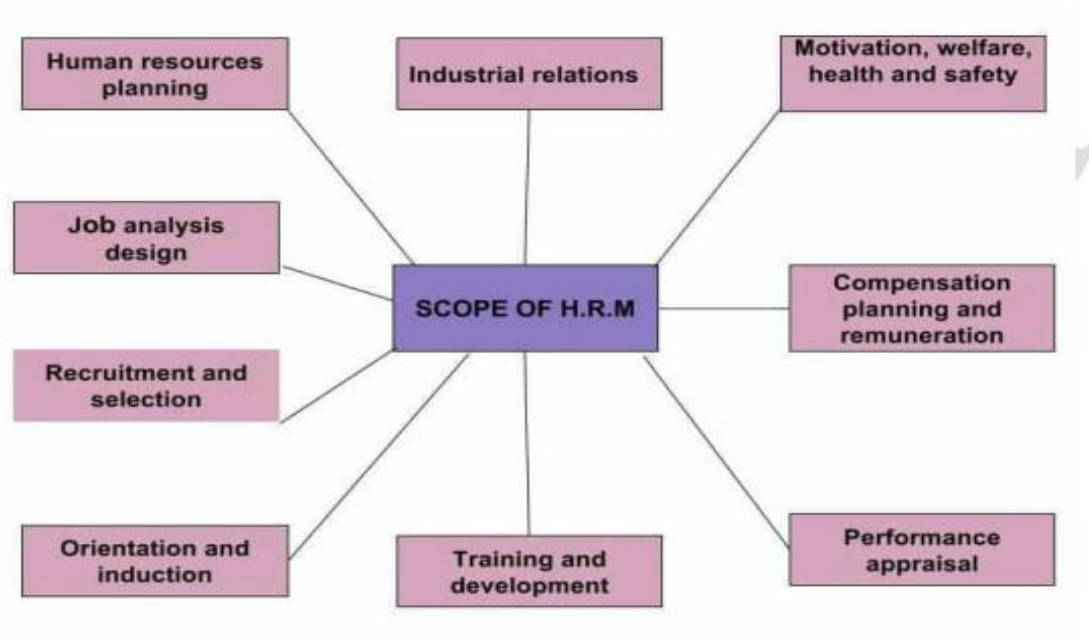
HRM is concerned with managing people at work. It covers all types of people at all levels in the organization. It applies to workers, supervisors, officers, manager and other types of personnel.

## **Scope of HRM**

The scope of Human Resource Management refers to all the activities that come under the banner of Human Resource Management. These activities are as follows:

- **Human resources planning:** Human resource planning or Human Resource Planning refers to a process by which the company to identify the number of jobs vacant, whether the company has excess staff or shortage of staff and to deal with this excess or shortage.

- **Job analysis design:** Another important area of Human Resource Management is job analysis. Job analysis gives a detailed explanation about each and every job in the company.



- **Recruitment and selection:** Based on information collected from job analysis the company prepares advertisements and publishes them in the newspapers. This is recruitment. A number of applications are received after the advertisement is published, interviews are conducted and the right employee is selected thus recruitment and selection are yet another important area of Human Resource Management.
- **Orientation and induction:** Once the employees have been selected an induction or orientation program is conducted. This is another important area of Human Resource Management. The employees are informed about the background of the company, explain about the organizational culture and values and work ethics and introduce to the other employees.
- **Training and development:** Every employee goes under training program which helps him to put up a better performance on the job. Training program is also conducted for existing staff that have a lot of experience. This is called refresher training. Training and development is one area where the company spends a huge amount.
- **Performance appraisal:** Once the employee has put in around 1 year of service, performance appraisal is conducted that is the Human Resource department checks the

performance of the employee. Based on these appraisal future promotions, incentives, increments in salary are decided.

- **Compensation planning and remuneration:** There are various rules regarding compensation and other benefits. It is the job of the Human Resource department to look into remuneration and compensation planning.
- **Motivation, welfare, health and safety:** Motivation becomes important to sustain the number of employees in the company. It is the job of the Human Resource department to look into the different methods of motivation. Apart from this certain health and safety regulations have to be followed for the benefits of the employees. This is also handled by the HR department.
- **Industrial relations:** Another important area of Human Resource Management is maintaining co-ordinal relations with the union members. This will help the organization to prevent strikes lockouts and ensure smooth working in the company.

## Objectives of HRM

**1. 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.

**2. Functional Objectives:** To maintain the department's contribution at a level appropriate to the organization's needs. Resources are wasted when HRM is either more or less sophisticated to suit the organization's demand. The department's level of service must be tailored to fit the organization it serves.

**3. Personal objectives:** To assist an employee 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.

### Some common objectives of HRM:

- 1) To achieve the organizational goals by proper utilization of human resources.

- 2) To develop and maintain healthy working relationships among all the employees and to adopt sound, desirable organization structure.
- 3) To integrate individual and group goals within an organization.
- 4) To create opportunities and facilities for individual or group developments according to the growth and development of the organization.
- 5) To identify and satisfy individual and group needs, such as fair wages and salaries, incentives, welfare facilities, social security, prestige, recognition, security, status etc.
- 6) To motivate the employees and keep their morale high.
- 7) To develop and maintain healthy relations between management and employees.
- 8) To develop the human assets continuously through the training and development programmes.
- 9) To contribute in minimization of socio-economic evils such as unemployment problems, in equal distribution of income and wealth. More employment opportunities for women etc.
- 10) To provide an opportunity to employees to participate in management.
- 11) To provide desirable leadership and lead the working groups.
- 12) To provide healthy hygienic working conditions to the employees.

<b>HRM Objectives</b>	<b>Supporting Functions</b>
1. Societal Objectives	1. Legal compliance 2. Benefits 3. Union-management relations
2. Organisational Objectives	1. Human resource planning 2. Employee relations 3. Selection 4. Training and development 5. Appraisal 6. Placement 7. Assessment
3. Functional Objectives	1. Appraisal 2. Placement 3. Assessment
4. Personal Objectives	1. Training and development 2. Appraisal 3. Placement 4. Compensation 5. Assessment

## **Importance of Human Resource Management**

Human resources are the valuable assets of the corporate bodies. They are their strength. To face the new challenges on the fronts of knowledge, technology and changing trends in global economy needs effective human resource management. Significance of HRM can be seen in three contexts: organizational, social and professional.

### **1. Organization Significance**

HRM is of vital importance to the individual organization as a means for achieving their objectives.

It contributes to the achievement of organizational objectives in the following ways:

- (i) Good human resource practice can help in attracting and retaining the best people in the organization.
- (ii) Developing the necessary skills and right attitudes among the employees through training, development, performance appraisal, etc.
- (iii) Securing willing cooperation of employees through motivation, participation, grievance handling, etc.
- (iv) Effective utilization of available human resources.
- (v) Ensuring that enterprise will have in future a team of competent and dedicated employees.

### **2. Social Significance**

Social significance of HRM lies in the need satisfaction of personnel in the organization. Since these personnel are drawn from the society, their effectiveness contributes to the welfare of the society. Society, as a whole, is the major beneficiary of good human resource practice.

- (i) Employment opportunities multiply.
- (ii) Eliminating waste of human resources through conservation of physical and mental health.

(iii) Scarce talents are put to best use. Companies that pay and treat people well always race ahead of others and deliver excellent results.

### **3. Professional Significance**

Professional significance of HRM lies in developing people and providing healthy environment for effective utilization of their capabilities.

- (i) Developing people on continuous basis to meet challenge of their job.
- (ii) Promoting team-work and team-spirit among employees.
- (iii) Offering excellent growth opportunities to people who have the potential to rise.
- (iv) Providing environment and incentives for developing and utilizing creativity.