

INTRODUCTION TO HRM

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Meaning of HRM

- ✓ Human Resource Management (HRM), as the name suggests, manages and nurtures the most significant resource of an organization, i.e. Human Beings.
- ✓ It is an integrated set of processes, practices, programs, and systems in an organization that focuses on the effective deployment and development of its employees.
- ✓ It is an operation in companies designed to maximize employee performance in order to meet the employer's strategic goals and objectives.
- ✓ HR departments in organizations typically undertake a number of activities, including employee benefits design, employee recruitment, training and development, performance appraisal, and rewarding (e.g., managing pay and benefit systems). HR also concerns itself with organizational change and industrial relations, that is, the balancing of organizational practices with requirements arising from collective bargaining and from governmental laws.

Few Definitions

- ✓ 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.”- **Edwin Flippo.**

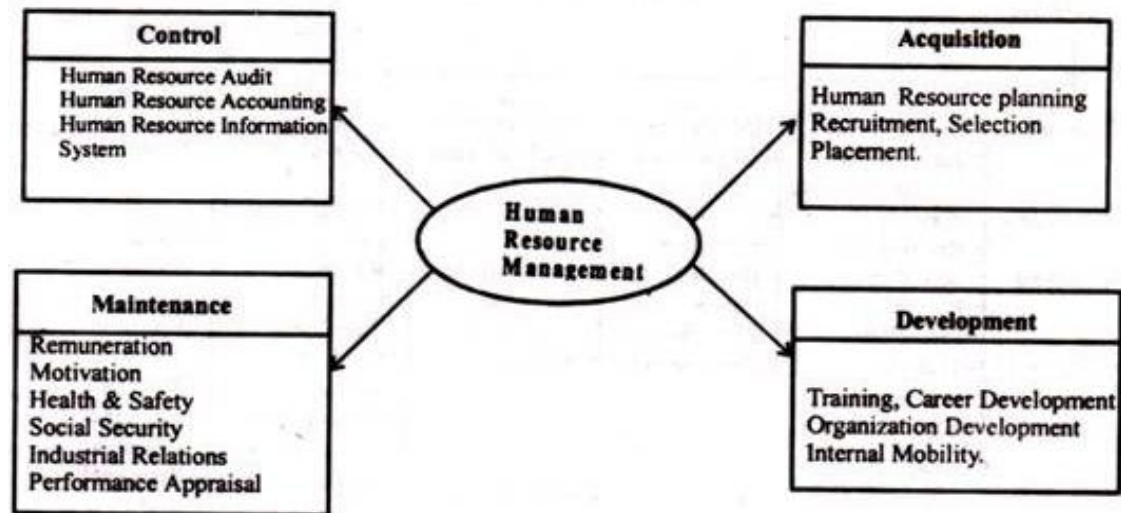
- ✓ According to **Decenzo and Robbins**, “Human Resource Management is concerned with the people dimension” in management. Since every organization is made up of people, acquiring their services, developing their skills, motivating them to higher levels of performance and ensuring that they continue to maintain their commitment to the organization is essential to achieve organizational objectives. This is true, regardless of the type of organization – government, business, education, health or social action”.
- ✓ “That part of management which is concerned with people at work and with their relationship within an enterprise. Its aim is to bring together and develop into an effective organization of the men and women who make up enterprise and having regard for the well – being of the individuals and of working groups, to enable them to make their best contribution to its success”- **The National Institute of Personal Management .**

Objectives of HRM

- ✓ To help the organization to attain its goals effectively and efficiently by providing competent and motivated employees.
- ✓ To utilize the available human resources effectively.
- ✓ To increase to the fullest the employee’s job satisfaction and self-actualization.
- ✓ To develop and maintain the quality of work life (QWL) which makes employment in the organization a desirable personal and social situation.
- ✓ To help maintain ethical policies and behaviour inside and outside the organization.
- ✓ To establish and maintain cordial relations between employees and management.

- ✓ To reconcile individual/group goals with organizational goals.

Scope of HRM



I. Control

- ✓ **Human Resource Audit:** An HR audit is a systematic method of investigating the HR department's practices, policies, and procedures. It helps identify gaps in HR practice areas, and HR can prioritize these gaps by identifying ways to improve.
- ✓ **Human Resource Accounting:** Human Resource Accounting is the measurement of the cost and value of people to the organization. It involves measuring costs incurred by the organizations to recruit, select, hire, train and develop employees and judge their economic value to the organization.
- ✓ **Human Resource Information System:** HRIS stands for human resources information system, a software solution that helps companies manage and automate core HR processes and support benefits administration, time and attendance, payroll, and other workflows, as well as the storage of employee data, such as personal, demographic, and compensation information.

II. Maintenance

- ✓ **Remuneration:** It's a formal way to refer to payment for work or other services.
- ✓ **Motivation:** In the context of an organization, motivation implies encouraging and urging the employees to perform to the best of their capabilities so as to achieve the desired goals of the organization.

- ✓ **Health and Safety:** A set of rules intended to protect people from illness or injury caused by their work
- ✓ **Social Security:** Social security means protection from discrimination, insecurity, instability, and injustices. Social securities are certain considerations and benefits accorded to individuals based on them belonging to a country.
- ✓ **Industrial Relations:** “Industrial Relations” refers to all types of relations between employers and workers, be they at national, regional or company level; and to all dealings with social and economic issues, such as wage setting, working time and working conditions.
- ✓ **Performance Appraisal:** It refers to the regular review of an employee's job performance and overall contribution to a company.

III. Acquisition

- ✓ **Human Resource Planning:** It is the process of carefully and scientifically preparing a strategy to ensure the right people are available at the right time, in the right place, and at the right cost for the organization.
- ✓ **Recruitment:** It is the process of actively seeking out, finding and hiring candidates for a specific position or job.
- ✓ **Selection:** It is the process of choosing employees to fill specific jobs within an organization.
- ✓ **Placement:** It refers to the process of connecting the selected person and the employer in order to establish an ongoing employment relationship.

IV. Development

- ✓ **Training:** It refers to a system of educating employees within a company. It includes various tools, instructions, and activities designed to improve employee performance.
- ✓ **Career Development:** It is the support an organization provides to employee professional growth, especially to employees' movement to a new position or project within the organization.
- ✓ **Organizational Development:** It refers to the process that helps organizations build their capacity to change and achieve greater effectiveness by developing, improving, and reinforcing strategies, structures, and processes.

- ✓ **Internal Mobility:** Internal mobility is the movement of employees (both vertically and horizontally) to new career and development opportunities within the same company.

Functions of HRM

The functions performed by managers are common to all organizations. For the convenience of study, the function performed by the resource management can broadly be classified into two categories, viz.

- ✓ Managerial Functions
- ✓ Operative Functions

Managerial Functions of HRM

Planning: Planning is a predetermined course of actions. It is a process of determining the organizational goals and formulation of policies and programmes for achieving them. Thus planning is future oriented concerned with clearly charting out the desired direction of business activities in future. Forecasting is one of the important elements in the planning process. Other functions of managers depend on planning function.

Organizing: Organizing is a process by which the structure and allocation of jobs are determined. Thus organizing involves giving each subordinate a specific task establishing departments, delegating authority to subordinates, establishing channels of authority and communication, coordinating the work of subordinates, and so on.

Staffing: It is a process by which managers select, train, promote and retire their subordinates This involves deciding what type of people should be hired, recruiting prospective employees, selecting employees, setting performance standard, compensating employees, evaluating performance, counseling employees, training and developing employees.

Directing/Leading: Directing is the process of activating group efforts to achieve the desired goals. It includes activities like getting subordinates to get the job done,

maintaining morale motivating subordinates etc. for achieving the goals of the organization.

Controlling: It is the process of setting standards for performance, checking to see how actual performance compares with these set standards, and taking corrective actions as needed.

Operative Functions of HRM

The operative, also called, service functions are those which are relevant to specific department. It relates to ensuring right people for right jobs at right times. These are as follows:

Procurement: It involves procuring the right kind of people in appropriate number to be placed in the organization. It consists of activities such as manpower planning, recruitment, selection placement and induction or orientation of new employees.

Development: This function involves activities meant to improve the knowledge, skills aptitudes and values of employees so as to enable them to perform their jobs in a better manner in future. These functions may comprise training to employees, executive training to develop managers, organization development to strike a better fit between organizational climate/culture and employees.

Compensation: Compensation function involves determination of wages and salaries matching with contribution made by employees to organizational goals. In other words, this function ensures equitable and fair remuneration for employees in the organization. It consists of activities such as job evaluation, wage and salary administration, bonus, incentives, etc.

Maintenance: It is concerned with protecting and promoting employees while at work. For this purpose various benefits such as housing, medical, educational, transport facilities, etc. are provided to the employees. Several social security measures such as provident fund, pension, gratuity, group insurance, etc. are also arranged.

It is important to note that the managerial and operative functions of HRM are performed in conjunction with each other in an organization, be large or small organizations. Having discussed the scope and functions of HRM, now it seems pertinent to delineate the HRM scenario in India.

Qualities of HR Manager

Sympathetic Attitude: A good personnel manager must have a humane approach to human resource problems. Regardless of the problems faced by the employees, he must have a sympathetic attitude while dealing with them.

Quick Decisions: He should display the ability to make quick decisions. Let's assume that there is a conflict between a superior and an employee in the organization. When the HR manager tries to mediate and put an end to the conflict, he might have to make some quick decisions. He should be mentally alert and therefore not get caught unawares.

Patience: He should be extremely patient and not someone who loses his temper easily. While dealing with employees, it is important to be a good listener, especially when an employee is voicing his concerns. And good listening skills require a lot of patience.

Further, since employees tend to talk to the HR manager about their problems, they can get agitated and verbally abusive. In such situations, it is imperative that the HR manager keeps his cool and controls the situation.

Integrity: Being the head of the personnel or human resource department, an HR manager should display integrity. Honesty and frankness are the hallmarks of a good human resource manager. At no time can the employees doubt the integrity of the personnel manager.

Formal Authority: He should depend on his formal authority alone. In fact, an effective HR manager earns his informal authority of influencing people through his interpersonal skills.

Leadership: Good leadership skills are essential to guide the employees towards achieving the organization's objectives. He should also keep people motivated and encourage them to use their skills for the overall good of the enterprise.

Social Responsibility: He should have a sense of social responsibility. Further, he must encourage employees to discharge their social obligations to different segments

of society. After all, a good human resource manager isn't only about the organization. He also needs to look at the broader human resource element.

Good Communication Skills: Another essential quality of a human resource manager is that he must possess good communication skills. In fact, since a major part of his role involves interacting with employees, unions, and management, being a good communicator is a must.

Duties and Responsibilities of HR Manager

1. Human Resource Planning: The role of human resources managers is to plan and execute organizational objectives in collaboration with executives. It involves identifying, preparing, and achieving business goals. It helps ensure an organization has the right number of employees with the necessary skills to meet its goals. This involves forecasting future staffing needs and ensuring that the recruitment and training programs can meet these needs.

2. Recruitment & Hiring: Finding and hiring the right talent is a very complex process. Modern HR departments do more than post job requirements in portals to fill open positions. They develop strategic solutions to attract suitable candidates and fulfill the demands of the business. HR managers must repeat the recruitment process to fill open positions if they insist on not joining.

3. Job Analysis and Design: Human resource planning requires assigning the right resources to the right project. And if the right person is not in the organization, HR managers are responsible for designing the job analysis to hire them. The role of HR manager in job analysis and design is to systematically study and determine the responsibilities, duties, and qualifications required for a job, and to design roles that align with organizational goals and employee satisfaction.

4. Promotions & Appraisals: The performance appraisal process aims to evaluate an employee's performance annually, enabling managers to assess their progress and identify areas of improvement. To conduct effective appraisals, the HR team must clearly understand each employee's roles and responsibilities and evaluate employees based on their strengths and assigned task performance. It is important that employees are informed of the evaluation criteria and that the process is transparent. It is among the key duties of HR manager to communicate expectations, goals, and measurement standards to employees before appraisals.

5. Training and Development: The Human Resources department is responsible for developing and administering training and development programs. Training and development programs are designed to improve employees' performance and help them adapt to changes in the workplace. These programs can include on-the-job training and online training.

6. Design Workplace Policies: HR manager roles and responsibilities include designing workplace policies to reduce conflicts and legal issues and improve employee productivity. These policies are designed to protect the interests of both employees and employers alike. HR managers must comply with federal, state, and local laws while designing workplace policies.

7. Performance Management: Performance management enables teams and organizations to ensure that each member provides value to the business that is proportional to their compensation. Using performance management involves HR managers making workflow improvement suggestions, identifying problems, and implementing productivity monitoring tools. Getting input from employees on how to improve performance and implementing reward schemes and other tactics to boost output are essential components mentioned in the HR manager job description.

8. Maintaining Work Culture: The duties and responsibilities of HR manager shape and maintain organizational culture. Therefore, creating a positive impression of the company from day one is essential so the new employees know what to expect. Having an open-door policy is vital to help employees communicate their problems freely. It helps improve employee satisfaction and retain talent. Additionally, consider planning company events where employees can showcase their non-work-related talents like singing, dancing, mimicry, etc. It enhances the overall brand image and spreads positivity throughout the organization.

9. Resolve Conflict: Employees come from diverse backgrounds. And when people with opposite opinions meet, the chances of conflict rise significantly. Whether the issue is between two employees or an employee and the management, The role of HR manager is to mediate conflict resolution. Depending on the type of conflict, HR managers also hold the right to fire an employee.

10. Ensure the Health and Safety of Employees: Employees are an important asset of the organization. Unless they are safe and healthy, they won't be able to give their best to the company. Thus, HR managers need to ensure the health and safety of employees.

11. Rewards and Incentives: HR managers must reward employees based on their performance. The biggest benefit of rewarding co-workers is that it creates a desire for other employees to excel at their jobs in the hope of getting incentives. For example, HR managers can design quarterly or monthly incentive programs to identify and reward high-performing employees. Additionally, you can consider giving the power to employees to choose the type of reward they want. For instance, let them decide whether they want a bonus, flexible work times, leave, etc. It will make them feel valued, increase job satisfaction, and boost productivity.

12. Employee Records Management: With numerous staff, HR departments must maintain detailed records for each person. Well-organized employee records serve many important purposes within a company. Performance, retention, absenteeism, training needs, and compensation metrics can be compiled to guide policy improvements.

13. Employee Retention Strategies: Setting the implementation of initiatives targeted at raising employee engagement and satisfaction as a top priority is another requirement. It basically means coming up with plans to increase retention rates.

14. Off-boarding Candidates: The departing employee must be encouraged to document their knowledge and train their replacement. The HR management must be on good terms with valuable employees. If the employee had a positive experience, they would likely recommend the company to potential hires and customers even after leaving.

The HR team must keep a talent pipeline that includes alumni who understand the company culture and can make immediate contributions upon returning. Losing top employees is inevitable, but it does not have to detrimentally impact the company. A smooth transition can produce net benefits.

THANK YOU

