

# Human Resource Management

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**Abstract:** *Human resource management (HRM) is a strategic approach to managing people within an organization, encompassing recruitment, training, performance evaluation, compensation, and employee relations. It aims to maximize employee performance to achieve organizational goals and objectives.*

**Keywords:** *Human resource management*

## I. INTRODUCTION

Human resource management (HRM) is a strategic approach to managing people within an organization, encompassing recruitment, training, performance evaluation, compensation, and employee relations. It aims to maximize employee performance to achieve organizational goals and objectives. HRM involves activities such as workforce planning, talent acquisition, employee development, and ensuring compliance with labor laws and regulations. Effective HRM practices contribute to employee satisfaction, productivity, and overall organizational success.

## MEANING OF HRM

1. HRM is the art of Procuring, developing and maintaining competent workforce to achieve organisational goals effectively
2. The process of employing people, developing their resources, utilising, maintaining & compensating their service in tune with the job & organisational requirements with a view to contribute to the goals of the organisation, individual & the society

## DEFINITION

According to Wendell L French “ the human resource management refers to the philosophy, policies, procedures, & practice related to the management of people within an organisation”

## SCOPE OF HRM

The Scope of Human Resource management into the following aspects

### 1. The Personnel Aspect

This aspect of HRM is concerned with the manpower planning, recruitment, selection, placement, induction, transfer, promotion, demotion, termination, training & development, layoff & retrenchment, wage & salary administration, incentives, productivity etc

### 2. The Welfare Aspect:-

The welfare aspect is concerned with working conditions & amenities such as canteens, crèches, rest rooms, lunch rooms, housing, transport, education, medical help, health & safety, washing facilities recreation & cultural activities etc.

### 3. The Industrial Aspect:-

This aspect is concerned with employees. It includes union management relations, joint consultation, negotiating collective bargaining, grievance handling, disciplinary actions, settlement of industrial disputes etc

## IMPORTANCE OF HRM

### 1. Importance for the Organisation:

HRM is important for the organisation to the following:

Good human resource practices help in attracting & retaining the best people in the organisation.

In order to make use of latest technology the appointment of right type of persons is essential. The right people can be fitted into new jobs properly only if the management performs its HR function satisfactorily.

Globalisation has increased the size of the organisation who employ thousands of employees in different countries. The performance of the company depends upon the qualities of the people employed. This has further increased the importance of HRM.

HR planning alerts the organisation to the types of people it will need in the short , medium & long run.

HR development is essential for meeting the challenges of future. The importance of HRM has increased because of the shortage of really managerial talent in the country.

## 2. Importance for the employees

HRM stress on the motivation of employees by providing them various financial & non-financial incentives.

Right organisational climate is also stressed upon so that the employees can contribute their maximum to the achievement of the organisational objectives.

Effective management of HR promotes team wok & team spirit among employees.

It offers excellent growth opportunities to people who have the potential to rise.

It also encourages people to work with diligence & commitment.

## 3. Importance for the society:-

Good HR efforts lead to productivity gains (ration of output to input) to the society, since it enables the managers to reduce costs, save scarce resources, enhance profits & offer better pay, benefits & working conditions to employees.

## OBJECTIVES OF HRM

### Societal Objectives:

To manage human resources in an ethical & socially responsible manner

To ensure compliance with legal & ethical standards.

To minimise the negative impact of societal demands upon the organisation.

### Organisational Objective:

HR department, like any other department in an organisation, should focus on achieving the goals of the organisation first. If it does not meet this purpose, the HR department cannot exist in the long run.

HR department should recognise its role in bringing about organisational effectiveness.

HRM is not an end in itself. It is only a means to assist the organisation with its primary objectives.

### Functional Objectives:-

To maintain the HRM departments contribution at a level appropriate to the organisation's needs. Resources are wasted when HRM is either more or less sophisticated to suit the organisation's demands.

The department's level of service must be tailored to fit the organisation it serves. HRM should employ the skills & abilities of the workforce efficiently. It should aim at making the people's strength more productive & beneficial to the organisation.

HRM should aim at providing the organisation with well trained & well motivated employees.

### Personnel Objectives:-

HRM should increase employees job satisfaction to the fullest extent.

HRM should also meet the self-actualisation needs of the employees. It should stimulate every employee to achieve his potential.

HRM should assist the employees in achieving their personal goals, at least in so far as these goals enhance the individual's contribution to the organisation.

HRM should develop & maintain a quality of work life. It makes employment in the organisation a desirable, personal & social situation. Organisational performance can never be improved without the quality of work life.

The HRM should also communicate HR policies to all employees. It will help the HRM in tapping the ideas, opinions, feelings, & the views of the employees.

## **FUNCTIONS OF HRM**

### **MANAGERIAL FUNCTION**

Managerial function includes

Planning:-

It is pre-determined course of action. Planning pertains to formulating strategies of personnel programmes & changes in advance that will contribute to the organisational goals. In other words it involves planning of HR, requirements, selection, training etc.

Organising:-

An organisation is a means to an end. It is essential to carry out the determined course of action. Acc. to J.C Massie, an organisation is a structure & a process by which a co-operative group of human beings allocates its task among its members, identifies relationship & integrates it allocates its task among its members, identifies relationship & integrates its activities towards a common objective.

Directing:-

Activating employees at different level & making them contribute maximum to the organisation is possible through proper direction & motivation. Tapping the maximum potentialities of the employees is possible through motivation & command.

Controlling:-

After planning, organizing, & directing the actual performance of employees is checked, verified & compared with the plans. If the actual performance is found deviated from the plan, control measures are required to be taken.

### **2) OPERATIVE FUNCTIONS:**

the operative functions of HRM are related to specific activities like

Employment:-

It is concerned with securing & employing the people possessing the required kind & level of human resources necessary to achieve the organisational objectives. It includes:-

Job Analysis:- it is the process of study & collection of information relating to the Role & Responsibilities of a specific job.

HR Planning:- it is a process for determination & assuring that the organisation will have an adequate number of qualified persons, organisation will have an adequate number of qualified persons, of the organisation & which would provide satisfaction for the individuals involved.

Recruitment:- it is the process of searching for prospective employees & stimulating them to apply for jobs in an organisation.

Selection:- it is the process of ascertaining the qualifications, experiences, skills, knowledge etc of an applicant with a view to appraising his/her suitability to a job.

Placement:- it is the process of assigning the selected candidate with the most suitable job in terms of job requirements. It is matching employee specifications with job requirements.

Induction & Orientation:- Induction & orientation are the techniques by which a new employee is rehabilitated in the changed surrounding & introduced to the practices, policies, purposes & people of the organisation.

Human Resource Development:-

It is the process of improving, moulding & changing the skills, knowledge, creative ability, aptitude, values, commitment etc based on present & future job organisational requirements. It includes:-

i) Performance Appraisal:- it is the systematic evaluation of individuals with respect to their performance on the job & their potential for development.

ii) Training:- it is the process of imparting to the employees technical & operating skills & knowledge.

iii) Managerial Development:- it is the process of designing & conducting suitable executive development programmes so as to develop the managerial & human relations skill of employees.

- iv) Career Planning & Development:- it is the planning of one's career & implementation career plans by means of education, training, job search & acquisition of work experience. It includes internal mobility & external mobility.
- v) Transfer:- it is process of placing employees in the same level jobs where they can be utilised more effectively in consistence with their potentialities & needs of the employees & the organisation.
- vi) Promotion:- it deals with upward reassignment given to an employee in the organisation occupy higher position which commands better status or pay keeping in view in human resources of the employees & the job requirements.
- vii) Demotion: - it deals with downward reassignment to an employee in the organisation.
- viii) Retention Management:- employers prefer to retain more talented employees while they retrench less talented employees. Employers modify existing human resource strategies & craft new strategies in order to pay more salaries, provide more benefits & create high quality of work life to retain the best employees.

### 3) Compensation :-

It is the process of providing adequate, equitable & fair remuneration to the employees. It includes:-

- i) Wage & salary Administration:- it is the process of developing & operating a suitable wage & salary programme.
- ii) Incentives:- it is the process of formulating administrating & reviewing the schemes of financial incentives in addition to regular payment of wages & salary.
- iii) Fringe Benefits:- these are the various benefits at the fringe of the wage. Management provides these benefits to motivate the employees & to meet their life's contingencies. Ex:- housing facilities, canteen facilities, medical facilities, disablement benefits etc.
- iv) Social Security Measures:- management provide social security to their employees in addition to the fringe benefits. These includes worker men compensation, maternity benefits for women , medical benefits , retirement benefits lie PF, pension, gratuity etc.

### 4) Human Relations:-

It is the process of interaction among human beings. Human relations is an area of management in integrating people into work situation in a way that motivates them to work together productively cooperatively & with economic, psychological & social satisfaction.

### 5. Industrial relations:-

It refers to the study of relations among employee, employer, government & trade unions. It includes Trade union, collective bargaining, Quality circles etc.

### 6. Recent Trends in HRM:-

HRM has been advancing at a fast rate. The recent trends in HRM includes Quality of work life, Total quality in human resources, HR accounting, audit & research & Recent techniques of HRM.

### HR MANAGER

A person who headed with HRM department. Or A person who is charge of the department that deals with the employment, training, support, records etc, of company.

### Role of HR Manager

- 1. The conscience role:- the conscience role is that of humanitarian who reminds the management of its morals & obligations to its employees.
- 2. The Counsellor :- employees who are dissatisfied with the present job approach the personnel manager for counselling. In addition employees facing various problems like marital, health, children's education/marriage, mental physical & career problems.
- 3. The Mediator:- as a Mediator, the Personnel Manager plays the role of peace maker. He settles the disputes between employees & the management. He acts as a liaison & communication link between both of them.
- 4. The spokesman:- he is a frequent spokesman for or representative of the company.
- 5. The Problem Solver:- he acts as a problem solver with respect to the issues that involve human resources management & overall long range organisational planning.
- 6. The Change Agent:- he acts as a change agent & introduces changes in various existing programmes.

#### EVOLUTION OF HRM

The evolution of the concept of Human Resource Management is presented below:-

Period before industrial revolution – The society was primarily an agriculture economy with limited production. Number of specialized crafts was limited and was usually carried out within a village or community with apprentices assisting the master craftsmen. Communication channel were limited.

Period of industrial revolution (1750 to 1850) – Industrial revolution marked the conversion of economy from agriculture based to industry based. Modernization and increased means of communication gave way to industrial setup. A department was set up to look into workers wages, welfare and other related issues. This led to emergence of personnel management with the major task as

Worker's wages and salaries

Worker's record maintenance

Worker's housing facilities and health care

An important event in industrial revolution was growth of Labour Union (1790) – The workers working in the industries or factories were subjected to long working hours and very less wages. With growing unrest, workers across the world started protest and this led to the establishment of Labour unions. To deal with labour issues at one end and management at the other Personnel Management department had to be capable of politics and diplomacy, thus the industrial relation department emerged.

Post Industrial revolution – The term Human resource Management saw a major evolution after 1850. Various studies were released and many experiments were conducted during this period which gave HRM altogether a new meaning and importance.

A brief overview of major theories released during this period is presented below

Frederick W. Taylor gave principles of scientific management (1857 to 1911) led to the evolution of scientific human resource management approach which was involved in.

Worker's training

Maintaining wage uniformity

Focus on attaining better productivity.

Hawthorne studies, conducted by Elton Mayo & Fritz Roethlisberger (1927 to 1940). Observations and findings of Hawthorne experiment shifted the focus of Human resource from increasing worker's productivity to increasing worker's efficiency through greater work satisfaction.

#### NEED/IMPORTANCE OF HRM POLICY

1. To Achieve the Objectives of the Organization: Policies guide the employees to take action for achieving the objectives of the organization. Hence, they must be known and well understood by everyone in order to concentrate efforts on the objectives.

2. To Bring Uniformity in Decisions: HR policies furnish the general standard on which decisions are taken. Various line authorities take decisions in an organization keeping in view the HR policies. Thus, uniformity of action is maintained in similar cases.

3. To Delegate Authority:

HR policies make delegation of authority possible, which means assigning the work to others and give them authority to do it. HR policies help executives at various levels of decision centres to act with confidence without consulting the superiors every time. HR policies give a manager liberty to choose the alternatives provided and to decide upon the action.

4. To Achieve Better Control:

HR policies specify relationships among organization, management and workers. Therefore, each group works for the achievement of the larger objectives of the organization without any policy conflicts. Thus, HR policies provide better control.

5. To Evaluate Efficiency:

HR policies serve as standards in execution of work. Efficiency of a group may be evaluated by its performance in the light of the policy. After assessing whether organization has achieved the desired results set in the policy, HR policy may be amended or a new policy may be formulated in the light of the actual performance.

6. To Create Confidence among Employees:

HR policies provide the workers a security against exploitation and create confidence in employees who may know where they stand in the organization.

7. To Motivate:

HR policies introduce the employees to the objectives of the organization. It guides the workers in achieving the objectives. They work enthusiastically and with loyalty to get those objectives.

8. To Guide the Management:

HR policies provide guidance to management in relation to the HR problems. HR policies decide how to get the work done by the people or how to behave with them.

### CHARACTERISTICS OF SOUND HRM POLICY

While developing sound personnel policies management should pay attention to the following things:

1. Related to Objectives:- Policies must be capable of relating objectives functions, physical factors and Organisational personnel.
2. Easy to Understand: Policies should be stated in define, positive, clear and understandable language.
3. Precise: Policies should be sufficiently comprehensive and prescribe limits and yardsticks for future action.
4. Stable as well as Flexible: Personnel policies should be stable enough assure people that there will not be drastic overnight changes. They should be flexible enough to keep the organization in tune with the times.
5. Based on Facts: Personnel policies should be built on the basis of facts and sound judgment and not in personal feelings or opportunistic decision.
6. Appropriate Number: There should be as many personnel policies as necessary to cover conditions that can be anticipated, but not so many policies as to become confusing or meaningless.
7. Fair & Equitable:- policies should be just fair & equitable to internal as well as external groups. Eg:- a policy of recruitment from within may limit opportunities to bright candidates from outside & a policy of recruitment from outside only a would limit promotional avenue to promising internal candidates.
8. Reasonable:- policies must be reasonable & capable of being accomplished. To gain acceptance & commitment from employees, the policy should be conditioned by the suggestions & reactions of those who are affected by the policy.
9. Review:- periodic review of policies is essential to keep in tune with changing times & a avoid organisational complacency or managerial stagnation.

### BENEFITS OF HRM POLICY

1. Recruitment and Selection:

Policies pertaining to the recruitment and selection process are the foundation of building any workforce. You must have a plan for creating applications, how to prequalify applicants, how applicants move up to become a candidate and other employment procedures. This set of policies also benefits current employees who refer applicants to your business.

2. Training and Professional Development:

Provisions for employee training and development are included in human resource policy documents because it informs employees of the kind of professional development available to them. In addition, policies related to training and development assistance in the formulation of employee development plans or performance improvement plans. Training and development policies serve as an outline of educational benefits available to current employees.

3. Handling Employee Concerns:

Many companies have written procedures for handling employee complaints, whether they are internal, informal complaints or allegations made about the employer to enforcement agencies. The benefit of this policy is to

document your company's commitment to non-discriminatory practices and how such complaints are resolved. These policies also benefit employees because they provide important information about workplace communication in the event an employee is unsure of who she contacts to discuss any concerns or problems.

#### 4. Workplace Safety:

In a time when more than worker safety in the performance of her job is the primary issue addressed in safety policies, employers distribute policies that address matters such as workplace violence. These types of policies are generally discussed in detail with employee groups; an emergency evacuation policy isn't effective if you don't discuss it until the emergency happens. Another benefit to having a human resources safety policy is adherence to federal and state guidelines for workplace safety.

#### 5. Organizational Structure:

An introduction to the human resources policy manual explains the organizational structure, what departments fulfill which expectations and company leadership. In the introductory section, many employers also explain the company philosophy as it is related to customer service, co-workers, leadership and business ethics. Ethics statements are extremely popular, especially in a world where social responsibility is observed by so much of the population. This section of a human resources policy manual may also state the company's compliance with federal, state and local anti-discrimination laws.

#### 6. Employment Rules:-

Employees are accustomed to learning specific workplace rules such as dress code, discipline procedures, parking, attendance and working hours, holidays, employee benefits and payroll dates. The human resources policy on these issues is easy accessed by employees who have questions, or reviewed by new employees eager to learn more about their new employer.

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