

UNIT I

PERSPECTIVES IN HUMAN RESOURCE MANAGEMENT

Evolution of human resource management – The importance of the human capital -Role of human resource manager – Challenges for human resource managers- trends in human resource policies – Computer applications in human resource management – Human resource accounting and audit.

What is Human Resource Management?

HRM is the study of activities regarding people working in an organization. It is a managerial function that tries to match an organization's needs to the skills and abilities of its employees.

The process of hiring, choosing, onboarding, orienting, training, and developing new hires is known as human resource management. It also involves evaluating employee performance, deciding on remuneration and benefits, inspiring staff members, and upholding appropriate employee relations.

Definition of HRM

Human resources management (HRM) is a management function concerned with hiring, motivating and maintaining people in an organization. It focuses on people in organizations. Human resource management is designing management systems to ensure that human talent is used effectively and efficiently to accomplish organizational 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.”

Nature of HRM

HRM is a management function that helps manager's to recruit, select, train and develop members for an organization. HRM is concerned with people's dimension in organizations. The following constitute the core of HRM.

- 1. HRM Involves the Application of Management Functions and Principles.**

The functions and principles are applied to acquiring, developing, maintaining and providing remuneration to employees in organization.

- 2. Decision Relating to Employees must be Integrated.**

Decisions on different aspects of employees must be consistent with other human resource (HR) decisions.

- 3. Decisions Made Influence the Effectiveness of an Organization.**

Effectiveness of an organization will result in betterment of services to customers in the form of high quality products supplied at reasonable costs.

- 4. HRM Functions are not Confined to Business Establishments Only but applicable to non business organizations such as education, health care, recreation and like. HRM refers to a**

set of programmes, functions and activities designed and carried out in order to maximize both employee as well as organizational effectiveness.

Features of HRM or characteristics or nature:

1. HRM involves management functions like planning, organizing, directing and controlling
2. It involves procurement, development, maintenance of human resource
3. It helps to achieve individual, organizational and social objectives
4. HRM is a mighty disciplinary subject. It includes the study of management psychology communication, economics and sociology.
5. It involves team spirit and team work.

Significance/importance/need of HRM

HRM becomes significant for business organization due to the following reasons.

1. Objective: -

HRM helps a company to achieve its objective from time to time by creating a positive attitude among workers. Reducing wastage and making maximum use of resources etc.

2. Facilitates professional growth: -

Due to proper HR policies employees are trained well and this takes them ready for future promotions. Their talent can be utilized not only in the company in which they are currently working but also in other companies which the employees may join in the future.

3. Better relations between union and management: -

Healthy HRM practices can help the organization to maintain co-ordinal relationship with the unions. Union members start realizing that the company is also interested in the workers and will not go against them therefore chances of going on strike are greatly reduced.

4. Helps an individual to work in a team/group: -

Effective HR practices teach individuals team work and adjustment. The individuals are now very comfortable while working in team thus team work improves.

5. Identifies person for the future: -

Since employees are constantly trained, they are ready to meet the job requirements. The company is also able to identify potential employees who can be promoted in the future for the top level jobs. Thus one of the advantages of HRM is earing people for the future.

6. Allocating the jobs to the right person: -

If proper recruitment and selection methods are followed, the company will be able to select the right people for the right job. When this happens the number of people leaving the job will reduce as they will be satisfied with their job leading to decrease in labour turnover.

Scope of HRM

The major HRM activities include HR planning, job analysis, job design, employee hiring, employee and executive remuneration, employee motivation, employee maintenance, industrial relations and prospects of HRM.

The scope of Human Resources Management extends to:

- ❖ All the decisions, strategies, factors, principles, operations, practices, functions, activities and methods related to the management of people as employees in any type of organization.
- ❖ All the dimensions related to people in their employment relationships, and all the dynamics that flow from it.

The scope of HRM is really vast. All major activities in the working life of a worker – from the time of his or her entry into an organization until he or she leaves it comes under the purview of HRM. American Society for Training and Development (ASTD) conducted fairly an exhaustive study in this field and identified nine broad areas of activities of HRM.

These are given below:

- ❖ Human Resource Planning
- ❖ Design of the Organization and Job
- ❖ Selection and Staffing
- ❖ Training and Development
- ❖ Organizational Development
- ❖ Compensation and Benefits
- ❖ Employee Assistance
- ❖ Union/Labour Relations

a) **Human Resource Planning:**

The objective of HR Planning is to ensure that the organization has the right types of persons at the right time at the right place. It prepares human resources inventory with a view to assess present and future needs, availability and possible shortages in human resource.

b) **Design of Organization and Job:**

This is the task of laying down organization structure, authority, relationship and responsibilities. This will also mean definition of work contents for each position in the organization. This is done by —job description. Another important step is —Job

specification. Job specification identifies the attributes of persons who will be most suitable for each job which is defined by job description.

c) Selection and Staffing:

This is the process of recruitment and selection of staff. This involves matching people and their expectations with which the job specifications and career path available within the organization.

d) Training and Development:

This involves an organized attempt to find out training needs of the individuals to meet the knowledge and skill which is needed not only to perform current job but also to fulfil the future needs of the organization.

e) Organizational Development:

This is an important aspect whereby —Synergetic effectl is generated in an organization i.e. healthy interpersonal and inter-group relationship within the organization.

f) Compensation and Benefits:

This is the area of wages and salaries administration where wages and compensations are fixed scientifically to meet fairness and equity criteria. In addition, labour welfare measures are involved which include benefits and services.

g) Employee Assistance:

Each employee is unique in character, personality, expectation and temperament. By and large each one of them faces problems every day. Some are personal some are official. In their case he or she remains worried. Such worries must be removed to make him or her more productive and happy.

h) Union-Labour Relations:

Healthy Industrial and Labour relations are very important for enhancing peace and productivity in an organization. This is one of the areas of HRM.

Objectives of HRM

1) Societal Objectives:

Seek to ensure that the organization becomes socially responsible to the needs and challenges of the society while minimizing the negative impact of such demands upon the organization. The failure of the organizations to use their resources for the society benefit in ethical ways may lead to restriction.

2) Organizational Objectives:

It recognizes the role of HRM in bringing about organizational effectiveness. It makes sure that HRM is not a standalone department, but rather a means to assist the organization with its primary objectives. The HR department exists to serve the rest of the organization.

3) Functional Objectives:

To maintain the department contribution at a level appropriate to the organization needs. Human resources are to be adjusted to suit the organization demands. The department value should not become too expensive at the cost of the organization it serves.

4) Personnel Objectives:

It is to assist employees in achieving their personal goals, at least as far as these goals enhance the individual's contribution to the organization. Personal objectives of employees must be met if they are to be maintained, retained and motivated. Otherwise employee performance and satisfaction may decline giving rise to employee turnover.

FUNCTIONS OF HRM:

- Job design and job analysis
- Employee hiring and selection
- Employee training & development
- Compensation and Benefits
- Employee performance management

1. Job design and job analysis

One of the foremost functions of HRM is job design and job analysis. Job design involves the process of describing duties, responsibilities and operations of the job. To hire the right employees based on rationality and research, it is imperative to identify the traits of an ideal candidate who would be suitable for the job. Job analysis involves describing the job requirements, such as skills, qualification and work experience. The vital day-to-day functions need to be identified and described in detail, as they will decide the future course of action while recruiting.

2. Employee hiring and selection

Recruitment is one of the primary functions of human resource management. HRM aims to obtain and retain qualified and efficient employees to achieve the goals and objectives of the company. All this starts with hiring the right employees out of the list of applicants and favourable candidates.

3. Employee training & development

Imparting proper training and ensuring the right development of the selected candidates is a crucial function of HR. After all, the success of the organisation depends on how well the employees are trained for the job and what are their growth and development opportunities within the organization.

4. Compensation and Benefits

Benefits and compensation form the major crux of the total cost expenditure of an organisation. It is a must to plug the expenses, and at the same time, it is also necessary to pay the employees well. Therefore, the role of human resource management is to formulate attractive yet efficient benefits and compensation packages to attract more employees into the workplace without disturbing the finances of the company.

5. Employee performance management

The next activity on HR functions list is effective employee performance management. Effective performance management ensures that the output of the employees meets the goals and objective of the organisation. Performance management doesn't just focus on the performance of the employee. It also focuses on the performance of the team, the department, and the organisation as a whole.

