

HUMAN RESOURCE MANAGEMENT

INTRODUCTION

HRM– Concept

- ▶ HRM may be defined as a set of policies, practices & programmes designed to maximize both personal & organizational goals.
- ▶ It is a process of binding people & organizations together so that the objectives of each are achieved.
- ▶ Acc. To Flippo. Hrm is the planning, organizing, directing, controlling of the procurement, development, compensation, integration, maintenance & reproduction of human resources to the end that individual, organizational & societal objectives are accomplished.

Nature of HRM

- ▶ Comprehensive function
- ▶ People oriented
- ▶ Action oriented
- ▶ Individual oriented
- ▶ Development oriented
- ▶ Continuous function
- ▶ Future oriented
- ▶ Interdisciplinary function
- ▶ Nervous system

Objectives of HRM

- ▶ To help the organizations attain its goals by providing well-trained & well-motivated employees.
- ▶ To employ the skills & knowledge of employees efficiently & effectively.
- ▶ To enhance job satisfaction of employees by encouraging & assisting every employee to realize their full potential.
- ▶ To bring about maximum individual development, by providing opportunities for training & development.
- ▶ To recognize & satisfy individual needs & group goals by offering appropriate monetary & non-monetary incentives.

Scope of HRM

- ▶ The Labour or Human Resource aspect- it is concerned with manpower planning, recruitment, selection, placement, induction, transfer, promotion, demotion, termination, training & development, layoff, wage & salary administration, incentives, etc.
- ▶ The Welfare aspect- this aspect is concerned with working conditions & amenities such as canteens, crèches, rest rooms, lunch rooms, housing, transport, education, medical help, health & safety, recreation & cultural facilities, etc.

- ▶ **The Industrial Relations Aspect-** this is concerned with the company's relations with the employees. It includes union-management relations, joint consultations, negotiating, collective bargaining, grievance handling, disciplinary actions, settlement of industrial disputes, etc.

Functions of HRM

These functions can be broadly classified into two categories:

- (1) Managerial functions
- (2) Operating functions

- ▶ Managerial functions- managing people is the essence of being a manager.
- 1. **Planning**- deciding goals, formulating policies & programmes, etc.
- 2. **Organizing**- process of allocating tasks among the members of the group
- 3. **Directing**- process of motivating, activating, leading & supervising people
- 4. **Controlling**- checking, verifying & regulating to ensure that everything occurs in conformity with the plans adopted & the instructions issued.

Operative functions

1. Procurement function- it is concerned with securing and employing the right kind & proper number of people required to accomplish the organizational objectives. It consists of the following activities:
 - a) Job analysis- process of studying in detail the operations & responsibilities involved in a job.
 - b) Human Resource Planning
 - c) Recruitment
 - d) Selection
 - e) Placement
 - f) Induction

2. **Development functions-** it is the process of improving the knowledge, skills, aptitudes & values of employees so that they can perform the present & future jobs more effectively.

- a) Performance appraisal- systematic evaluation of employees with respect to their performance on the job.
- b) Training
- c) Executive development- process of developing managerial talent through appropriate programmes
- d) Career planning- planning the career of employees & implementing career plans.

3. Compensation function- refers to providing equitable & fair remuneration to employees for their contribution to the attainment of organizational objectives. It consists of the following activities:

- a) Job evaluation- process of determining the relative worth of a job.
- b) Wage & salary administration
- c) Bonus, etc.

4. Integration function- it is the process of reconciling the goals of the organization with those of its members. Integration involves:

- a) Motivating employees through financial & non-financial incentives
- b) Providing job satisfaction
- c) Handling employees grievances
- d) Collective bargaining
- e) Workers participation in management
- f) Conflict resolution
- g) Employee counselling

5. Maintenance function- it is concerned with protecting & promoting the physical & mental health of employees. It includes several types of benefits such as:

- a) Housing
- b) Medical aid
- c) Educational facilities
- d) Conveyance benefits
- e) Social security measures like- pension, gratuity, provident fund, maternity benefits, insurance, etc.

Evolution of HRM

1. The commodity concept- industrial revolution gave rise to the factory system. Labour was considered as a commodity to be bought & sold.
2. The factor of production concept- employees were considered a factor of production just like land, machinery, materials etc. Taylor's scientific management stressed proper selection & training of employees so as to maximize productivity.

3. The paternalistic concept- employees organized together on the basis of common interest & formed trade unions & improve a lot. Employers assumed a fatherly & protective attitude towards their employees. Employers & employees both began to realize that they cannot survive & prosper without each other. Welfare schemes included.

4. The Humanitarian concept- it is based on the belief that employees had certain undeniable rights as human beings & it was duty of the employer to protect these rights. Psychologists pointed out that an employee was not merely interested in material rewards rather social & psychological satisfaction was equally important. This approach is also known as Human Relations Approach.

5. The Human Resource concept- employees began to be considered as valuable assets of an organization. Efforts were made to integrate employee with the organization so that organizational objectives & employees aspirations could be achieved simultaneously. Focus shifted towards management practices like two way communication, management by objectives, etc.

6. The Emerging Concept- the trend is aimed at creating a feeling among workers that the organization is your own. HRM is emerging as a special academic discipline & as a profession. It is growing as a career with distinct specializations. Modern approach looks upon them as a resource, an asset & an opportunity.