



Knowledge Consortium of Gujarat
 Department of Higher Education, Government of Gujarat
JOURNAL OF COMMERCE AND MANAGEMENT
ISSN : 2279-025X

Year-1 | Issue-6 | Continuous Issue-6 | May-june 2013

Human Resource Management

Introduction :

Human Resource Management (HRM) is the function within an organization that focuses on recruitment of, management of, and providing direction for the people who work in the organization. Human Resource Management can also be performed by line managers.

Human Resource Management is also a strategic and comprehensive approach to managing people and the workplace culture and environment. Effective HRM enables employees to contribute effectively and productively to the overall company direction and the accomplishment of the organization's goals, objectives.

We often hear the term Human Resource Management, Employee Relations and Personnel Management used in the popular press as well as by Industry experts. "what is HRM ?" by giving a broad overview of the topic and introducing the readers to the practice of HRM in contemporary organizations.

Definitions:

Human resource management can be defined as the process of accomplishing organizational objectives by acquiring ,retaining ,terminating, developing and properly using the human resources in an organization.

Role of Human Resources Function in Organizations :

Human Resources (HR) can include a broad spectrum of specialties within organizations. Some examples of specialties include recruiting, payroll, policy, safety, training and development, and performance management. In smaller organizations, the HR professional may handle all of those specialties and in larger organizations, each specialty is most likely its own department.

The roles within HR can vary greatly as well as with many departments from the purely administrative to the executive. Another related and perhaps more important question that is often discussed is, "what should HR be doing?" For me, HR's primary purpose is to ensure that the right people are working in the right places to accomplish the organization's goal.

In other words, HR is responsible to develop programs that will attract, select, develop, and retain the talent needed to meet the organizational mission. So whether you are an HR department of one or a combination of multiple departments that include hundreds of employees, your primary responsibility is talent management.

Importance of HRM for Organizational Success :

We have discussed the basic concept of HRM and the ways in which it helps the organization meet its goals. In this article, we discuss the reasons for organizations to have a HRM strategy as well as the business drivers that make the strategy imperative for organizational success. It is a fact that to thrive in the chaotic and turbulent business environment, firms need to constantly innovate and be "ahead of the curve" in terms of business practices and strategies. It is from this motivation to be at the top of the pack that HRM becomes a valuable tool for management to ensure success.

firms view their employees as more than just resources and instead adopt a "people first" approach.

Strategic Management and HRM :

As discussed in the articles on modern day HRM practices, there is a need to align organizational goals with that of the HR strategy to ensure that there is alignment of the people policies with that of the management objectives. This means that the HR department can no longer be viewed as an appendage of the firm but instead is a vital organ in ensuring organizational success. The aims of strategic management are to provide the organization with a sense of direction and a feeling of purpose. The days when the HR manager was concerned with administrative duties is over and the current HRM practices in many industries are taken as seriously as say, the marketing and production functions.

Strategic human resource management (SHRM) is "the process of identifying the organization's strategic goals and the use of these goals as the basis for personnel practices and procedures". Comparing the performance of organizations that utilize it with those that do not can show the importance of SHRM. Numerous studies and reports have concluded from their study of the corporate sector that the strategic management of human resources leads to a competitive advantage. Knowing, therefore, that the development of a strategy for HRM is beneficial, the setting of strategic objectives is necessary. The strategic objective includes the overall competitive objectives of the company, the formation of which is identified by the organization's mission statement. By considering the environmental analysis (including industrial and economic factors) and an internal analysis (including strengths and weaknesses of the firm and human resources), the company is able to formulate an overall strategy, with a major contribution from HRM.

Human resource strategy and corporate strategy need to be integrated so that strategic harmony is developed between HRM and the business plan. Certain human resource strategies, particularly the accurate projection of human capital needs, and employee selection and development, will lead to superior workforce performance. If a firm is able to excel at creating a highly productive workforce through effective HR management programs, they will gain a competitive advantage. This gives the corporation an advantage that competitors will find difficult to replicate, and can lead to an increase in market share and company profits. The human resource management practices will not exclusively influence the success or failure of an organization, though they will be a critical factor.

Scope of Human Resource Management:

The scope of HRM is extensive and far-reaching. Therefore, it is very difficult to define it concisely. However, we may classify the same under following heads:

- HRM in Personnel Management: This is typically direct manpower management that involves manpower planning, hiring (recruitment and selection), training and development, induction and orientation, transfer, promotion, compensation, layoff and retrenchment, employee productivity. The overall objective here is to ascertain individual growth, development and effectiveness which indirectly contribute to organizational development.
- It also includes performance appraisal, developing new skills, disbursement of wages, incentives, allowances, travelling policies and procedures and other related courses of actions.
- HRM in Employee Welfare: This particular aspect of HRM deals with working conditions and amenities at workplace. This includes a wide array of responsibilities and services such as safety services, health services, welfare funds, social security and medical services. It also covers appointment of safety officers, making the environment worth working, eliminating workplace hazards, support by top management, job safety, safeguarding machinery, cleanliness, proper ventilation and lighting, sanitation, medical care, sickness benefits, employment injury benefits, personal injury benefits, maternity benefits, unemployment benefits and family benefits.
- It also relates to supervision, employee counselling, establishing harmonious relationships with employees, education and training. Employee welfare is about determining employees' real needs and fulfilling them with active participation of both management and employees. In addition to this, it also takes care of canteen facilities, crèches, rest and lunch rooms, housing, transport, medical assistance, education, health and safety, recreation facilities, etc.
- HRM in Industrial Relations: Since it is a highly sensitive area, it needs careful interactions with labor or employee unions, addressing their grievances and settling the disputes effectively in order to maintain peace and harmony in the organization. It is the art and science of understanding the employment (union-management) relations, joint consultation, disciplinary

procedures, solving problems with mutual efforts, understanding human behaviors and maintaining work relations, collective bargaining and settlement of disputes.

- The main aim is to safeguarding the interest of employees by securing the highest level of understanding to the extent that does not leave a negative impact on organization. It is about establishing, growing and promoting industrial democracy to safeguard the interests of both employees and management.

The scope of HRM is extremely wide, thus, cannot be written concisely. However, for the sake of convenience and developing understanding about the subject, we divide it in three categories mentioned above. **Human resource challenges:**

- **Handling Multicultural / Diverse Workforce:** Dealing with people from different age, gender, race, ethnicity, educational background, location, income, parental status, religious beliefs, marital status and ancestry and work experience can be a challenging task for HR managers. With this, managing people with different set of ideologies, views, lifestyles and psychology can be very risky. Effective communication, adaptability, agility and positive attitude of HR managers can bind the diverse workforce and retain talents in the organization.
- **Managing Change:** Who wants to change their ideology or way of working? Neither you nor I. How can we expect others to change then? Bringing change in organizational processes and procedures, implementing it and then managing it is one of the biggest concerns of HR managers. Business environment is so volatile. Technology keeps changing every now and then. All thanks to globalization. Upgrading the existing technology and training people for them is a real headache for HR department. The success rate of technology change depends how well HRD can handle the change and manage people issues in the process.
- **Retaining the Talents:** Globalization has given freedom to working professionals to work anywhere in the world. Now that they have endless lucrative opportunities to work, hiring and retaining the best industry talent is no joke. Maintaining harmonious relations with them, providing excellent work environment and offering more remuneration and perks than your competitors can retain and motivate them.
- **Conflict Management:** HR managers should know how to handle employee-employer and employee-employee conflicts without hurting their feelings. Although it is almost impossible to avoid conflicts among people still handling them tactfully can help HR managers to resolve the issues. They should be able to listen to each party, decide and communicate to them in a convincing manner in order to avoid future conflicts.

HR professional must be proactive with all strategies and action plans in order to meet the changing needs of the organization. They must be thorough with the basic functions of HR including planning, organizing, leading and controlling human resources.

Processes in Human Resource Management

The efficient designing of these processes apart from other things depends upon the degree of correspondence of each of these. This means that each process is subservient to other. You start from Human resource Planning and there is a continual value addition at each step. To exemplify, the PMS (performance Management System) of an organization like Infosys would differ from an organization like Walmart. Lets study each process separately.

Human Resource Planning: Generally, we consider Human Resource Planning as the process of people forecasting. Right but incomplete! It also involves the processes of Evaluation, Promotion and Layoff.

- **Recruitment:** It aims at attracting applicants that match a certain Job criteria.
- **Selection:** The next level of filtration. Aims at short listing candidates who are the nearest match in terms qualifications, expertise and potential for a certain job.
- **Hiring:** Deciding upon the final candidate who gets the job.
- **Training and Development:** Those processes that work on an employee onboard for his skills and abilities upgradation.

Employee Remuneration and Benefits Administration: The process involves deciding upon salaries and wages, Incentives, Fringe Benefits and Perquisites etc. Money is the prime motivator in any job and therefore the importance of this process. Performing employees seek raises, better salaries and

bonuses.

Performance Management: It is meant to help the organization train, motivate and reward workers. It is also meant to ensure that the organizational goals are met with efficiency. The process not only includes the employees but can also be for a department, product, service or customer process; all towards enhancing or adding value to them.

Nowadays there is an automated performance management system (PMS) that carries all the information to help managers evaluate the performance of the employees and assess them accordingly on their training and development needs.

Employee Relations: Employee retention is a nuisance with organizations especially in industries that are hugely competitive in nature. Though there are myriad factors that motivate an individual to stick to or leave an organization, but certainly few are under our control.

Employee relations include Labour Law and Relations, Working Environment, Employee health and safety, Employee- Employee conflict management, Employee- Employee Conflict Management, Quality of Work Life, Workers Compensation, Employee Wellness and assistance programs, Counselling for occupational stress. All these are critical to employee retention apart from the money which is only a hygiene factor.

All processes are integral to the survival and success of HR strategies and no single process can work in isolation; there has to be a high level of conformity and cohesiveness between the same.

Conclusion:

In conclusion, the practice of HRM needs to be integrated with the overall strategy to ensure effective use of people and provide better returns to the organizations in terms of ROI (Return on Investment) for every rupee or dollar spent on them. Unless the HRM practice is designed in this way, the firms stand to lose from not utilizing people fully. And this does not bode well for the success of the organization.

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