

HUMAN RESOURCE MANAGEMENT

(NATURE,SCOPE,OBJECTIVES,FUNCTIONS AND EVOLUTION)

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HUMAN RESOURCES

Every organisation is essentially a blend of material and human resources(HR)

- ▶ HR is the total knowledge, education, skills, training, creative abilities, talents and aptitudes of an organisation's workforce as well as the values, attitudes and beliefs of the individuals involved.
- ▶ Human resources are the most valuable and unique assets of an organisation.

WHAT IS HUMAN RESOURCE MANAGEMENT (HRM)

- ▶ HRM is the effective use of human resources in order to enhance organizational performance.
- ▶ HRM is the process of procuring, developing and maintaining competent workforce to achieve goals of an organisation in an effective and efficient manner.

DEFINITION

- ▶ HRM is the function performed in organizations that facilitates the most effective use of people to achieve organizational and individual goals.

-Ivancevich and Glueck

DEFINITION

- ▶ Human Resource Management is the planning, organising, directing and controlling of the procurement, development, compensation, integration, maintenance and separation of human resources to the end that individual, organisational and social objectives are accomplished.

- Edwin B. Flippo

DEFINITION

- ▶ HRM is a series of integrated decisions that form the employment relationship; their quality contributes to the ability of the organisations and the employees to achieve their objectives.

-Milkovich and Boudreau

NATURE OF HRM

- ❖ HRM consists of **people-related functions** such as
 - ▶ Hiring
 - ▶ Training and development
 - ▶ Performance review
 - ▶ Compensation
 - ▶ Safety and health
 - ▶ Welfare
 - ▶ Industrial relations

These are typically functions of ‘Personnel Management’ and are called ‘doables’.

NATURE OF HRM

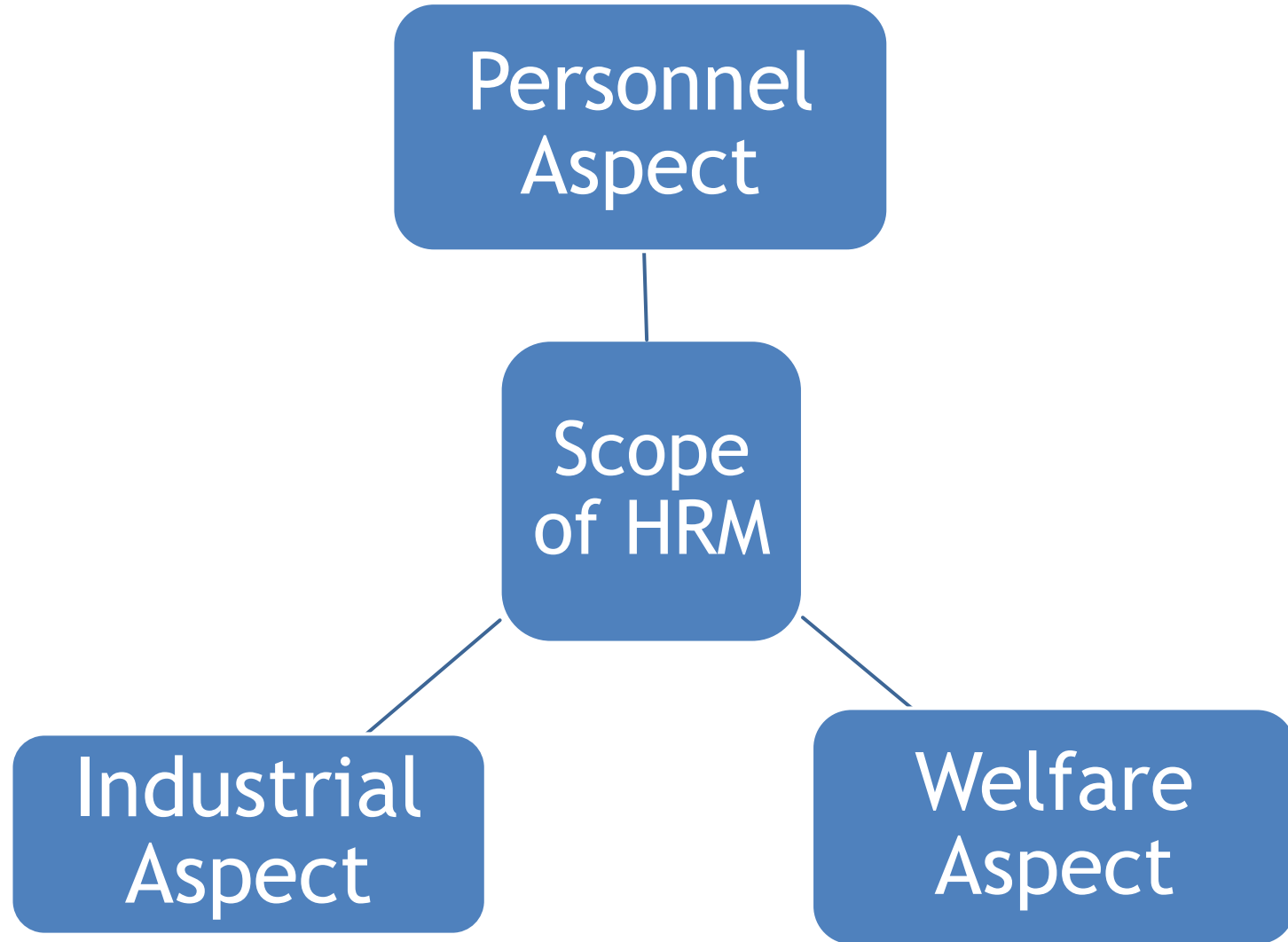
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- ❖ HRM is related with building of human capital (also known as deliverables).
- ❖ HRM necessitates alignment of HR policies and practices with organisation's strategies.
- ❖ HRM assumes that it is the people who make the difference. They alone are capable of generating value and adding to the competitive advantage to the organisations.

NATURE OF HRM

Contd.

- ❖ HR activities are not the sole responsibility of the HR specialists. Line managers are equally responsible for carrying out the activities.
- ❖ HR functions are not confined to business establishments only. They are applicable to non-business organisations too, such as education, health care, recreation etc.



SCOPE OF HRM

The National Institute of personnel Management, Calcutta has specified the scope of HRM as follows:

A. The Personnel Aspect

It is concerned with

- ▶ Manpower Planning
- ▶ Recruitment, Selection
- ▶ Placement
- ▶ Induction
- ▶ Transfer, Promotion, Demotion, Termination
- ▶ Training and Development

B. The Welfare Aspect

It is concerned with working conditions and amenities

- ▶ Canteens
- ▶ Creches
- ▶ Rest rooms, Lunch rooms
- ▶ Transportation
- ▶ Medical help, health and safety
- ▶ Recreation and cultural activities

C. The Industrial Relations Aspect

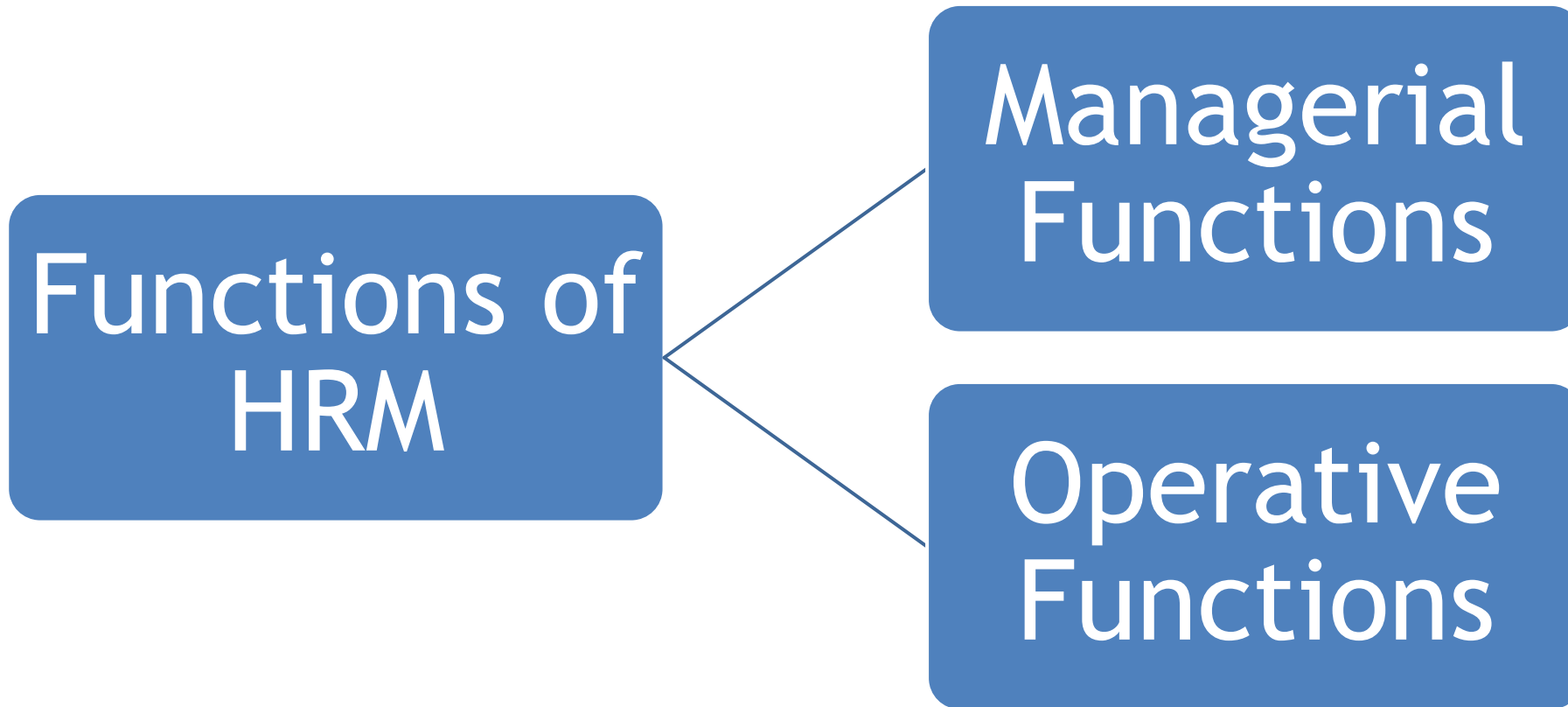
It includes

- ▶ Union management relations
- ▶ Collective bargaining
- ▶ Grievance handling
- ▶ Disciplinary actions
- ▶ Settlement of Industrial disputes

The following aspects can be associated with HRM

- Identifying and developing persons
- Retaining suitable persons
- Creating work culture
- Educating Managerial personnel
- Conducting research
- Developing a communication system

FUNCTIONS OF HRM





Planning

Organising

Directing

Coordinating

Controlling

Managerial
Functions

A. MANAGERIAL FUNCTIONS

PLANNING

Preparing forecasts of future HR needs in the light of an organisation's environment, mission, objectives, strategies and internal strengths and weaknesses, including its structure, culture, technology and leadership.

ORGANISING

Organising involves:

- i. Designing the structure or relationship among jobs, personnel and physical factors
- ii. Assignment of tasks and fixing of responsibilities
- iii. Assigning the task according to the capacity and calibre of employees
- iv. Creating a system assessing performance and communicating to the appropriate persons

DIRECTING

- i. Issuing orders to employees and also ensuring that they perform as per the directions
- ii. It also involves encouraging people to work willingly and effectively for the goals of the organisation

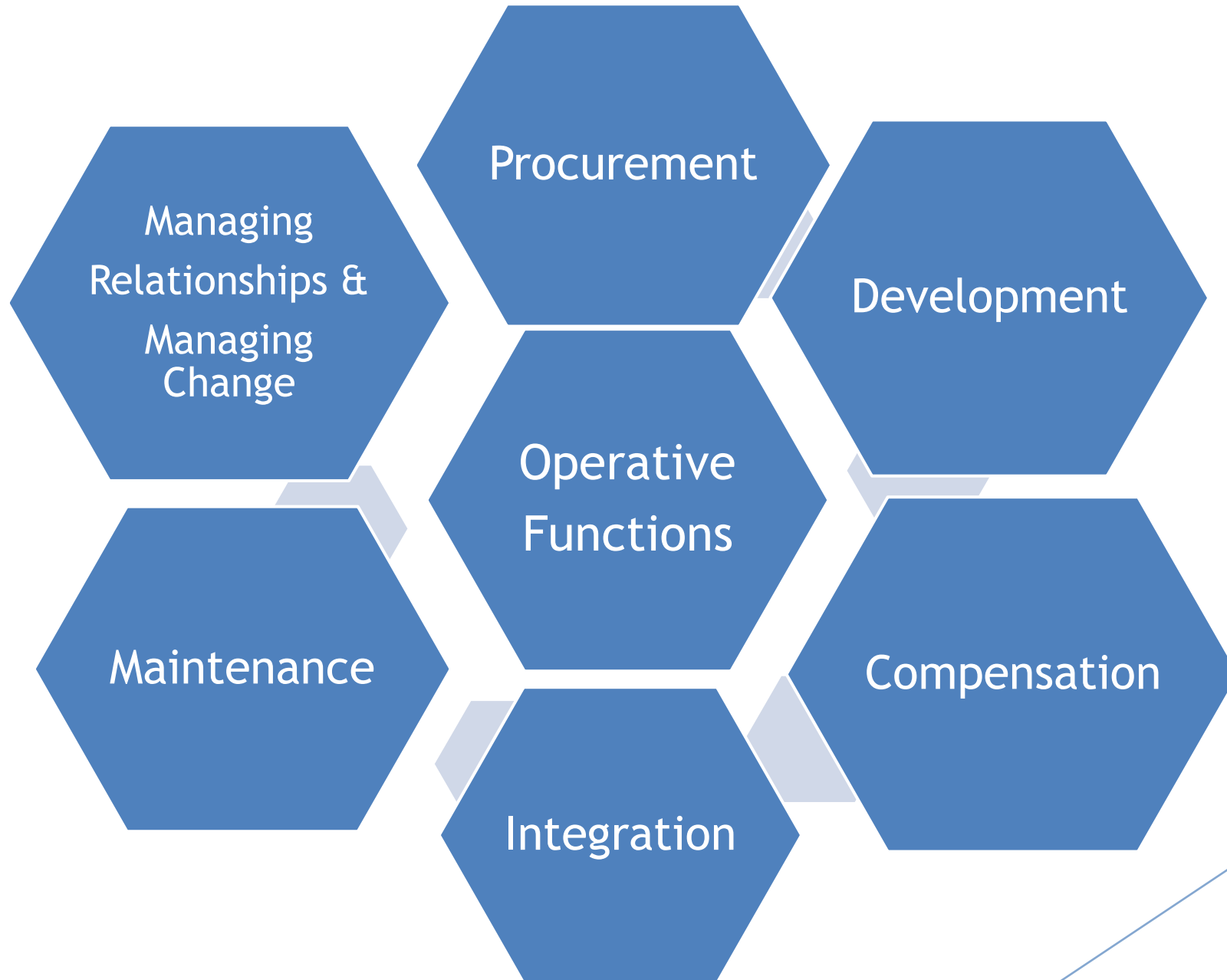
COORDINATING

Personnel department coordinates the task of developing, interpreting and reviewing personnel policies and programmes related to the employees.

A coordinated approach will help in achieving common goals.

CONTROLLING

- i. Checking, regulating and verifying whether everything occurs as per the standards set and plans adopted
- ii. Performance of persons is regularly reviewed
- iii. In case performance is low, steps are taken to improve it in the future.



B. OPERATIVE FUNCTIONS

PROCUREMENT

Obtaining sufficient and appropriate number of persons with adequate skills, abilities, knowledge and experience to fill jobs in the work organisation.

DEVELOPMENT

- i. Development of employees by increasing their skills and proficiency in work
- ii. Proper job description will enable the employees to know their weak points
- iii. Training programmes are made suitable to cover up deficiencies in workers' performance.

COMPENSATION

- i. Securing adequate and equitable remuneration to employees
- ii. Job analysis will enable in fixing the remuneration for various jobs.
- iii. Compensation should be fixed to attract and retain suitable persons in the organisation.

INTEGRATION

- i. Reconcile individual, organisation and social interests
- ii. Infusing among employees a sense of belongingness to the enterprise
- iii. Ensuring Proper communication channels at all levels
- iv. Grievances to be addressed at the earliest

MAINTENANCE

The administration and monitoring of workplace safety, health and welfare policies to retain a competent workforce and comply with statutory standards and regulations.

MANAGING RELATIONSHIPS

Encompasses a range of employee involvement and participation schemes in non-union or union work places. In a union environment this includes negotiating contracts and administering the collective agreement.

MANAGING CHANGE

- i. Helping others to envision the future
- ii. Communicating this vision
- iii. Setting clear expectations for performance
- iv. Developing the capability to reorganize people and reallocate other resources



OBJECTIVES OF HRM

A. SOCIETAL FUNCTIONS

- i. To be ethically and socially responsible to the needs and challenges of the society while minimising the negative impact of such demands upon the organisation
- ii. To ensure compliance with legal standards

B. ORGANISATIONAL OBJECTIVES

- i. To recognise the role of HRM in bringing about organisational effectiveness
- ii. HRM is not an end in itself. It is only a means to assist the organisation with its primary objectives.

C. FUNCTIONAL OBJECTIVES

- i. To maintain the department's contribution at a level appropriate to the organisation's needs
- ii. The department's level of service must be tailored to fit the organisation it fits.

D. PERSONAL OBJECTIVES

- i. To assist employees in achieving their personal goals at least in so far as these goals enhance the individual's contribution to the organisation
- ii. To increase employees' job satisfaction to the fullest extent

EVOLUTION OF HRM

- ▶ The concern for the welfare of the workers in the management of business enterprises has been in existence since ages. *Kautilya's Arthashastra* states that there existed a sound base for systematic resources as early as the 4th century BC. The govt. then provided systematic procedures for regulating employer-employee relationships.

EVOLUTION OF HRM

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- ▶ In 1800 BC itself, ‘minimum wage rate’ and ‘incentive wage plan’ were included in the Babylonian Code of Hammurabi.
- ▶ In India the growth of the subject was started in 1920. This was the period when state intervention to protect the interests of workers was felt because of difficult conditions which followed First World War and *emergence of trade unions*.

EVOLUTION OF HRM

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- ▶ **The Royal Commission (1931)** recommended the appointment of labour-welfare officers to deal with
 - i. Selection of workers
 - ii. To settle their grievances

EVOLUTION OF HRM

contd..

- ▶ **The Factories Act, 1948** made appointment of welfare officers compulsory in industrial establishments employing 500 or more workers.

EVOLUTION OF HRM

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▶ Set up of *Professional Bodies*

1. Indian Institute of Personnel Management (IIPM)-Its headquarters at Kolkata
2. National Institute of Labour management (NILM)- headquarters at Mumbai

EVOLUTION OF HRM

contd..

- ▶ During 1960s, personnel function began to expand beyond welfare aspect, with labour welfare, IR and personnel administration integrating into the emerging profession called *Personnel Management (PM)*.

EVOLUTION OF HRM

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- ▶ By 1970s, focus was on the efficiency.
- ▶ In the 1980s, professionals began to talk about new technologies, HRM challenges and HRD.
- ▶ The two professional bodies , IIPM and NILM merged to form the *National Institute of Personnel Management*.
- ▶ More focus was being laid on strategic issues rather than on administrative work

EVOLUTION OF HRM

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- ▶ In the 1990s, the emphasis shifted to human values and productivity through people.
- ▶ Reflecting this trend, the American Society for Personnel Administration (ASPA) was renamed as the Society for Human Resource management (SHRM).
- ▶ Thus subject of people management has grown into a matured profession.
- ▶ The journey continues...

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