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An overview of Human resource management

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ABSTRACT

WHY STUDY HRM?

- *Taking a look at people is a rewarding experience*
- *People possess skills, abilities and aptitudes that offer a competitive advantage to any firm*
- *No computer can substitute human brain, no machines can run without human intervention & no organization can exist if it cannot serve people's needs.*
- *HRM is a study about the people in the organization-how they are hired, trained, compensated, motivated & maintained.*

Keywords— HRM, Organization

1. INTRODUCTION OF HRM

- Human Resource Management actually has a history dating back to the times when artisans and craftsmen would enlist the aid of one another to discuss ways to manage their labour.
- However, modern HRM has its roots in the National Cash Register Company.
- **John Patterson, Father of HRM** the president of the company, formed a personnel department to manage the griefs of workers after a bitter union strike in 1901.
- Father of Human Resource Management in India
- It's **MR. UDAI PAREEK** who was a professor in the late 1960s at IIMA. HRM came in India through his efforts. He is a world-renowned personality, First company to use HR practices in India
- Larsen and Toubro is the first company that started the concept of HR in India. Before that, no company in India used to have HR practices. HRM as a central subsystem

2. CONCEPTS

2.1 HUMAN

People, Human being

2.2 RESOURCES

Factors of production results in the conversion of raw materials into useful goods/services.

2.3 MANAGEMENT

The accomplishment of organizational objectives by utilizing physical, & financial resources through the efforts of human resources. Similar terms for HRM:

- Labour management
- Labour administration
- Personnel management
- Personnel administration
- Human capital management
- Human assets management

3. MEANING OF HRM

- Human resource management is the effective use of human resources in order to enhance organizational performance
- HRM means employing people, developing their resources, utilizing, maintain, and Compensating their services in tune with the job and organizational
- It is concerned with the management of people from Recruitment to Retirement

4. DEFINITION OF HRM

- Acc to **Leon C. Megission**, “HR is the total knowledge, skills, creative abilities, talents and aptitudes of an organization's workforce as well as the values, attitudes and beliefs of the individuals involved.”
- Acc to **Michael** Defined as the art of procuring, developing and maintaining competent workforce to achieve goals of an organization in an effective and efficient manner.

5. SCOPE OF HRM

- Employment
- Development
- Wage and salary administration
- Maintenance
- Motivation
- IR
- Participative management

The scope of HRM is as follows:

- **Personnel aspect**-This is concerned with manpower planning, recruitment, selection, placement, transfer, promotion, training and development, layoff and retrenchment, remuneration, incentives, productivity etc.
- **Welfare aspect**-It deals with working conditions and amenities such as canteens, crèches, rest and lunchrooms, housing, transport, medical assistance, education, health and safety, recreation facilities, etc.
- **Industrial relations aspect**-This covers union-management relations, joint consultation, collective bargaining, grievance and disciplinary procedures, settlement of disputes, etc.

6. NATURE OF HRM

- Complex dynamism
- A social system
- A challenging task

Human Resource Management is a process of bringing people and organizations together so that the goals of each are met. The various nature of HRM include:

- It is pervasive in nature as it is present in all enterprises.
- Its focus on results rather than on rules.
- It tries to help employees develop their potential fully.
- It encourages employees to give their best to the organization.
- It is all about people at work, both as individuals and groups.
- It tries to put people on assigned jobs in order to produce good results.
- It helps an organization meet its goals in the future by providing for competent and well-motivated employees.
- It tries to build and maintain cordial relations between people working at various levels in the organization.
- It is a multidisciplinary activity, utilizing knowledge and inputs drawn from psychology, economics, etc.

7. EVOLUTION OF HRM

The current existence of HRM is a combination of a variety of historical and contemporary factors

- (a) The commodity concept
- (b) The factor of production concept
- (c) The Paternalistic Concept
- (d) The Humanitarian Concept
- (e) The Emerging Concept
- (f) Evolution of HRM

- **The Commodity Concept:** Labor regarded as a commodity, wages based on demand and supply
- **The Factor of production Concept:** Labor considered one of the factors of production, workers like machines tools
- **The Paternalistic Concept:** Management protecting employees
- **The Humanitarian Concept:** Physical, social and psychological needs of workers to be met, Employees are now valuable assets
- **The Emerging Concept:** Employees are part of the organization

8. MEANING OF PERSONNEL MANAGEMENT

- It is a phase of management which deals with the effective control and use of manpower as distinguished from other sources of power
- The personnel management is the process of attracting, holding and motivating people involving all manager–line and staff

9. DIFFERENCE BETWEEN PM AND HRM

- **Personnel management** views the man as an economic man who works for money and salary
- **HRM** treats the people as human beings having economic .social and psychological needs

10. FUNCTIONS OF HRM

- (a) Managerial functions
- (b) Planning
- (c) Organizing
- (d) Directing
- (e) Controlling
- (f) Operative function
- (g) Employment
- (h) Human resources development
- (i) Compensation
- (j) Human relations
- (k) Industrial relation
- (l) Recent trends in HRM

I. MANAGERIAL FUNCTIONS

- **Planning** – Determine the personnel program regarding recruitment, selection, & training to achieve desired objectives.
- **Organizing** – design structure of relationships b/w jobs, personnel and physical factors.
- **Directing** – Getting people to do work willingly & effectively through supervision and guidance, motivation & leadership.
- **Controlling** – ensure accomplishment of plans correctly- measure performance thro review reports, records etc.

II. Operative functions

- **Employment**- employment is concerned with securing and employing the people possessing the required kind and level of human resource necessary to achieve organization objective
- Job analysis
- Human resource planning
- Recruitment
- Selection
- Placement
- Induction and orientation

III. Human resource development–it is the process of improving, molding and changing the skill knowledge creative ability value etc.

- Performance appraisal
- Training
- Management development
- Career planning and development
- Internal mobility
- Transfer
- Promotion and demotion

IV. Compensation-it is the process of providing adequate equitable and fair remuneration to the employees

- Job evaluation
- Wage and salary
- Incentives
- Bonus
- Fringe benefits
- Social security measures

V. Human relations- practising various human resource policies and programmes like employment .development etc.

VI. Industrial relations- industrial relation refers to the study of the relationships among employees, employer, government and trade union

VII. Recent trends in HRM-quality of work life.HR accounting.HR audit

11. FUNCTIONS OF HRM

- (a) Managerial Functions:
 - i. Planning, Organizing, Directing, Controlling
- (b) HR Functions: What We'll Be Looking At
- (c) Objective of HRM
- (d) Social objective
- (e) Organizational objective
- (f) Functional objective
- (g) Individual objective
- (h) HRM Programmes
- (i) HRM objective
- (j) HRM policies

- (k) HRM procedures
- (l) HRM programmes

12. DEFINITION OF HRM POLICY

- The policy is a plan of action
- Richbeel and brewster defined hrm policy as ‘a set of proposals and activities that act as a reference point for managers in their dealings with employees

13. WHAT IS HRM PROCEDURE?

- The procedure is a specific application
- A procedure is well thought out course of action

14. ORGANIZATION OF HRM (HR) DEPARTMENT

2 Issues become relevant in a discussion on the organization of an HR department.

- Place of the HR dept. in the overall set-up
- Composition of the HR department itself
- Status of the HR dept. depends on whether the unit is small or large.
- In small organizations, there is no separate dept. to coordinate the HR activities
- A large scale unit will have a Manager/Director heading the HR dept.
- HRM in a small scale unit:
- HRM in a large scale unit
- Organizational Structure Personnel Department

15. LINE AND STAFF RESPONSIBILITY/RELATIONSHIPS

(a) MEANING OF LINE RELATIONSHIP

The relationship existing between two managers due to delegation of authority responsibility and giving or receiving instructions or orders is called line relationship

(b) MEANING OF STAFF RELATIONSHIPS

Relationship between two managers is said to be staff relation when it is created due to giving and taking advice, Guidance, Information.

- HR Department, Eg-FMCG Colgate Palmolive
- HR Department, Indian Oil Corporation
- HR Dept Shoppers Stop
- Mastek A mix of functional & Matrix Organization
- Oberoi Hotels
- Role of personnel manager
- Personnel role
- Welfare role
- Administrative role
- Fire –fighting legal role

16. ROLE OF HUMAN RESOURCES MANAGER

- The Conscience role
- The Counsellor
- The Mediator
- The Spokesman
- The Problem-solver
- The Change agent

17. QUALITIES OF HR MANAGER

- (a) Personal Attributes
 - i. Intelligence skills
 - ii. Educational skills
 - iii. Discriminating skills
 - iv. Executing skills
- (b) Experience
- (c) Professional attitudes
- (d) Qualification

18. QUALITIES OF A SUCCESSFUL HR MANAGER

- Fairness & firmness
- Tact & resourcefulness
- Sympathy & consideration
- Knowledge of labour laws & other terms
- Broad social outlook

- Academic qualifications
- Others (positive attitude, competence to perform activities for the betterment of people)

19. FACTORS INFLUENCING ON HRM

MAJOR INFLUENCING FACTORS

In the 21st century HRM will be influenced by the following factors, which will work as various issues affecting its strategy:

- Size of the workforce.
- Rising employees' expectations
- Drastic changes in technology as well as Life-style changes.
- Composition of the workforce. New skills required.
- Environmental challenges
- Lean and mean organizations.
- Impact of new economic policy. The political ideology of the Government.
- Downsizing and rightsizing of the organizations
- Culture prevailing in the organization etc.
- Opportunities of HRM
- On the basis of the various issues and challenges the following suggestions will be of much help to the philosophy of HRM with regard to its futuristic vision:
 - Defined recruitment policy
 - Decision-making process
 - Opportunity and comprehensive framework
 - 360-degree feedback
 - Total Quality Management
 - Job rotation
 - Proper utilization of manpower
 - The capacities of the employee
 - The career of the employees

20. Challenges in HRM

The most pressing competitive issues facing by HRM:

- a) Going global
- b) Embracing technology
- c) Managing change
- d) Developing human capital
- e) Responding to the market
- f) Containing costs

(a) Going global: Identifying capable expatriate managers. Developing foreign culture and work practice training programs. Adjusting compensation plans for overseas work.

(b) Embracing new tech: The Spread of E-commerce, The Rise of Virtual Workers

(c) Managing changes: Formal change management programs help to keep employees focused on the success of the business

(d) Developing human capital: Is based on company-specific skills. Is gained through long-term experience. Can be expanded through development.

(e) Containing costs

- Downsizing
- Employee Leasing
- Hidden Costs of Layoff

(f) Responding to market

i. Total Quality Management (TQM): Doing things right the first time, and striving for continuous improvement

ii. Six Sigma: A process used to translate customer needs into a set of optimal tasks that are performed in concert with one another.

21. PRINCIPLES OF HRM

Human resource department has to perform a number of function effectively and efficiently. So for achieving this, there is a need for an organization to follow some of the principles of HRM.

22. PRINCIPLES OF HRM (10 C'S)

- Comprehensive
- Credibility
- Communication
- Cost-effectiveness
- Creativity
- Coherence
- Competence

- Control
- Change
- Commitment

23. CAREER

Opportunities in HRM:

- HR Officer / Executive
- Assistant Manager-Human Resources
- SAP HR (E-Recruitment)
- Recruitment Manager
- HR recruiter
- Counsellors
- Advisors
- HR generalist
- HR manager
- Benefits administrator
- Benefits analyst
- Compensation analyst
- Labor relations manager
- Training manager
- Recruiter
- VP of human resources

I. Institutions of repute which impart HRM education in India. A good number of management institutes offer an HRM as specialization to the management student, general graduate or professional from any other domain can enter HR and build a career.

- Indian Institute of Management
- XLRI School of Business and Human Resources, Jamshedpur
- Tata Institute of social sciences (TISS), Mumbai
- Management Development Institute (MDI), Gurgaon
- Xavier Institute of social services (XISSL), Ranchi
- Institute of Management Technology (MIT), Ghaziabad
- Faculty management studies, Delhi University
- Symbiosis Institute of Management Studies, Bangalore

24. HR COMPETENCIES

Research has identified six domains of competencies and these competencies help the organization to face the global environment today

- Outside/In:** HR must turn outside business trends and stakeholders exception to internal action
 - Business/People:** HR should focus on both business result human capital improvement
 - Individual/Organizational:** HR should target both individual ability and organization capability
 - Event/Sustainability:** HR is not about an isolated activity but sustainable and integrated solutions
 - Past/Future:** Respect HR's heritage, but shape future
 - Administrative/strategic:** HR must attend to both day-to-day administrative processes and long term strategies practices
- g) **Professional Associations in HRM**
- Chartered Institute of Personnel and Development(CIPD)
 - Society for Human Resource Management(SHRM)
 - Academy of Human Resource Development(AHRD)
 - American Society for Training and Development(ASTD)
 - National Institute of Personnel Management(NIPM)
 - National HRD Network(NHRDN)
 - Indian Society of Training and Development(ISTD)

25. QUALITIES & QUALIFICATION –REQUIREMENTS OF HR MANAGER

- HR MANAGER ORGANIZES AND MANAGES THE PERSONNEL DEVELOPMENT OF THE ORGANIZATION**
 - He has to win the confidence of all concerned people. It is a tight rope walk. Should be tactful and imaginative.
 - Should be a specialist in organization theory. Has to advise the top management and should be able to Organize - minimize friction, promote goodwill.
 - Should have good knowledge of personnel administration, relevant laws, procedure, techniques, economics, industrial Psychology, and behavioural science help to tackle humans and Problems efficiently.
- QUALITIES & QUALIFICATION – REQUIREMENTS OF HR MANAGER**
 - Should be familiar with philosophy, ethics, logic, sociology history, medicine, and political science.
 - Should have a sense of social justice and be appreciative of rights and interests of people at work.

c) OTHER QUALITIES HR MANAGER SHOULD POSSESS ARE

- Loyalty, responsibility and honesty to organization and people who work there.
- Faith in humanity.
- Need to place a high value on performance judging people objectively giving full credit to those who perform.
- Ability to analyses and take prompt decisions.
- Capacity for persuasion patience and tolerance.

- d) What motivates employees?
- e) Rank
- f) Feeling “in” on things
- g) Good wages
- h) Good working conditions
- i) Job security
- j) The full appreciation of work that is done
- k) Tactful disciplining
- l) Employer loyalty to employees
- m) Interesting work
- n) Promotion and growth in the organization (Karl and Sutton, 1996)
- o) What motivates employees?
- p) Rank
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- u) The full appreciation of work that is done
- v) Promotion and growth in the organization
- w) Employer loyalty to employees
- x) Feeling “in” on things
- y) Tactful disciplining (Karl and Sutton, 1996)

26. CONCLUSION

To conclude Human Resource Management should be linked with strategic goals and objectives in order to improve business performance and develop organizational cultures that foster innovation and flexibility. All the above futuristic visions coupled with strategic goals and objectives should be based on 3 H's of Heart, Head and Hand i.e., we should feel by Heart, think by Head and implement by Hand.

27. SUMMARY

HRM is a tool that helps managers to plan, recruit, select, train, develop, remunerate, motivate and make maximum utilization of human and non-human resources for the organization and society at large.

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