

**GOVERNMENT ARTS AND SCIENCE COLLEGE
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HUMAN RESOURCES MANAGEMENT (Sub code: SMC034)

UNIT I

Meaning:

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

Definition:

Human resources Management is a management function concerned with hiring , motivating, and maintaining people in an organisation. It focus on people in organisation. Human Resources Management is designing management system to ensure that human talent is used effectively and efficiently to accomplish organisational goals.

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

- HRM involves management functions like planning, organizing, directing and controlling.
- It involves procurement, development, maintenance of human resource
- It helps to achieve individual, organizational and social objectives.
- HRM is a mighty disciplinary subject. It includes the study of management psychology communication, economics and sociology.
- 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 cordinal 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 preparing 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.

7. Improves the economy:-

Effective HR practices lead to higher profits and better performance by companies due to this the company achieves a chance to enter into new business and start new ventures thus industrial development increases and the economy improves.

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.

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.

Thereupon, HR Planning forecast demand and supplies and identify sources of selection. HR Planning develops strategies both long-term and short-term, to meet the man-power requirement.

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 fulfill the

future needs of the organization.

e) Organizational Development: This is an important aspect whereby –Synergetic effect 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 everyday. 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.

i) Personnel Research and Information System: Knowledge on behavioral science and industrial psychology throws better insight into the workers expectations, aspirations and behaviour. Advancement of technology of product and production methods have created working environment which are much different from the past. Globalization of economy has increased competition many fold. Science of ergonomics gives better ideas of doing a work more conveniently by an employee. Thus, continuous research in HR areas is an unavoidable requirement. It must also take special care for improving exchange of information through effective communication systems on a continuous basis especially on moral and motivation.

Objectives of HRM

The primary objective of HRM is to ensure the availability of competent and willing workforce to an organization. The specific objectives include the following:

- 1) Human capital: assisting the organization in obtaining the right number and types of employees to fulfill its strategic and operational goals.
- 2) Developing organizational climate: helping to create a climate in which employees are encouraged to develop and utilize their skills to the fullest and to employ the skills and abilities of the workforce efficiently.
- 3) Helping to maintain performance standards and increase productivity through effective job design: providing adequate orientation, training and development; providing performance-related feedback; and ensuring effective two-way communication.
- 4) Helping to establish and maintain a harmonious employer/employee relationship
- 5) Helping to create and maintain a safe and healthy work environment
- 6) Developing programs to meet the economic, psychological, and social needs of the employees and helping the organization to retain the productive employees
- 7) Ensuring that the organization is in compliance with provincial/territorial and federal laws affecting the workplace (such as human rights, employment equity, occupational health and safety, employment standards, and labour relations legislation). To help the organization to reach its goals
- 8) To provide organization with well-trained and well-motivated employees
- 9) To increase the employees satisfaction and self-actualization

- 10) To develop and maintain the quality of work life
- 11) To communicate HR policies to all employees.
- 12) To help maintain ethical polices and behavior.

Functions of HRM

Human Resources management has an important role to play in equipping organizations to meet the challenges of an expanding and increasingly competitive sector. Increase in staff numbers, contractual diversification and changes in demographic profile which compel the HR managers to reconfigure the role and significance of human resources management. The functions are responsive to current staffing needs, but can be proactive in reshaping organizational objectives. All the functions of HRM are correlated with the core objectives of HRM

- Strategic hr management
- Equal employment opportunity
- Staffing
- Talent management and development
- Total rewards
- Risk management and workers protection
- Employee and labour relations

Role of HRM:

The primary responsibilities of Human Resources Manager are,

- To develop a thorough knowledge of corporate culture, plan and policies.
- To act as an internal change agent and consultant.

- To initiate change and act as an expert and facilitator.
- To activity involve in company's strategy formulation.
- To identify and evolve HRD strategies in consonance with overall business strategy.

CHALLENGES IN HRM:

The HR Managers of today may find it difficult because of the rapidly changing business environment and therefore they should update their knowledge and skills by looking at the organization's need and objectives.

1. **Managing the Vision:** Vision of the organization provides the direction to business strategy and helps managers to evaluate management practices and make decisions. So vision management becomes the integral part of the process of Man management in times to come .
2. **Internal Environment:** Creating an environment which is responsive to external changes, providing satisfaction to the employees and sustaining through culture and systems is a challenging task.
3. **Changing Industrial Relations:** Both the workers and managers have to be managed by the same HRM Philosophy and this is going to be a difficult task for the managers of tomorrow.
4. **Building Organizational Capability:** Even in the adverse circumstances the employees have to be made to live in psychological state of readiness to continually change.
5. **Job Design and Organization Structure:** Instead of depending on foreign concepts we need to focus on understanding the job, technology and the people involved in carrying out the tasks.
6. **Managing the Large Work Force:** Management of large workforce

poses the biggest problem as the workers are conscious of their rights.

- 8 **Employee Satisfaction:** Managers should be aware of techniques to motivate their employees so that their higher level needs can be satisfied.
- 9 **Modern Technology:** There will be unemployment due to modern technology and this could be corrected by assessing manpower needs and finding alternate employment.
- 10 **Computerized Information System:** This is revolutionary in managerial decision making and is having impact on coordination in the organization.
- 11 **Managing Human Resource Relations:** As the workforce comprises of both educated and uneducated, managing the relations will be of great challenge. One of the challenges HR managers face is issues of up gradation of the skill set through training and development in the face of high attrition. Indian companies are recognizing their responsibilities to enhance the employee's opportunity to develop skills and abilities for full performance within the position and for career advancement.