
UNIT 1 INTRODUCTION TO HUMAN RESOURCE MANAGEMENT

1.1 Introduction

1.2 Objectives

1.3 Meaning of Human Resource Management (HRM)

1.4 Definition of Human Resource Management

1.5 Nature of Human Resource Management

1.6 Scope of Human Resource Management

1.7 Changing Dimensions of Human Resource Management

1.8 Summary

1.9 Glossary

1.10 Answer to Check Your Progress

1.11 Reference/ Bibliography

1.12 Suggested Readings

1.13 Terminal Questions

1.1 INTRODUCTION

People are the main assets of every business, and in today's world of expanding change, competition, and knowledge-based economy, organisations need to have a people-centric approach. An organization's success is unquestionably dependent on the skills, expertise, and attitude of its human resources, and their competence truly sets them apart from rivals. An organisation is known by its people. An overview of human resource management is provided in this unit. You will comprehend the purpose, range, and nature of human resource management after reading this unit.

1.2 OBJECTIVES

After reading this unit you will be able to understand:

- What is Human Resource Management (HRM)?
- Nature of Human Resource Management.
- Scope of Human Resource Management.

- Changing dimensions of Human Resource Management.

1.3 MEANING OF HUMAN RESOURCE MANAGEMENT (HRM)

Humans collaborate with one another rather than working alone. Our daily lives include planning, developing, and managing the relationships we have. We learn to understand, cultivate, and develop relationships from an early age, which we later apply to the workplace. Moreover, managing relationships for people, with people, and by people at work is a part of human resource management. The HRM idea became widely accepted in the business world in the 1980s. In essence, this is a multidisciplinary function that has included sociological, psychological, and economic theories.

The administration of human resources, which includes hiring, selecting, training, and developing employees, is a crucial and essential task. Given that it has to do with people management, this is sometimes referred to as caring for the employees of the company.

This is crucial for us to comprehend because it shows that while an organisation may have a physical structure built of bricks and concrete, its managers and representatives are what give it life. HRM is essentially the application of management functions. These responsibilities include hiring, on boarding, educating, growing, and compensating personnel. The improvement of employees eventually results in enhanced performance and influences organisational success, therefore human resource decisions are crucial. Both service-based and product-based firms can benefit from HRM functions; in fact, service organisations place a higher emphasis on HRM. Taking care of issues with regard to health, safety, labour, and conflicts are also included in human resource functions.

The following elements are covered in detail in human resource management policies:

- Determining the organization's workers' job descriptions (job analysis);
- Establishing job specifications and selecting qualified individuals;
- locating and choosing applicants for different job profiles;
- A training and induction programme for newly hired staff;
- preparing for and managing earnings, salaries, bonuses, raises, and other fringe benefits;
- Evaluating yearly staff performance;
- Psychological services;
- Employee development and training;

- Controlling transfers and promotions,
- Employee engagement initiatives;
- Addressing and resolving disputes and complaints.

An HR manager is in charge of overseeing all of these factors and is required to be knowledgeable with the Factory Act, labour laws, pay and compensation legislation, grievance procedures, employment laws, health and safety regulations, etc.

1.4 DEFINITION OF HUMAN RESOURCE MANAGEMENT

Many authors have suggested various definitions of Human Resource Management;

1. According to Garry Dassler, *“The policies and practices one needs to carry out the people or human resource aspects of a management position, including recruiting, screening, training, rewarding, and appraising.”*
2. According to Edwin Flippo, *“HRM involves planning, organizing, directing, controlling of procurement, development, compensation, integration, maintenance and separation of human resources to the end that individual, organizational and social objectives are achieved.”*
3. According to Decenzo and Robbins, *“HRM is concerned with the people dimension in management. Since every organization is made up of people, acquiring their services, developing their skills, motivating them to higher levels of performance and ensuring that they continue to maintain their commitment to the organization is essential to achieve organisational objectives. This is true, regardless of the type of organization – government, business, education, health or social action”.*
4. According to Armstrong (1997) *“Human Resource Management can be defined as “a strategic approach to acquiring, developing, managing, motivating and gaining the commitment of the organisation’s key resource – the people who work in and for it”*
5. According to M. J. Jucious, *“The field of HRM involves planning, organization, directing and controlling functions of procuring, developing, maintaining and utilizing a labor force.”*
6. According to Dale Yoder , *“HRM is the provision of leadership and direction of people in their working or employment relationship.”*
7. According to Mathis and Jackson, *“HRM is the effective use of Human resources and organization through the management of people related activities.”*

8. According to Ricky W. Griffin, “*Human Resource Management is the set of organizational activities directed at attracting, developing and maintaining an effective workforce.*”
9. According to Milkovich & Boudreau, “*Human Resource Management is a series of decision that affect the relationship between employee and employer: it affects many constituencies and is intended to influences the effectiveness of employee and employer*”.

The companies that recruit and hold high caliber employees are the ones who hold a competitive advantage in the market. An organization’s most important assets are its employees. To remain efficient and competitive nurturing and managing human resources of the organization is of primary importance to any organization. This function of management also helps in achieving optimum utilization of resources, which in turn leads to optimum productivity or improved services.



Check Your Progress-A

Fill in the blanks.

1. HRM stands for.....
2. Human resource management isin nature.
3. are the resources that provide utility value to all other resources in the organization
4. Determining the organization's workers' job descriptions is called

1.5 NATURE OF HUMAN RESOURCE MANAGEMENT

Organizations and people are connected by human resource management. The purpose is to support and work together to help individuals and organisations realise their individual goals.

These are the characteristics of HRM:

- Action-oriented HRM uses systems and regulations to help employees solve problems at work.
- Pervasive function: HRM is used in all types of organisations and at all levels.
- People-focused: HRM is all about managing people, both as individuals and as a group. It works to find the best candidates for each position, inspires them, and keeps them on staff.

- Future-focused—HRM looks ahead and anticipates the competencies and skill sets that employees will require in both the immediate future and the existing environment.
- Development-oriented human resource management (HRM) attempts to bring out the best in a worker through the appropriate training, motivation, engagement, incentive system, and appraisal and feedback methods.
- Organizational integration: HRM combines all organisational tasks and works to keep good relations between all organisational divisions.
- Staff Service-HRM is a staff function that enhances the productivity of line managers.
- Ongoing and continuous function: HRM is a continuous function. It is eternal and cannot be limited to specific times during the day or days of the week. It must occur again and regularly.

1.6 SCOPE OF HUMAN RESOURCE MANAGEMENT

Today, the definition of human resource management is broader. HRM covers a lot of ground. All activities and rules pertaining to an individual fall under the purview of HRM from the time an employee joins a company until the time of his or her departure. Every sort of management decision, strategy, practise, and operation connected to managing people within an organisation is included in the purview of human resources management. It also includes all of the elements involved in managing employees' relationships and engagement.

There are eight main HRM activities, which are illustrated by the American Society of Training & Development (ASTD). Let's examine them in greater detail.

1. **Job Design:** Designing the organisational structure, planning levels of relationships among employees, reporting structures, and job duties and functions of employees are all duties of the HR manager. In essence, it contains job descriptions and requirements.
2. **Human Resource Planning:** Human Resource Planning is crucial to the timely filling of openings for all types of job profiles inside a business. It involves determining the current and long-term labour requirements, making prior plans for any gaps and needs, and continuously working on employee induction. Planning promotions, transfers, and hiring for internal job openings are also included. In essence, it balances supply and demand for human resources across several divisions.
3. **Selection and Staffing:** The main responsibility of an HR manager is to recruit and choose new employees for the company. An organisation cannot survive without individuals. Their job becomes more difficult because their top priority is finding the appropriate individuals for the right jobs at the right pay. The HR department handles

every step of the hiring process, including posting job openings, reviewing applications, choosing individuals, and integrating them into the company. While choosing candidates, some of the important factors they should consider include the individuals' suitability for the position, work history, communication skills, demeanour, and attitude, as well as remuneration, reference checks, medical exams, etc.

4. **Training and Development:** A crucial element of the HR functional area is training and development. Assessing staff training needs, skill gaps, and knowledge expansion to improve work performance and meet future organisational goals are all part of the process. One of the continuous and specialised functions is this. Once the training is carried out and employees participate in it, the goal is to produce a developed employee who is made more suited for the position, has improved abilities, and has gained new knowledge. T & D is essentially a programme that bridges the gap between existing abilities and necessary skills.
5. **Compensation/Benefits:** A fundamental reason why anyone works for an organisation is to receive rewards, advantages, and, of course, remuneration for the work completed. An effective work-linked reward system and good compensation plans inspire employees and raise morale. Nowadays, employers provide a variety of additional benefits and allowances in addition to salary, such as Provident Fund (PF), Gratuity, Superannuation Fund (SAF), Leave Travel Allowance (LTA), Medical Benefits, Insurance Policies, Driver Allowance, Mobile Allowance, Conveyance, Food Allowance, and many other non-monetary benefits, such as international travel and other privileges. The correct cost to business (CTC) breakdown for each employee is a difficult undertaking for the HR manager and a crucial HRM function.
6. **Personnel Research and Information Systems:** The workplaces are changing and becoming more technologically aware in the age of artificial intelligence. Over time, changes have been made to the working environment, working habits, and work itself. Because workplaces are ergonomically constructed, people may perform more effectively in a comfortable setting. HR managers are constantly working to improve employee conditions and create a fantastic workplace. Also, they are attempting to raise the level of satisfaction among their staff. They are consistently attempting to enhance internal communication and implement more adaptable HR procedures. Employers provide employees with a single window that contains all of their income, tax information, leave information, HR policy, and other pertinent information utilising HR dashboards. Their lives are now easier and more productive thanks to the integration of technology into procedures.
7. **Employee Assistance:** Any reputable company offers its staff assistance, primarily in the form of counselling services, benefits for their families, and solutions to some of their personal issues. People deal with issues virtually daily since they are universal.

Simply said, they differ from one another in terms of problem severity, expectations, handling methods, and temperament. A happy employee will, in turn, contribute more effectively, boost productivity, and promote organisational growth. HR managers make care to monitor the emotional stability and manage the work-life balance of their employees.

8. **Organization Development:** Organizational growth is necessary to produce synergistic efforts. Better relationships between and within groups within the organisation will result from organisational growth. This contemporary strategy is an organised, methodical effort by the management. "Organization development is a complicated educational strategy meant to raise organisational performance and wealth by planned intervention by a consultant employing theory and techniques of applied behavioural science," asserts Dale S. Beach. Organizational dynamics (OD) focuses on all of the human-related façades that exist within an organisation, such as cultural norms, values, and attitudes. With this, leadership abilities are enhanced, employees are encouraged to be entrepreneurial, and they are also encouraged to integrate their personal growth with corporate success.



Check Your Progress-B

Write True or False.

5. Machinery are the only asset in an organization that will appreciate with time if provided with proper inputs.
6. Training is the process of updating the skills of employees for changing job requirements.
7. Human Resource Management and personnel management are the same techniques.

1.7 CHANGING DIMENSIONS OF HUMAN RESOURCE MANAGEMENT

As change is a constant in the workplace, the HR department must be a key player. The following are some of these modifications:

Globalization: Today's businesses cross national and international borders to operate in both the Indian and international markets. Some of those businesses with a global presence include Apple, Nike, Zara, Sony, Dell, and Ford. Businesses are present in several nations, maintain support offices there, and serve clients from around the world in all of their markets. Businesses enter the global market to broaden their customer base and significantly boost productivity and revenues. Some businesses expand abroad for manufacturing and to take

advantage of the lower cost of labour. Sometimes entering the global market is motivated by business partnerships with other organisations.

More competitiveness as a result of globalisation calls for a workforce that is more competitive and of the highest calibre. The strain on workers is increasing, and job security is declining as a result of the borderless world. Today, it is common practise to outsource jobs to nations with inexpensive labour in order to cut costs. In our more globalised society, people must work hard and strategically.

Impacts of technology: Businesses today use technology to stay competitive and stronger, whether it's for managing an internet-based distribution network, an online payment system, exchanging communications, or keeping track of shop sales. Today, using PDAs, scanners, printers, virtual communities, etc., can increase productivity at work. The way people work today has undergone a major transformation thanks to technology. Individuals must also learn the technology, which necessitates skill development.

Shifting Demographics: It's getting harder to find and hire the proper people everywhere, and India is no different. According to NASSCOM, there is a growing scarcity of trained labour, and by 2020, it is anticipated that this shortfall will worsen. India has the biggest demographic dividend in terms of young people, however the lack of necessary skills makes this workforce's employability poor. India urgently requires initiatives to enhance skills and generate employment that can accommodate the young population.

1.8 SUMMARY

This unit discusses human resource management, a brand-new but crucial functional area of management for any firm. HRM works with a variety of intricate and strategic problems. This chapter emphasises the fundamental duties, such as comprehending organisational requirements, staffing, training, formulating compensation plans, developing employee engagement programmes, and managing workplace difficulties involving human resources. The course focuses on the fundamental purposes, obligations, and duties of HR managers as well as how these aspects are changing with the times.

1.9 GLOSSARY



- **HRM:** Bringing people and organization together allows them to successfully and efficiently achieve each other's aims.
- **Recruitment:** Finding the best applicant at the appropriate time for the best jobs as and when needed in a business is the process;

- **Selection:** After selecting the most qualified candidate, it is a process of matching the qualifications and skills of the candidates with the organisational profiles and integrating them into the system.
- **Training:** It is a procedure created to instil knowledge-based, behavioural, or skill-based improvements in a person to help them develop themselves, be more appropriate for the work, and perform better.
- **Job Analysis:** It is a method for methodically compiling information about all aspects of a functional area's work in one location.
- **Employee Development:** It is a programme that places a strong emphasis on helping each employee reach their full potential and work in the right path.

1.10 ANSWERS TO CHECK YOUR PROGRESS

Check Your Progress –A



1. Human Resource Management
2. Proactive
3. Human
4. Job Analysis

Check Your Progress –B

5. False.
6. True.
7. False.

1.11 REFERENCES



1. Aswathappa. K. (2010), Human Resource and Personnel Management (5th edition), Tata McGraw-Hill Publishing Company Ltd., New Delhi.
2. Biswajeet Pattanayak (2005), Human Resource Management, Prentice Hall of India Pvt. Ltd., New Delhi.
3. DeNisi, A., Griffin R. (2008), Human Resource Management, Second Edition, Biztantra Publications, New Delhi
4. Lloyed L. Byers and Leslie W. Rue (1997), Human Resource Management (5th edition), The McGraw-Hill Companies, USA.
5. Mathis, R. L., Jackson, J. H. and Tripathy, M.R. (2013), Human Resource Management – A South-Asian Perspective (13ed.). New Delhi: Cengage Learning.
6. Michael Armstrong (1999), A Handbook of Human Resource Management Practice (7th edition), Kogan Page Limited, 120 Pentonville Road, London.
7. Singh, B.D., Industrial Relations & Labour Laws. New Delhi: Excel Books.

8. Snell S., Bohlander, G. & Vohra V., Human Resource Management: South Asian Perspective (3ed.). New Delhi: Cengage Learning.
9. Venkatraman C.S., and Srivastave V.K. (1991) Personnel Management to Human Resource Management, Tata McGraw Hill, New Delhi

1.12 SUGGESTED READINGS



1. Barney, J.B. & Wright, P.M. 1998. On becoming a strategic partner: The role of human resources in gaining competitive advantage. Human Resource Management, 37(1): 31-46.
2. Becker, B.E. Huselid, M.A., Pickus, P.S., & Spratt, M.F. 1997. HR as a source of shareholder value. Human Resource Management, 36 (1): 39-47.
3. Drew Robb; (2016) Building a Better Workforce: <https://www.shrm.org/hr-today/news/hr-magazine/pages/1004robb.aspx>
4. Gerhart, B. 1999. Human resource management and firm performance: measurement issues and their effect on causal and policy inferences. In G.R. Ferris (Ed.) Research in Personnel and Human Resources Management. 31-51. Supplement 4. London: JAI Press.
5. Hedberg, B. 1981. How organizations learn and unlearn. In P.C. Nystrom & W.H. Starbuck, (Eds.), Handbook of organizational design, 8-27. London: Oxford University Press
6. Olian, J.D. & Rynes, S.L. 1984. Organizational staffing: Integrating practice with strategy. Industrial Relations, 23: 170-181.
7. Schneider, B. 1987. The people make the place. Personnel Psychology, 40(3): 437-454.
8. <https://www.peoplematters.in/>

1.13 TERMINAL QUESTIONS



1. Define Human Resource Management?
2. Elaborate the various functions of Human Resource Management?