**HRM**

**Unit-1 : Introduction**

**Meaning and concept of HRM :**

An organization is nothing without human resources, what is IBM without it’s employees?. The term human resources refer to the individuals within the organization who make a valuable contribution to management goal attainment. Productivity in all organisation is determined by how human resources interact and combine to use all other management system resources.

Human resources management (HRM) is concerned with the 'people' dimension in management. Since every organisation is made up of people, acquiring their services, developing their skills, motivating them to high levels of performance, and ensuring that they continue to maintain their commitment to the organization are essential to achieving organisational objectives. This is true regardless of the type of organization, health, recreation or social action. Getting and keeping good people is critical to the success of every organisation, whether profit or non- profit, public or private.

Those organizations that are able to acquire, develop, stimulate, and keep outstanding workers will be both effective ( able to achieve their goals) and efficient ( expending the least amount of resources necessary). Survival of an organization requires competent managers and workers co- ordinating their efforts towards an ultimate goal.

HRM is a process consisting of four functions- acquisition, development, motivation and maintenance of human resources. In other words, four functions are termed as – getting people, preparing them, activating them and keeping them.

**Definition of HRM :**

HRM considers people as an important asset which can be used for the benefits of organisations, employees and the society.

According to Pulapa Subha Rao, human resources management is managing (planning, organising, directing and controlling) the functions of employing, developing, compensating and utilising human resources, resulting in creation and development of human and industrial relation which would shape the future politics and practices of human resources management, with a view to contribute proportionately ( due to them) to the organisational, individual and social goals.

According to Grey Dessler, “ Human Resource Management refers to the politics and practices one needs to carry out the people or human resources aspects of a management position including recruiting screening, training, rewarding and appaising.”

According to Flippo, “ Personnel management or human resources management is the planning, organising, directing and controlling of procurement, development, compensation, integration, maintenance and separation of human resources to the end that individual, organizational and societal objectives are accomplished.”

**Importance of HRM :**

Human Resource Management is the effective management of people at work. HRM examines what can or should be done to make working people more productive and satisfied. It builds good relationship between management and employees, however, the following reasons are cited as to why HRM is considered to be so important in today’s context:

1. **Improved industrial relation:** HRM approach is required to create proper understanding among workers and management. The workers are convinced they various managing actions will help them in accomplishing their individual motives besides helping the organization.
2. **Develop Organizational Commitment:** HRM approach enables the workforce to be satisfied at workplace, which creates a sense of belongingness towards their organisation and develops organisational commitment.
3. **Coping with changing environment:** HRM enables the employees to develop themselves so that they are able to cope with new and changing environment.
4. **Change in political Philosophy:** The importance of human resource is also felt at the political level too, as a result a separate ministry has been found named as Ministry of Human Resource Development in India. The new approach is to develop human resource properly for mobbing it’s better and optimum use.
5. **Increased pressure of employees:**  The technological changes have necessitated the use of sophisticated machines. To handle these machines, trained and skillful people are required. There is a regular need for training and development of Personnel for adjusting with the emerging situations, therefore increasing the continuous pressure on employees.
6. **Pervasiveness:** HRM covers all type of management functions and constitutes the key to the managerial action and it’s success. It is all pervasive and it’s functions are widened from top level to bottom levels.

**Nature/ characteristics of HRM:**

The following are the principal characteristics/ nature of human resource management:

1. **Both an art and a science:** Human Resource Management is an art because it deals with human beings. At the same time, it is becoming a science because it has developed scientific, Well trained, and effective procedures of employee recruitment, selection, training and development, Grievance handling and so on. It may be treated as a mixture of art and science.
2. **Both line and staff function:** Line and staff functions are performed by human resource management. It performs the line function for accomplishing the major objectives of the organization. It performs the stuff function rendering assistance to the line authorities to fulfill objectives of the organization. The Human resource Management render service or assistance to the members of the line authority.
3. **Continuity:**  It is a continuous function. It performs the duties with constant alertness, an awareness of human relations and efficiency. The functioning. Of human resource Management is a continuous process.
4. **Employee satisfaction:** The Human resource management takes care of the personal affairs of employees. Provisions are made to yeld employee satisfaction.
5. **Industrial Peace:** The Human resource management tries to settle industrial disputes. By minimizing and settlement of industrial disputes, it tries to establish industrial peace in the organization.
6. **People Oriented:** Organisations comprise of not only plants and machinery’s an inven trees, but it is the people who stuff an manage organizational activities. It is the people who are considered to be the important components of factors of production.

**Functions of HRM:**

By now, we have learned the meaning of HRM. Now we are going to discuss what functions the manager perform. Though the functions performed by manager are common to all organisation, for the convenience of study, the function performed by the HRM can be broadly classified into two categories.

1. **Managerial functions:**

**Planning**: Planning is deciding in advance what is to be done in future. It is a predetermined course of actions. It is a process of determining the organizational goals and formulation of policies and programmes for achieving them.

**Organising:** Organising is a process of allocating tasks to personnel along with delegation of authority and creating responsibility and accountability. Thus, the HR manager has to organize certain personnel functions by designing the structure of relationship among jobs.

**Staffing:** Staffing is a process of recruiting, selecting, training, promotion and retirement of personnel in an organization by HR managers. This involves deciding what type of people should be hired, recruited, prospective employees, selecting employees, setting performance standards, compensating, evaluation performance, counseling employees, training and developing employees.

**Directing:** Directing is the process of guiding/ leading the subordinates in order to achieve the Organizational goal. It is necessary to motivate, communicate and supervise the subordinates in order to make directing effective.

**Controlling:**  It is the process of setting standards for performance, checking to see how actual performance compares with these set standards and taking corrective action as required.

1. **Operative functions:**

**Procurement**: Procurement involves procuring the right kind of people in an organization with appropriate number. It includes activities like job analysis, man power planning, recruitment, selection, placement and induction or orientation of new employees.

**Development:** This functions involves activities in which improves the knowledge, skills, aptitudes and values of employees so that that know the practical know how of that jobs.

**Compensation:**  Compensation function involves determination of wages and salaries matching with contribution made by employees towards Organizational goals. This function ensures equitable and fair remuneration for employees in the organization. Job evaluation, wages and salary administration, bonus, incentives etc comprises of compensation function.

**Maintenance:** This function is necessary to protect and promote employees at work, so that they remain in the organization. For this purpose, various benefits such as housing, medical, educational, transport facilities etc, must be provided to the employees. Other social security measures like provident fund, pension, gratuity, group insurance, etc should also be arranged.

**Integration:** This tries to integrate the goals of an organization with employee aspirations though various employee oriented programmes like redressing grievances promptly, instituting proper disciplinary measures, empowering people to decide things independently, encouraging a participative culture, offering constructive help to trade unions etc.