

## Human resource management (HRM or HR)

Human resource management (HRM or HR) is the strategic approach to the effective management of people in a company or organization such that they help their business gain a competitive advantage. It is designed to maximize employee performance in service of an employer's strategic objectives.

### Characteristics of human resource management:

- 1. HRM recruits:** Human resource management (HRM) recruits/hires people to fill up the vacant positions of the organization.
- 2. Tests and interviews:** HRM take various tests and interviews to select people.
- 3. Communicate with top management:** HRM tries to communicate with top management in helping to formulate strategies to achieve organizational goals.
- 4. Arranges training:** HRM gives or arranges training programs to improve the skills of the employees.
- 5. Evaluates the performance:** HRM evaluates the performance of the employees. On this basis, he gives the promotion.
- 6. Exit interview:** HRM takes exit interviews when an employee quits his job.
- 7. Collect various suggestions:** HRM tries to collect various suggestions from the employees.
- 8. Helps the organization's top management to implement various techniques:** HRM helps the organizational top management in implementing various techniques to help the organization to go ahead.
- 9. Arrange various workshops:** HRM can arrange various workshops to increase the knowledge of the employees.
- 10. Arranges meetings:** HRM arranges various meetings and seminars to discuss the problems that the employees face in the organization.
- 11. Takes various precautions:** HRM takes various precautions to prevent negligent hiring.
- 12. Gives job specification of employee:** HRM gives the job specification of every employee and the requirements that an employee needs to do it.
- 13. Does job enrichment:** HRM does various job enrichment, job rotation, job enlargement, and motivates the employees.
- 14. Develop the relationship between labor and management:** HRM gives support to develop and maintain the cordial relationship it's between labor and management.

## Importance of human resource management

- 1. Formulation of HR policies:** For the proper formulation of human resource policies knowledge and efficiency on human resource management required.
- 2. Implementation of HR Policies:** Not only formulation rather an implementation of HR policies signify the importance of HR management in an industrial organization.
- 3. Review of employee needs:** human resources management suggest proper action by reviewing employee need. And it increases the efficiency of an organization.
- 4. Development of social welfare:** If human resource management (HRM) is welfare-oriented for employees, some development of social welfare may take place.
- 5. Utilization of Human Resources:** HRM can show it's important by proper utilization of human resources after getting everything done by employees.
- 6. Development of Labor-Management Relations:** Good labor-management relation is essential for a peaceful working environment. Human resources management can ensure it.
- 7. Overall development of organization:** Human Resources management can play a significant role in achieving productivity and profitability targets. Thus it can help the overall development of the organization.

## Human Resource Management:

**Nature** Human ResourceManagement is a process of bringing people and organizations together so that the goals of each are met. The various features of HRM include:

- It is pervasive in nature as it is present in all enterprises.
- Its focus is 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 multi-disciplinary activity, utilizing knowledge and inputs drawn from psychology, economics, etc.

The different activities that come within the scope of human resource management are discussed below:

**Scope # 1. Human Resource Planning (HRP):** It is the first step of human resource management. HRP is a process through which the company makes an assessment of the present manpower—the number of people employed, number of post vacant, whether there is excess or shortage of staff and prepares plans and policies to deal with them accordingly. It also estimates the future man power requirement. It matches the supply and availability of manpower with the company's purpose and makes the best person available for the job.

**Scope # 2. Job Analysis:** An important task of HRM is job analysis. It provides the basis for recruitment, training and development of staff. Every job is analysed to identify the inherent requirement of the job – “what the job demands of a worker”. Job analysis provides a detailed picture of the nature of job, the skill and abilities required to perform the job, the duties and responsibilities of the worker required for the job.

This helps in the process of recruitment and selection, to appoint the appropriate person for the job and also facilitates arranging training and development programme for the employees to match their skill and abilities with the job requirement.

**Scope # 3. Job Evaluation:** It forms the basis of wage and salary determination. Different jobs are compared and evaluated to determine the relative importance of different jobs within the organization. The jobs are compared, graded and ranked. Job evaluation determines how much pay to be affixed to the particular job on the basis of their importance in the organisation functioning. This helps to determine a fair wage and salary and to determine a rational pay structure.

**Scope # 4. Recruitment and Selection:** The company on the basis of human resource planning and job analysis identifies the requirement of personnel and explores different internal and external sources from where manpower can be acquired. This process is called recruitment. The right person is selected and put to work.

The selection process involves steps like receiving applications, tests, interviews, medical examination and final selection. Right selection and placement provides employee satisfaction which improves their productivity and efficiency and benefits the organization.

**Scope # 5. Performance Appraisal:** It is a systematic method of evaluating the performance of employees. This helps to assess the efficiency, strength and weakness of the employees. It is a controlling process whereby the employees' performance is matched with the standard level of performance and remedial measures taken in case actual performance does not meet the standard. It helps the management in their decision-making relating to promotion, pay hike that may be rewarded if the employee meets standard or outperforms the standard.

It also helps the management to decide about the training and development needs for employees, who needs up gradation and development of skill.

**Scope # 6. Training and Development:** Human resource management is concerned with arrangement of training and development programme for the newly appointed staff as well as for existing employees. This helps to enhance the qualitative and quantitative performance of the work force.

Training helps the employees to cope up with the changing technological and other internal and external work situations. Training and development make employees excel in their present post as well as make them competent for future higher job responsibilities.

**Scope # 7. Employee Compensation:** Human resource management performs the function of determining the pay structure for different employees on the basis of qualification, efficiency, experience, nature of the job. It also determines rewards and incentives to be paid for their contribution towards the organisation.

**Scope # 8. Employee Motivation:** Motivation of employees is essential for retention and sustenance of employees within the organisation. Motivation plays an important role in management of personnel. It helps to improve productivity of personnel. There are different ways by which employees may be encouraged. Recognition and reward for performance, promotion, pay-hike, and other monetary and non-monetary rewards motivate the employees.

**Scope # 9. Employee Welfare:** Human resource management focuses on the welfare of employees by providing canteen facilities, creches, rest and lunch rooms, housing, transport, medical assistance, education, health and safety, medical care, sickness benefits, recreation facilities.

It aims at improving the quality of work life by providing a better environment worth working, job security, flexible working hours, eliminating workplace hazards, which will have a positive impact on the productivity and quality of work. Along with monetary benefits provided to employees these non-monetary benefits improves the morale of the employees and motivates them.

**Scope # 10. Industrial Relation:**

Labour unrest, conflicts between the work groups and between workers and management over issues like low wage, bad work environment are common problems that must be handled carefully by establishing a balance between the worker's interest and interest of the organisation and management. Human resource management considers establishment and maintenance of harmonious and cordial relation between employer and employees.

This is achieved through careful interactions with labour or employee unions, addressing their grievances and settling the disputes effectively through negotiation, joint consultation, collective bargaining, in order to maintain peace and harmony in the organization.