

# HUMAN RESOURCE MANAGEMENT

## Concept and Practice



*“Nurturing potential into  
performance”*

(Discussion Note)

2017

# Concept

- Determining forces for overall organisational performance
- PM vs HRM
- Integration of R –R functions of management with strategic orientation of the organisation.

# Characteristics

- HRM is proactive rather than reactive,
- Treats employees as human capital rather than as a variable cost,
- It is goal/strategy oriented rather than piecemeal solution,
- It believes in human potential,
- It helps employee and management to own each other,
- It is ultimately based on commitment rather than on compliance.

# Purposes/functional areas

***Human Resource Management*** -  
involves attracting/acquiring,  
developing, utilising and maintaining  
a quality workforce.

## ***1. Attract a quality workforce:***

Human resource planning, recruitment, and selection.

## ***2. Develop a quality workforce:***

Employee orientation, socialization, training and development, performance management focused on their career.

### **3. Utilize their full potential:**

This function is also called motivation function of HRM. Job design, analysis, and setting goals with monitoring and feedback mechanism, rewards, compensation and benefits, discipline and so on.

#### ***4. Maintain a quality workforce:***

Retention, career development, employee relation, and working conditions.



# Human Resource Practices

- Human resource planning matches staffing with organizational needs.
- Recruitment and selection attract and hire qualified job applicants.

# Practices

- Socialization and orientation integrate new employees into the new job of the organization.
- Training continually improves employee skills and capabilities.

# Practices

- Performance management techniques appraise individual accomplishment, enrich, explore, and capitalize their inner potentials.
- Retention and career development provide career paths and options.

# Objectives of HRM

- The primary objective of HRM is to ensure the availability of competent and willing workforce to an organization. Apart from this, there are other objectives too.

## 1. Goal achievement

HRM helps the organization to reach and meet its goals through proper utilization of HR. generally it aims to achieve the following goals.

- ***Personal goals:*** HRM assists employees in achieving their personal goals such as compensation, development, placement and career advancement.

- ***HRM goals:*** HRM achieves own functional goals such as timely and effective acquisition, development, utilization, and retention of competent workforce.
- ***Organisational goals:*** HRM assists organization to achieve overall organizational goals. Such goals can be profit, survival, growth, efficient service, leadership, innovation, industrial peace etc.
- ***Societal goals:*** HRM assists organization to be ethically and socially responsible to the needs and challenges of the society. It helps organization to achieve many kinds of societal goals such as creation of employment opportunities, solution of social problems and protection of environment.

2. Goal harmony
3. Structure maintenance ( through ensuring right number and kind of people, at the right place and at the right time.)
4. Productivity improvement
5. Increase in efficiency
6. Change management
7. Quality of work life.

# HRM System/Systems Approach to HRM/An Integrated Approach to Managing HR

- A system is a group of interrelated components/parts acting together to accomplish organizational goals.
- While, HRM is a sub-system of an total organizational system.
- Like other sub-system of the organization, HRM system is also composed of three basic/generic elements, that is, input, process and output.
- It also has the feedback mechanism.
- And it is also surrounded by both internal and external stimuli.

# Inputs of HRM System

- Strategic orientation of the organization
- Organisation plan, policies and procedures
- HR plan
- HR Inventory
- Job analysis
- Labour market, labour laws and trade unions



# Processing of HRM system

- Acquisition
- Development
- Utilisation
- Maintenance

# Outputs of HRM System

## □ Organisation related outputs

- Goal achievement
- Quality of work life
- Productivity
- Readiness for change
- Profit
- Justifying existence

# Outputs of HRM System

## ☐ Employee related outputs

- Competence
- Congruence
- Ownership, commitment and satisfaction
- Cost effectiveness

# Surroundings of HRM System

HRM system is also influenced by both internal and external environmental stimuli in which it operates.

## ➤ ***Internal environmental forces***

- Strategy of the organization
- Organisational structure
- Organisational culture and dynamism
- Labour union
- Compensation system

## ➤ ***External environmental forces***

- Physical environment
- Economic environment
- Socio-cultural environment
- Political/legal environment
- Labour market environment
- Trade union environment
- Technological environment

# Feedback mechanism of HRM system

- It is the key to system's control.
- The feedback system measures the outputs of HR process and used it into the system to correct deviations through appropriate intervention, if any, to achieve the desired HR results.

# Difference between PM and HRM

## ❑ Personnel Management

- Personnel management is traditional version of HRM in nature.
- It is focused with simple planning of HR in the organization.
- Its basic functions are to derive better performance through people.
- It is basically, routine work in its nature.
- PM is directed mainly at the employees of the organization – selecting and training them, arranging their pay and contracts of employments, explaining what are expected of them, justifying what the management is doing, and so on.

## ❑ Human Resource Management

- HRM is strategy focused and, long-term oriented in nature.
- The foundation of HRM is derived from personnel management.
- The concept itself gained popularity from 1940's onwards.
- HRM starts with demand for HR rather than the supply.
- It is pro-active rather than reactive.
- It is system-wide rather than piecemeal; treats employees as human capital rather than as a variable cost; and it is based on commitment rather than compliance.



# Challenges of HRM/ Contemporary HR issues and problems

- ❖ Outsourcing HR activities
- ❖ Balancing family-work life
- ❖ Change in employees expectations
- ❖ Problems created by Business Process Outsourcing(BPO) and Call Centers(CCs)
- ❖ Partnership relationship with unions
- ❖ Technology and self service HR

# Thanks and Good day

BKB/NASC/9851156111/binodb1@live.com

