Meaning and Definition

- *It is concerned with people at work*
- *Managing the people at work*

Human Resource Management (HRM) is the function within an organization that focuses on recruitment of, management of, and providing direction for the people who work in the organization. Human Resource Management can also be performed by line managers.

Human Resource Management is the organizational function that deals with issues related to people such as compensation, hiring, performance management, organization development, safety, wellness, benefits, employee motivation, communication, administration, and training.

Human Resource Management (HRM) is the function within an organization that focuses on recruitment of, management of, and providing direction for the people who work in the organization in developing people through work.

HRM can be defined as a process of procuring, developing and maintaining competent resources in the organization so that goals of an organization are achieved in an effective and efficient manner. In other words HRM is an art of managing people at work in such a manner that they give best to the organisation.

Nature (Characteristics) of HRM

In other words, HRM is concerned with getting better results with the collaboration of people. It is an integral but distinctive part of management, concerned with people at work and their relationships within the enterprise. HRM helps in attaining maximum individual development, desirable working relationship between employees and employers, employees and employees, and effective modeling of human resources as contrasted with physical resources. It is the recruitment, selection, development, utilization, compensation and motivation of human resources by the organization.
Human Resource Management is a process of bringing people and organizations together so that the goals of each are met. The various **features** of HRM include:

- **Pervasive force:**
  HRM is pervasive in nature. It is present in all enterprises.

- **Action oriented**
  Its focus attention on action rather than on record keeping, written procedures or rules.

- **Individually oriented.**
  It tries to help employees develop their potential fully. It encourages them to give their best to the organization.

- **People oriented**
  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.

- **Future oriented**
  It helps an organization meet its goals in the future by providing for competent and well-motivated employees.

- **Integrating mechanism**
  It tries to build and maintain cordial relations between people working at various levels in the organization.

- **Inter disciplinary function**
  It is a multidisciplinary activity, utilizing knowledge and inputs drawn from psychology, economics, etc.
Continuous function:

HRM is not a one shot deal. It cannot be practiced only one hour each day or one day a week. It requires constant awareness in every day operations.

Scope of HRM

The scope of HRM is very wide. The Indian Institute of Personnel management has specified the scope of HRM thus:

1. Personnel aspect-

   This is concerned with manpower planning, recruitment, selection, placement, transfer, promotion, training and development, layoff and retrenchment, remuneration, incentives, productivity etc.

2. Welfare aspect-

   It deals with working conditions and amenities such as canteens, crèches, rest and lunch rooms, housing, transport, medical assistance, education, health and safety, recreation facilities, etc.

3. Industrial relations aspect-

   This covers union-management relations, joint consultation, collective bargaining, grievance and disciplinary procedures, settlement of disputes, etc.

Human Resource Management: Objectives

• To help the organization reach its goals.

• To ensure effective utilization and maximum development of human resources.

• To ensure respect for human beings. To identify and satisfy the needs of individuals.

• To ensure reconciliation of individual goals with those of the organization.
• To achieve and maintain high morale among employees.

• To provide the organization with well-trained and well-motivated employees.

• To increase to the fullest the employee's job satisfaction and self-actualization.

• To develop and maintain a quality of work life.

• To be ethically and socially responsive to the needs of society.

• To develop overall personality of each employee in its multidimensional aspect.

• To enhance employee's capabilities to perform the present job.

• To be ethically and socially responsive to the needs of the society:

HRM must ensure that organizations manage human resources in an ethical and socially responsible manner through ensuring compliance with legal and ethical standards.

• To inculcate the sense of team spirit, team work and inter-team collaboration.
HRM Functions

The functions performed by managers are common to all organizations. Generally, the functions performed by Human Resource Management may be classified into two categories. They are,

i) Managerial Functions
ii) Operative Functions

Managerial Functions:

Planning:

This involves predetermined course of action. In this process, organizational goals and formulation of policies and programmes for achieving them are chalked out. A well thought out plan makes execution perfect and easy.
**Organising:**

This is a process by which the structure and allocation of jobs are determined. Organising involves each subordinate a specific task, establishing departments, delegating authority to subordinates, establishing channels of authority and communication, and coordinating the work of subordinates.

**Staffing:**

This is a process by which managers select, train, promote and retire the subordinates. This involves in deciding the type of people to be hired, recruiting prospective employees, selecting employees, setting performance standard, compensating employees, evaluating performance, counseling employees, training and developing employees.

**Directing:**

Directing is the process of activating group efforts to achieve the desired goals.

**Controlling:**

This is the process of setting standards for performance, checking to compares see how actual performance compares with these set standards and taking needed corrective action.

The operating functions already outlined forms the entire gaument of day to day functions of HRM.

Human Resource functions are concerned with a variety of activities that significantly influence almost all areas of an organization and aim at:

- Ensuring that the organization fulfils all of its equal employment opportunities and other government obligations.
Carrying out job analysis to establish the specific requirements for individual jobs within an organization.

Forecasting the human resource requirements necessary for the organization to achieve its objectives – both in terms of number of employees and skills.

Developing and implementing a plan to meet these requirements.

Recruiting and selecting personnel to fill specific jobs within an organization.

Orienting and training employees.

Designing and implementing management and organizational development programmes.

Designing systems for appraising the performance of individuals.

Assisting employees in developing career plans.

Designing and implementing compensation system for all employees.

At present HRM functions can be seen as the amalgam of organizational behaviour, personnel management, industrial relations and labour legislation.

Evolution of HRM

1917-18:

1st formal personnel department created to deal with tight labor market, high turnover, waste and inefficiency, widespread strikes, union growth, government intervention, takeovers
1920’s:

HR used to “win” worker cooperation, through ensuring job security, benefits, etc.

1930’-50’s:

“Human Relations” recognizes that there are psychological and social influences to worker satisfaction, cooperation, performance; first focus on groups (not teams).

1960’s:

Work design, rather than communication and cooperation in groups, is the key to increasing worker motivation. Small work group design leads to greater employee effort, group work provides opportunities for “self-actualization”; work is more interesting and fulfilling.

1970’s:

Quality of Work Life (QWL): emphasis on the value of human resources. PM becomes HR.

1990’s-Present:

TQM, reengineering, globalization, strategic HR, new technologies, diversity, contingency models, holistic approaches to HR. HRM models include “high involvement”, “high commitment”, “high Performance work system”, “innovative work practices”. HR becomes HRM.

Overall Organisation(HRM)
Organisation of Personnel Department

1. Organisation structure of PD in small Enterprises

By small enterprises we mean the enterprises employing less than one thousand employees. In such enterprises PD may or may not exists. Generally the personnel manager is appointed in the
organization who is supposed to perform the staff function. An idea of the organization of PD may be drawn from the following chart.

2. Organisation structure of PD in Medium size Enterprises

Medium size enterprises cover all those enterprises which employ persons between one thousand and two thousand. The chart may depict the organization of a PD in medium size enterprises.

3. Organisation structure of PD in Large size Enterprises

Large size enterprises are such enterprises which employ more than two thousand persons. The nature of personnel problems is typical and quite different in such organizations as compared to those of other smaller organizations. PD in each region is again divided on functional
basis under the supervision of a sectional head. The following chart will make the price clear.

Thus the organization structure of the personnel department in each organization may differ according to the needs and the size of the enterprises.

**HRIS (Human Resource Information System)**

**Introduction**

Human Resource Information System (HRIS) is a systematic way of storing data and information for each individual employee to aid planning, decision making, and for submitting of returns and reports to the external agencies. Human Resource Department requires large amount of detailed information. The quality of personnel management departments, contribution largely depends upon the quality of information held by it. The information required may be

i. Duties and responsibilities of every job in the organization.
ii. Skills possessed by every employee.

iii. Organization’s future human resource needs.

iv. Current productivity of human resources and

v. Identification of training needs.

Acquisition, storage and retrieval of information present a significant challenge to the management. However, once the database is created, maintenance becomes easier.

**HRIS is basically used for the following purposes:**

a) Storing information and data for each individual employee for future reference.

b) Providing a basis for planning, organizing, decision making, controlling and a host of other human resource functions.

c) Meeting daily transactional requirements such as marking present, absent or granting leave.

d) Supplying data and submitting returns to government and other statutory agencies.

Formerly HR departments of various companies used to share hardware and files with other departments. Later, companies began to develop information systems devoted exclusively to human resource applications. These systems came to be known as HRIS.

**Types of Information stored in HRIS**

**Storing**

Same of the applications which could be computerized and the nature and type of information that can be recorded and stored are described below.
1. Personnel Administration

It will contain information about each employee, such as name, address, date of birth, date of joining the organization, and information about next of kin and family. The facility should allow the user to maintain a number of address records such as permanent home address, local postal address, and the address of next of kin.

2. Salary Particulars

Salary review procedures are an important function of the human resources department. Details of present salary, last increase and the proposed increase will all be compiled and stored.

3. Leave / Absence Recording

An important requirement of HRIS is providing comprehensive and accurate method of controlling leave and absences. A complete leave history for each employee, days of absence, delay in reporting are all stored. Eligibility of leave, medical, maternity leave under credit, leave encashment, eligibility are all stored.

4. Skill Inventory

HRIS is used to record acquired skills and monitor a skill database at both employee and organizational level. This will give the necessary information to identify employees with necessary skills for certain positions or job function.

5. Medical History

The HRIS may be used to record occupational health data needed for industrial safety purposes, accident monitoring, exposure to potentially hazardous materials, and so on. For example, hearing loss, nervous debility in certain work areas may be monitored and results recorded on HRIS. The records of periodical medical examinations may also be maintained.
6. Accident Monitoring

The system should record the details of the accidents for the injured employees. This could highlight accident prone areas or accident prone times within the organization.

7. Performance Appraisal

The system should record individual employee’s performance appraisal data such as the due data of the appraisal, scores for each performance criteria, potential for promotion, and other information to form a comprehensive overview of each employee.

8. Training and Development

The system should record the details of training imparted, training evaluation development opportunities given and availed. The type of training needed may be identified and stored.

9. HRP

The HRP plan, extensions, plan executed, to be executed strength and weaknesses of the plan, plan evaluation etc, may be recorded.

10. Recruitment

Recruitment pool, screening, preliminary selection etc, may be stored for HRIS.

11. Career Planning

Placement, training, selected candidates for career planning, supervisors view can be stored.

12. Collective Bargaining

Wage, salary administration, bonus, negotiations, trade Unions views, most welcome and least resistant measures may also be recorded.
Steps In Implementing HRIS

Following are the steps in implementing HRIS.

1. Inception Of Idea

   Idea should originate somewhere. The originator should make a preliminary report justifying the need for HRIS and illustrate how it could assist management in making certain decisions.

2. Feasibility Study

   The cost-benefit analysis of HRIS in terms of labour and material as also intangible savings, such as increased accuracy and fewer errors should be highlighted.

3. Selection Of Project Team

   Once the feasibility study has been accepted and the resources accepted, a project team should be selected. The project team should consist of a human resource representative, who is knowledgeable about the organization’s human resource functions and activities, and the organization itself, and also a representative from management information system. As the project advances, additional clerical people from the human resource department will have to be added.

4. Defining The Requirements

   A statement of requirements specifies in detail exactly what the system needs to do. A larger part of the statement of requirements normally deals with the details of the reports that will be produced. The objective is to make sure that the mission of an HRIS truly matches with the management’s needs of an HRIS.

5. Vendor Analysis

   The purpose of this step is to determine what hardware and software are available that will best meet the organization’s needs at the least price. This is a difficult task. This involves discussions with various vendors on how their HRIS will meet the organization’s needs.
6. **Contract Negotiations**

The contract stipulating the price, delivery, vendor’s responsibilities with regards to installation, service maintenance, training to organization’s employees etc, may be negotiated.

7. **Training**

Project team members may first be trained to use the system and then they could train all users from other departments.

8. **Tailoring The System**

It involves making changes to the system to best fit to the organizational needs.

9. **Data Collection**

Data is collected and fed into the system.

10. **Testing The System**

The object of verifying is to test the output of HRIS and make sure that it is doing what it supposed to do. All reports to be critically analysed.

11. **Starting Up**

Even after testing, some additional errors may crop up. These errors surface during start up. These are to be sorted out.

12. **Parallel Running**

Just for the security, the new system is to be run in parallel with the old till the new system stabilizes and people gain confidence in its operation.
13. **Maintenance**

Proper maintenance of the system and maintenance of secrecy of records are to be guarded. It normally takes several months for HR people to get acquainted with HRIS.

14. **Audit**

After a year or so, the project team should audit the performance of HRIS and if required, corrective actions should be taken. Large organizations generally install computerized HRIS system because it enables them to collect, process and use large amount of data. It links the various subsystems of HRM.

**Benefits of HRIS**

Following are the benefits:

- Higher speed of retrieval and processing of data.
- Reduction in duplication of efforts leading to reduced cost
- Better analysis and decision making.
- Higher accuracy of information and reports generated.
- Fast response to answer queries.
- Improved quality of reports.
- Better work culture.
- Streamlined and systematic procedures.
- More transparency in the system.

**Limitations**

Following are the limitations of HRIS.

- Expensive in terms of finance and manpower requirement.
- Inconvenient to those who are not comfortable with computers, particularly top bosses.
Human Resource Management: Major Influencing Factors

In the 21st century HRM will be influenced by following factors, which will work as various issues affecting its strategy:

• Size of the workforce.
• Rising employees' expectations
• Drastic changes in the technology as well as Life-style changes.
• Composition of workforce. New skills required.
• Environmental challenges.
• Lean and mean organizations.
• Impact of new economic policy. Political ideology of the Government.
• Downsizing and rightsizing of the organizations.
• Culture prevailing in the organization etc.

Human Resource Management: Futuristic Vision

On the basis of the various issues and challenges the following suggestions will be of much help to the philosophy of HRM with regard to its futuristic vision:

1. There should be a properly defined recruitment policy in the organization that should give its focus on professional aspect and merit based selection.

2. In every decision-making process there should be given proper weightage to the aspect that employees are involved wherever possible. It will ultimately lead to sense of team spirit, team-work and inter-team collaboration.

3. Opportunity and comprehensive framework should be provided for full expression of employees' talents and manifest potentialities.
4. Networking skills of the organizations should be developed internally and externally as well as horizontally and vertically.

5. For performance appraisal of the employee’s emphasis should be given to 360 degree feedback which is based on the review by superiors, peers, subordinates as well as self-review.

6. 360 degree feedback will further lead to increased focus on customer services, creating of highly involved workforce, decreased hierarchies, avoiding discrimination and biases and identifying performance threshold.

7. More emphasis should be given to Total Quality Management. TQM will cover all employees at all levels; it will conform to customer's needs and expectations; it will ensure effective utilization of resources and will lead towards continuous improvement in all spheres and activities of the organization.

8. There should be focus on job rotation so that vision and knowledge of the employees are broadened as well as potentialities of the employees are increased for future job prospects.

9. For proper utilization of manpower in the organization the concept of six sigma of improving productivity should be intermingled in the HRM strategy.

To conclude Human Resource Management should be linked with strategic goals and objectives in order to improve business performance and develop organizational cultures that foster innovation and flexibility. All the above futuristic visions coupled with strategic goals and objectives should be based on 3 H's of Heart, Head and Hand i.e., we should feel by Heart, think by Head and implement by Hand.