

# Human Resource Management (HRM)

Introduction: HRM is relatively a new term, emerged during 1970's. Many people continue to use, traditional titles like personnel management or personnel administration to this new discipline. At present the term is used in industry circles as HRM. It is relatively a modern concept, which involves a range of ideas & practices, in managing people.

Human Resources are the lively elements of an organization. Modern Business organization can't achieve success without this lively element. The success of an organization depends upon the ability of its human resources.

According to L.F. Urwick "business houses are made or broken in the long run not by markets or capital, patents or equipments but men."

As an organisation human resources are known as Human Resource Management.

## Concept & Nature of the HRM

HRM is concerned with the people's dimension in organizations. An organization consists of number of personnel. Competent personnel are to be appointed at right place @ right time. Human resource management has a significant role to play in the overall development of an organisation. To put simple terms, human resource management is a management function that helps managers to recruit, select, train & develop members for an organization.

### Definition

George T. Mikovich and John W. Boudreau defines human resource management as, "a series of integrated decisions that form the employment relationship; their quality contributes to the ability of the organizations and the employees to achieve their objectives."



## Features of HRM

1. Management Function
2. Comprehensive Function
3. Individual Consideration
4. Action Oriented
5. Continuous Function
6. Development of human resources
7. Pervasive in nature
8. Achievement of objectives
9. Human Behaviour
10. New Discipline

## Scope of the HRM.

1. Human Resource Planning
2. Job Analysis & Design
3. Recruitment & Selection
4. Orientation & Placement
5. Training & Development
6. Performance appraisal & Job Evaluation
7. Employee & Executive Remuneration
8. Motivation
9. Communication
10. Human Welfare
11. Health & Safety
12. Industrial Relations

## Importance of HRM.

### 1. Importance Concerned with Individual Organisation

- Procurement of required talents
- Secures co-operation of all employees in the organisation for achieving goals
- Proper utilization of human resources
- Ensures a future team of efficient & competent workers.

### 2. Professional Importance

- It provides maximum opportunities to employees for their personal development
- Providing healthy relationship among employees
- Proper allocation of work among employees
- Providing training facilities.

### 3. Social Importance

- It enhances the dignity of labour
- Provides suitable job to suitable person
- Helps to provide reasonable compensation to workers
- Helps to maintain a balance between Jobs & Job Seekers
- Takes health & safety measures.

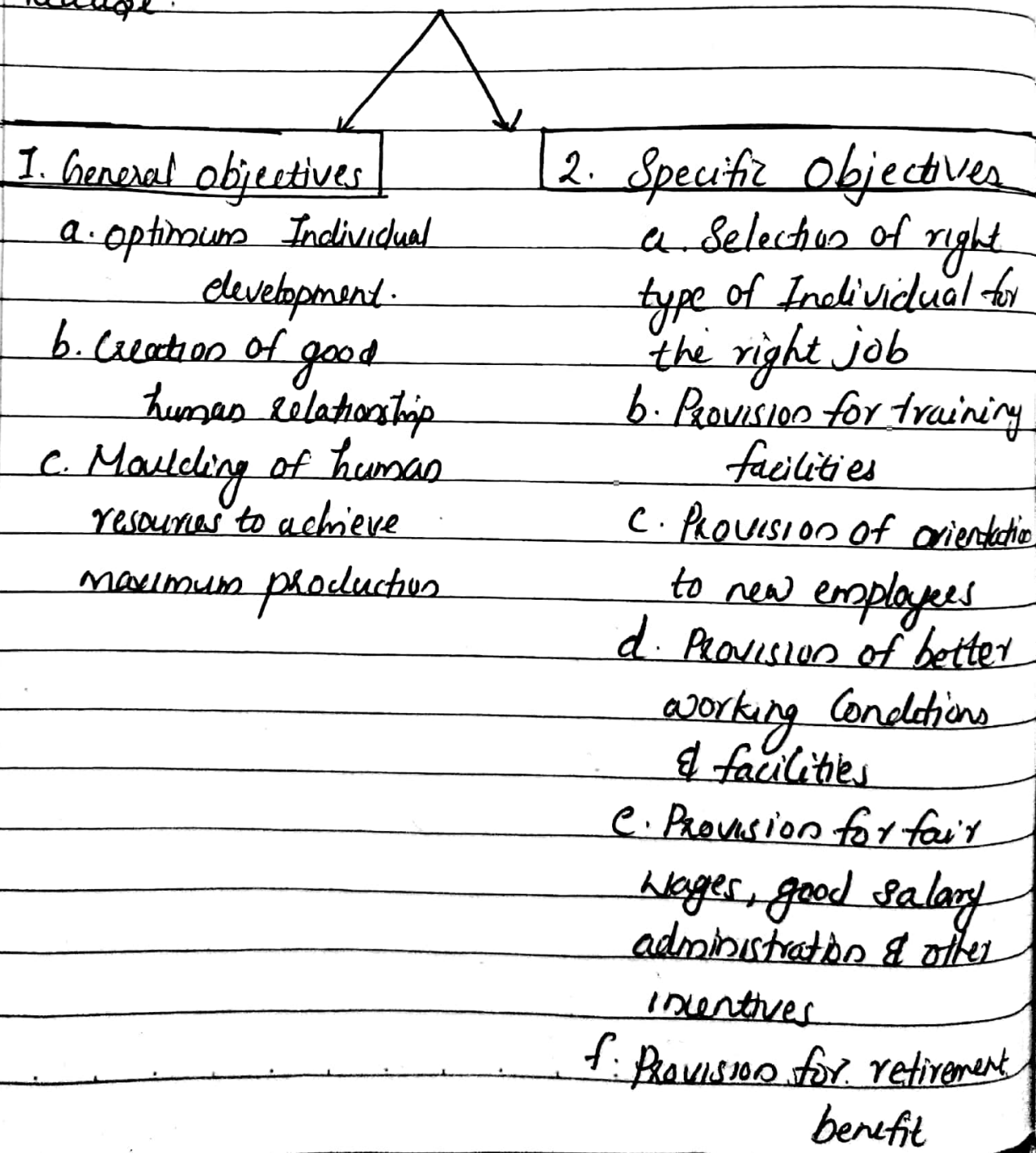


#### 4. National Importance

→ Effective Management of human resources will speed up the economic growth of a nation

#### Objectives of HRM

objectives are the desired end results of an activity or effort with people attempt to realize.



- g. Maintain good relation with trade union
- h. Materials & mental satisfaction of employees.

## Functions of HRM.

### Managerial Functions

#### 1. Managerial Functions

- a. planning
- b. organising
- c. Directing
- d. Co-ordinating
- e. controlling

### Operative Functions

- a. Procurement
- b. Training & development
- c. Compensation
- d. Integration
- e. Maintenance
- f. Welfare activities
- g. Personnel Records
- h. Promotion, transfer & Termination
- i. Negotiation with Trade unions
- j. Miscellaneous Functions



## Evolution of HRM

The history of development of human resource management is comparatively recent origin. Let us explain the evolution under different stages.

### ■ Period before Industrial Revolution

The society was primarily an agriculture economy and the production was limited.

The concept of managing people has existed even in the previous eras through ancient literature and philosophy.

### ■ Period of Industrial Revolution

Industrial revolution helped to convert economy from agriculture to industry based one. A department was set up to look into workers wages, welfare and other related issues. This led to emergence of personnel management.

The major tasks of that department was

i. Workers wages & salaries

ii. Workers record maintenance

iii. Workers housing facilities & health care

Important event - growth of labour union - 1790

~~Important event~~

## ■ Post Industrial Revolution

A brief overview of major theories released during this period is presented below.

### → Scientific Management

FW Taylor gave principles of Scientific Management (1857 to 1911) led to the evolution of Scientific Human resource approach which was involved in

- i. Workers training
- ii. Maintaining wage uniformity
- iii. Focus on attaining better productivity.

### → Hawthorne Studies

Hawthorne studies were conducted by Elton Mayo & Fritz Roethlisberger (1927 to 1940). Observations & findings of Hawthorne experiment shifted the focus of human resource from increasing workers productivity to increasing workers efficiency through greater work satisfaction.

### → Human Relations Movement

Human relations movement & employee motivation gathered momentum during this period. Several theories underlining the importance of human relations movement were developed.



during this period. for eg : Theory X & Theory Y.

### Theory X & Theory Y

Douglas McGregor Theory X & Theory Y (1960)  
& Abraham Maslow's Hierarchy of needs (1954).

These studies & observations led to the transition from the administrative and passive Personnel Management approach to a more dynamic human resource management approach which considered workers as a valuable resource.

### → Human Capital Management

Today HRM is concerned with much more than simple filing, housekeeping & record keeping. The term HRM is now sought to be replaced by human capital management. It is also called talent management.