

Human Resource Management

AAT Level II BMA - Business Management

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Human Resource Management

Lecturer

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What is HRM

Human Resource Management, or HRM, is the practice of managing people to achieve better performance.

For example, if you hire people into a business, you are looking for people who fit the company culture as they will be happier, stay longer, and be more productive than people who won't fit into the company culture.

Scope of HRM

HRM in Personnel Management: This is typically direct manpower management that involves manpower planning, hiring (recruitment and selection), training and development, induction and orientation, transfer, promotion, compensation, layoff and retrenchment, employee productivity. The overall objective here is to ascertain individual growth, development and effectiveness which indirectly contribute to organizational development.

Scope of HRM

HRM in Employee Welfare: This particular aspect of HRM deals with working conditions and amenities at workplace. This includes a wide array of responsibilities and services such as safety services, health services, welfare funds, social security and medical services. It also covers appointment of safety officers, making the environment worth working, eliminating workplace hazards, support by top management, job safety, safeguarding machinery, cleanliness, proper ventilation and lighting, sanitation, medical care, sickness benefits, employment injury benefits, personal injury benefits, maternity benefits, unemployment benefits and family benefits.

Scope of HRM

HRM in Industrial Relations: Since it is a highly sensitive area, it needs careful interactions with labor or employee unions, addressing their grievances and settling the disputes effectively in order to maintain peace and harmony in the organization. It is the art and science of understanding the employment (union-management) relations, joint consultation, disciplinary procedures, solving problems with mutual efforts, understanding human behavior and maintaining work relations, collective bargaining and settlement of disputes.

Importance of HRM

- Helps to achieve Objective :-
- HRM helps a company to achieve its objective from time to time by creating a positive attitude among workers. Reducing wastage and making maximum use of resources etc.
- Facilitates professional growth :-
- Due to proper HR policies employees are trained well and this makes them ready for future promotions. Their talent can be utilized not only in the company in which they are currently working but also in other companies which the employees may join in the future.

Importance of HRM

- Better relations between union and management :-
- Healthy HRM practices can help the organization to maintain co-ordinal relationship with the unions. Union members start realizing that the company is also interested in the workers and will not go against them therefore chances of going on strike are greatly reduced.
- Helps an individual to work in a team/group :-
- Effective HR practices teach individuals team work and adjustment. The individuals are now very comfortable while working in team thus team work improves.

Importance of HRM

- Identifies person for the future :-
- Since employees are constantly trained, they are ready to meet the job requirements. The company is also able to identify potential employees who can be promoted in the future for the top level jobs. Thus one of the advantages of HRM is preparing people for the future.
- Allocating the jobs to the right person :-
- If proper recruitment and selection methods are followed, the company will be able to select the right people for the right job. When this happens the number of people leaving the job will reduce as they will be satisfied with their job leading to decrease in labor turnover.

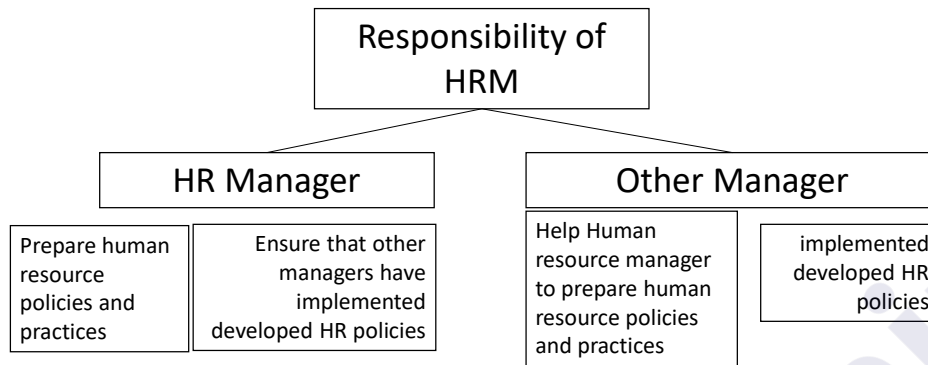
Importance of HRM

- Improves the economy :
- Effective HR practices lead to higher profits and better performance by companies due to this the company achieves a chance to enter into new business and start new ventures thus industrial development increases and the economy improves.

Innovations in HRM

- Employee Branding
- Employee outsourcing
- Balancing Family – work life
- Telecommuting

Dual responsibility of HRM



Functions of HRM

Human Resource Planning is a process that identifies current and future human resource needs for an organization to achieve its goals. The objective of Human Resource Planning is to ensure the best fit between employees and jobs while avoiding manpower shortages and surpluses.

Job Analysis is the determination of the precise characteristics of a job through an in-depth and detailed examination of the activities to be performed. It does a detailed analysis of the tasks, activities, duties and responsibilities that are required to do a job.

Functions of HRM

Job design allows job analysis. It involves designing the content of a job, it combines the tasks into a job to be assigned to an individual and further fixes the duties and responsibilities to do the job. While designing the job the needs of the organization and the needs of the individual manager must be balanced.

Recruitment is the process of searching the best-qualified candidate from within or outside the organization in a cost-effective manner. It includes identifying and encouraging the candidates to apply for a job, receiving applications and screening them.

Functions of HRM

Once the applications are received after thorough examination the right candidate is picked from it. This process is called **selection**. It involves choosing the most aptly qualified candidate that best fits the job and can perform the task most successfully

Orientation is the process in which the new employees are introduced and made familiar to their jobs, complex processes, coworkers and organizations. Once the employee is introduced to the organization, he is then placed in a suitable job. It involves assigning the duties and responsibilities to the employee after matching the job requirement with the employee's qualification.

Functions of HRM

Placement includes assigning tasks to new employees and the promotion or transfer of present employees. The new recruits for an initial period of time are put under probation to judge whether the candidate is fitting the job profile well.

Training is the process of enhancing the knowledge and skill of an employee required for a particular job. It improves the current performance of the employee and increases his knowledge base for higher-level jobs.

Development is an ongoing and continuous process that aims at improving the personality and attitude of employees.

Functions of HRM

Performance appraisal is the assessment of how well an employee has performed his assigned duties and responsibilities. The assessment is done on the results obtained by the employee and the output achieved by him in the past.

Along with this the employee's potential to grow in the future is also measured.

Performance appraisal helps in making the employee aware of how well they are performing their job and guides them for future development.

It helps in deciding the promotion and pay rise for each employee.

Functions of HRM

Remuneration

Payment or compensation received in exchange for the services or employment is termed as **Remuneration**.

Remuneration consists of both monetary and non-monetary benefits. It mainly consists of the base pay also known as wage or salary.

Indirect rewards are also provided such as retirement plans, vacation packages, health cover etc.

Remuneration policies are well thought as it is the most important factor in attracting and retaining the employees. It should also make sure to maintain the internal and external equity to avoid dissatisfaction amongst the employees

Functions of HRM

Effective **communication** is a very important contributor to the success of a business. It is very important that the mission, vision and objective of the organization are communicated to all.

Each employee needs to clearly understand his/her role and responsibility. They should also be formally or informally communicated about their performance and guided accordingly.

Functions of HRM

Motivation is a driving force that arouses the individual to work towards the desired goal with intensity, sense of direction and constant efforts. Each individual might be motivated with a completely different factor which should be carefully analyzed to energize these efforts.

Functions of HRM

Welfare, Safety and Health

Effective measures and programs ensure that the workplaces meet the health, safety and welfare needs of all the employees.

Health measures and regulation ensures that the mental, physical and emotional health of an employee is in a state of wellbeing.

Functions of HRM

Training and Development

Purpose of training and development is improving the performance of employees

Benefits of training

- Improve morale of employees
- less supervision
- Chance of promotions
- Reduce accidents
- Increase productivity

Functions of HRM

Methods of Training

- Technological Training
- Simulators
- On the job training
- Coaching
- Lectures
- Group Discussions
- Role playing
- Outdoor training
- Films and videos

Functions of HRM

Training Process

- Identify Training need
- Establish Training objective
- Selection of training methods
- Design training plan
- Implementing the training plan
- Evaluating training program

Functions of HRM

Reward management

Reward management is the process of maintaining fair base pay method

3 types of rewards

- Salary / Wage
- Incentive
- Welfare

Functions of HRM

Objective of reward management

- Attract suitable employees
- Retain employees
- Motivation
- legal compliance
- Ensure equity

Functions of HRM

Classification of rewards

- Reward
 - Financial Rewards
 - Direct Rewards (Salary, Bonus, incentives)
 - Indirect Rewards (Pensions, Insurance)
 - Non-Financial Rewards
 - Satisfaction
 - Recognition

Functions of HRM

Determinants of rewards

- Internal determinants
 - Compensation Policy of the organization
 - Employers ability to pay
 - Worth of the job
 - Employee's relative worth

Functions of HRM

Determinants of rewards

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- External determinants
 - Labor market situation
 - Economic Situation
 - Wage rates
 - Government controls
 - Cost of living
 - Trade union actions

Functions of HRM

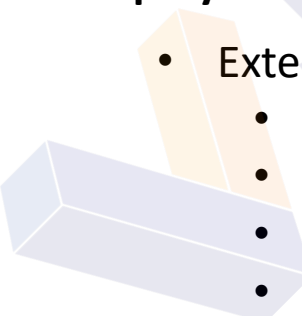
Employee welfare Management

Welfare is providing necessary facilities in order to improve employee's work life.

- importance of welfare
- Enhance Employees loyalty
- Reduce labor turnover
- Reduce absenteeism
- Make recruitment easy

Functions of HRM

Employee welfare Management

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- External determinants
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