

Introduction to Human Resource Management

Welcome
Students
to
this first
Session in Human
Resource
Management



Human Resource
Management

Chapter : One

Title : Introduction to HRM

Slides : 42

Introduction to Human Resource Management

Objectives of this session

- ❁ What is Human Resource Management [HRM]
- ❁ Functions involved in HRM
- ❁ How HR has evolved over the years
- ❁ Differentiate among Personnel Management, Industrial Relations, HRM and HRD
- ❁ Process of HRM in an organization
- ❁ Factors affecting HRM in an organization
- ❁ Future of HRM – Strategic HRM and HCM



Human Resource
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Introduction to Human Resource Management

Structure of this session

1. Nature of HRM
2. Functions in HRM
3. Evolution of HRM
4. Difference among Personnel Management, Industrial Relations, HRM and HRD
5. Process of HR
6. Factors affecting HRM
7. Future of HRM

8. Summary



Human Resource
Management

Introduction to Human Resource Management

1.1 Nature of HRM

HRM is a process where people and organizations are brought together so that goals of each are met .

Organizations have realized that they may be technologically advanced but it is the people who offer competitive advantage to an organization.

People offer skills, capabilities, systems, practices, bonding, behaviours for effective execution of organization's strategies.



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1.2 Functions in HRM

Planning : Preparing forecasts of future HR on the basis of an organization's environment, mission, objectives and strategies.

Staffing : Obtaining people with the appropriate skills, abilities, knowledge and experience to fill jobs in the organization. This involves human resource planning, job analysis, recruitment and selection.



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1.2 Functions in HRM

Developing : Analyzing learning requirements to ensure that employees possess the knowledge and skills to perform the jobs satisfactorily and advance in their career.

Monitoring : Job evaluation, performance appraisal, pay and benefits.

Maintaining : Work place safety, health and welfare policies, and statutory compliance.



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1.3 Evolution of HRM

Key Milestones :

1890 . 1910 - Scientific Management developed by Taylor. Workers' Welfare departments. Industrial psychology born with World War I.

1930 . 1945 - Hawthorne Studies focus on social and informal aspects of workplace that affect productivity. Job satisfaction raises productivity.



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1.3 Evolution of HRM

Key Milestones :

1945 . 1965 - Surge in union membership in the US. Focus on collective bargaining and labour relations. Compensation and benefits on forefront as Unions negotiate with management.

1965 . 1985 - Civil Rights movement in the US. Equal employment opportunities & affirmative action become HR responsibilities.



1.3 Evolution of HRM

Key Milestones :

1985 onwards - Increasing diversity in labour force, globalization of business with technological revolution and focus on HR as a strategic function dramatically impact the HRM function.

HRM concepts and concerns integrated into overall strategic planning to cope with rapid change, intense competition, and pressure for increased efficiency.



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1.4 Personnel Management, Industrial Relations, HRM and HRD - Difference.

Personnel Management : concerned with manpower planning, recruitment, selection, transfer, promotion, training and development, lay off, retrenchment, remuneration and incentives.

Industrial Relations : cover union-management relations, joint consultations, collective bargaining, grievance and disciplinary procedures.



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1.4 Personnel Management, Industrial Relations, HRM and HRD - Difference.

Human Resource Management : includes personnel management, industrial relations plus welfare covering working conditions and amenities.

Human Resource Development : more concerned with training and development , career planning and development and organizational development.



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Personnel Management

manpower planning,
recruitment, selection,
transfer, promotion,
training and development,
lay off, retrenchment,
remuneration and incentives.

Industrial relations

union management relations,
joint consultations
collective bargaining
grievance & disciplinary
procedures



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Human Resource Development

career planning,
career development
training and development,
organization development

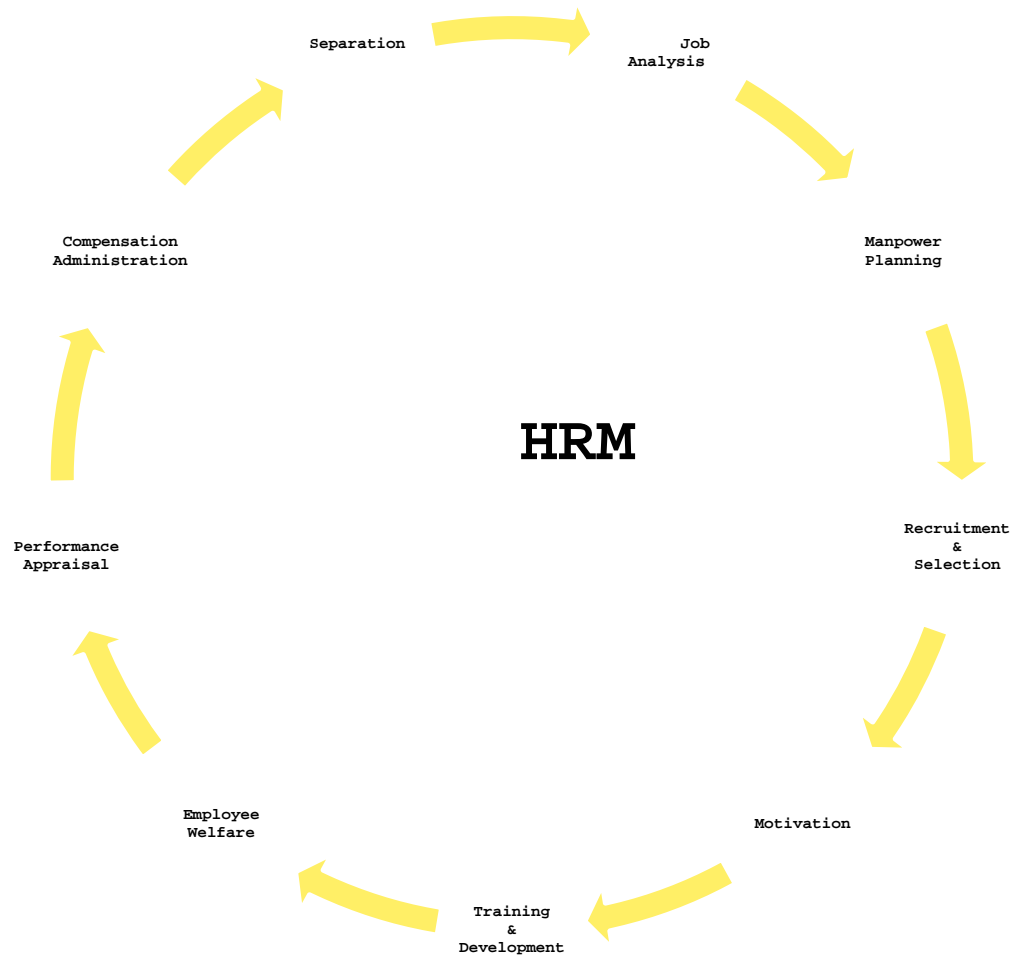
Human Resource Management

personnel management,
industrial relations
employee welfare
working conditions and
amenities



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1.5 HRM process



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1.5 HRM process



Job Analysis

The process of collecting job related information in order to design the job.



Manpower Planning

The process of forecasting an organization's future demand for and supply of the right type of people at the right time.



1.5 HRM process



Recruitment & Selection

Recruitment involves attracting and obtaining applications from eligible job seekers. While selection is choosing the right individual for the job, out of above applicants.



Motivation

Motivation undertakes to understand and change employee's behaviour for increase in employee's performance.



1.5 HRM process



Training & Development

Refers to imparting of requisite skills, abilities and knowledge to an employee.



Employee Welfare

Employee welfare ensures that an employee receives other benefits and services like good working conditions, retirement benefits, leave, leave encashment etc.



1.5 HRM process



Performance Appraisal

It is an objective assessment of individual's performance against the individual's objectives or benchmark laid down.



Compensation Administration

Employees receive compensation in return for their contribution to their organization. Its administrative aspect is looked after by HRM.



1.5 HRM process



Separation

It is a process concerned with when an employee leaves an organization either voluntarily or involuntarily.

Resignation is a voluntary separation while dismissal or retrenchment is involuntary separation.



1.6 Factors Affecting HRM

HRM is affected by environment in which it operates. HRM professionals must understand the forces which form the environment.

These forces have two sources, external one from outside the organization and internal from within.

Both are equally important for HRM.



1.6 Factors Affecting HRM

External Environment

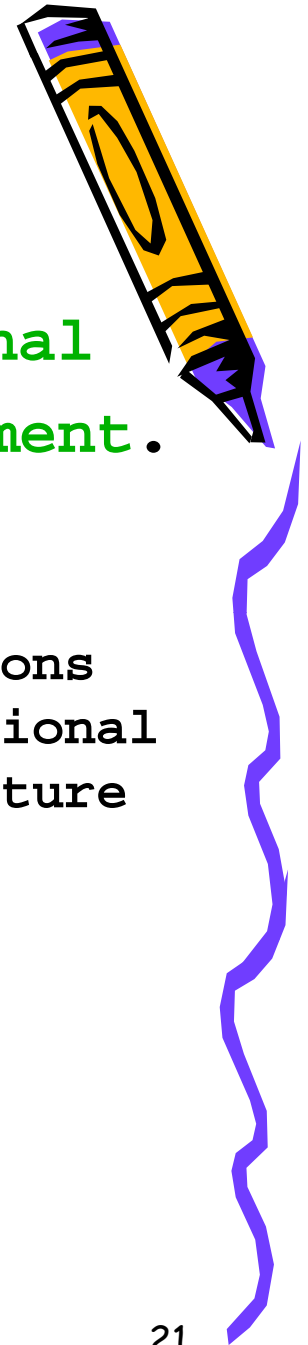


Political factors
Legal factors
Job market
Competitors
Customers
Economic growth
Diversity
Globalization
Technological factor
Cultural factor

Internal Environment.



Strategy
Trade Unions
Organizational
culture



1.6 Factors Affecting HRM - External

Political & Legal factors:

1. Son's of the soil policies.
2. Reservations
3. Equal opportunities
4. No discrimination
5. Local regulations
6. Labour laws
7. Changes in political party in power



1.6 Factors Affecting HRM - External

Job market

Job market consists of employment exchanges, universities, colleges, training institutes or consulting firms. It provides the supply of HR to the organization. Quality of HR of an organization depends on quality of the job market.

From the supply available in the market HR selects the best quality for the firm.



1.6 Factors Affecting HRM - External Competitors

Competitors make the job of recruitment difficult for HR. Attractive terms & conditions need to be offered to candidates.

After selection attractive pay packages have to be structured to retain them.

When competition makes talented workforce scarce, HR has to groom employees through training and development.



1.6 Factors Affecting HRM - External Customers

Customers demand only high quality products and services and at reasonable prices.

Both quality and cost are determined to a large extent by the employees.

The quality and skills of employees have to be built by HR.



1.6 Factors Affecting HRM - External

Economic growth

In economically developed countries, governments spend large amounts on education thereby assuring skilled workforce to their organizations. This skilled force increases their productivity.

In developing countries skilled labour is scarce and organizations have to spend on training fresh recruits.



1.6 Factors Affecting HRM - External Diversity

In any MNC human resources are diverse in terms of nationalities, religions, cultures, languages, education, skills, age, gender etc.

Managing such diversity is a new challenge for HRM. The diversity has to be harnessed for creativity, innovation, increased productivity and improved decision making.



1.6 Factors Affecting HRM - External Globalization

“Be local, Think Global” is the new mantra. The hiring, training, compensation and retaining strategies of HR have to be adopted and followed keeping global perspective in mind.

HR strategy has to keep company competitive and attract foreign investments joint ventures and collaborations.



1.6 Factors Affecting HRM - External

Technological factor

Changes in technology happen on a daily basis as result of intense competition. Job seekers have become highly knowledgeable and professional. Technology permits these professionals to work from home and at outside office hours.

HR managers are required to manage and retain technologically advanced employees through new HR strategies.



1.6 Factors Affecting HRM - External Cultural factor

Attitude of human resources towards work depends upon their cultural background. The work ethics, achievement needs and effort-reward expectations are a result of culture.

Japanese are highly quality conscious, Indians are known for their loyalty to employers.

HR has also to manage multi cultural work force emerging from globalization.



1.6 Factors Affecting HRM - Internal Strategy

Strategy of an organization ensures that the objectives of organization and resources of the organization are aligned properly.

This alignment of the strategy, structure, human resources and management decides the success of the organization.

HR has to ensure that its recruitment and selection policies are aligned to the organizational strategy to achieve competitive edge in the market.



1.6 Factors Affecting HRM - Internal Trade Unions

Unions were formed to enable employees to have a collective voice in their pay, working conditions and other benefits.

Political affiliation of unions brings a new perspective to union-management relations. Presence of more than one union gives rise to multi union rivalry.

These two factors complicate the job of HR managers who have to be careful and diplomatic in handling unions.



1.6 Factors Affecting HRM - Internal Organizational culture

Every organization has its own culture which is a product of its human resources, organizational successes and failures.

HR has to proactively adjust to the changes in the organizational culture and ensure there is no mismatch between goals of the organization and those of its individual employees.



1.7 Future of HRM

Strategic HRM

Strategic HRM is a combination of Strategy and HRM. It aims to link HRM with organization's strategies so that they can attain a competitive edge in the global market.

Factors like globalization, increased technological change, diversity in human resources of an organization and highly competitive environment have led to development of SHRM.



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1.7 Future of HRM

Human Capital Management

HRM in future is going to be replaced by HCM.

HRM assumes its employees to be organizations resource that can be drawn and utilized by management to accomplish a task.

HCM treats employees as investors of their own capital. Thus management does not own this human capital but rent it from employees. HRM conceives that employees add to the value while HCM believes they create value.



1.7 Future of HRM

Human Capital Management

HCM is a new concept and yet to win acceptance in management circles.

HCM works well in people oriented organizations enjoying large volumes of business.



Role of HR in Brand Management

Brand is defined as any name, logo, term, sign or a combination of them intended to identify the goods or services of any seller and to identify them from those offered by competitors.

Earlier branding was the exclusive forte of Marketing. Now branding of product / services has extended to branding of the people of the company and the company itself. This part can be handled by HRM.



Role of HR in Brand Management

Brand value depends on what your employees, ex-employees, suppliers talk about the company in the job market. It also depends on how your employees engage in social activities, research, teaching etc. HR can encourage employees to actively participate in these activities.

Until recently organization was satisfied by caring for its customers, but now it has also to manage how the company is perceived in the job market.



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Role of HR in Brand Management

With well established brand value in the job market an organization benefits as

- ☑ skilled candidates are attracted to join it
- ☑ attrition is well managed &
- ☑ ex-employees talk positively about the organization



Introduction to Human Resource Management

1.8 Summary

Human Resource Management is a management function that helps an organization to manage its Human Resources.

The process of HR in an organization consists of manpower planning, job analysis, recruitment & selection, motivation techniques, training and development, employee welfare, performance appraisal, compensation administration and separation.



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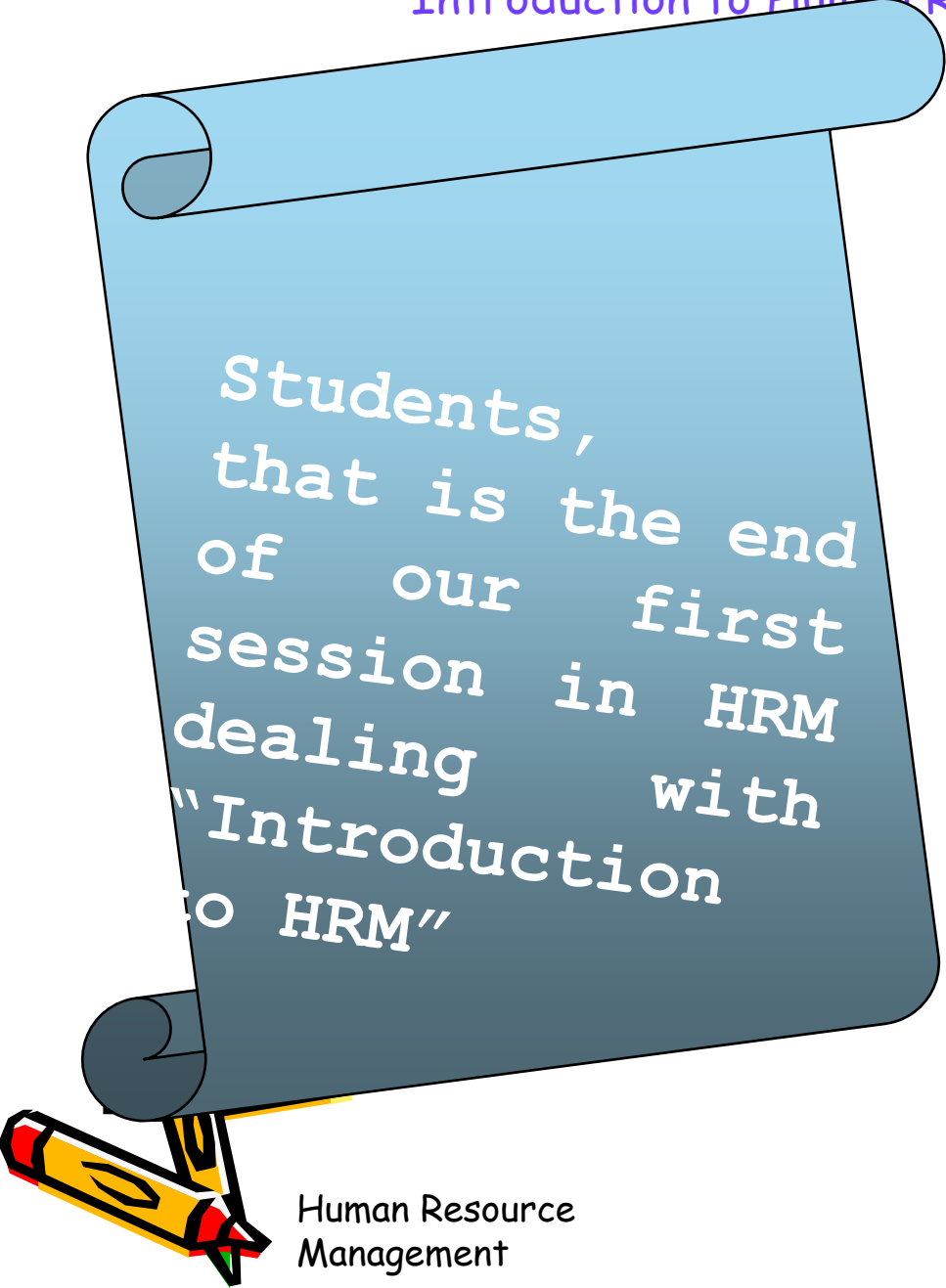
1.8 Summary

HRM in an organization is affected by various factors in the external [technological changes, globalization, political, legal] and internal [organizational strategy, trade unions, organizational culture] environment.

HRM in near future will be replaced by Strategic Human Resource Management and in the distant future it will be replaced by Human Capital Management.




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Students,
that is the end
of our first
session in HRM
dealing with
"Introduction
to HRM"

Human Resource
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Next we move
to session two
dealing with
"Job Analysis"
Good Luck!