

This subject/course is designed to teach the basic principles of Human Resource Management (HRM) to diverse audience/students, including those who are studying this as a supporting subject for their bachelor degree program. This course is designed to provide you the foundations of HRM whether you intend to work in HRM or not, most of these elements will affect you at some point in your career. Either you will be working with some organizations or having people working for you, in both cases you will be dealing with people.

To be understandable and lively means that we need to communicate you. We start every chapter with learning objectives. The most important thing you will get out of this course are the basic skills required to succeed in today's environment which are, you must be able to communicate, think creatively, plan effectively and deal with people.

Lesson 1**INTRODUCTION TO HRM**

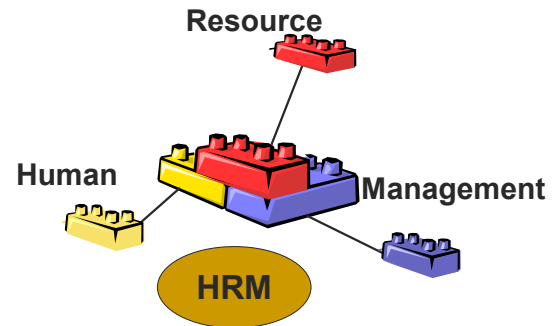
After studying this chapter, students should be able to understand the following:

- **Describe HRM?**
- **Explain why are we concerned about HRM?**
- **Discuss Road-map of HRM**

LESSON OVERVIEW

This chapter introduces the students with the basic concepts of the human resource management (HRM). During the lecture, we will be discussing the three main things, i.e. the introduction to HRM, the importance of HRM, and a brief discussion of the topics that will follow today's lecture.

A basic concept of management states that manager works in organizations. Organization has three basic components, People, Purpose, and Structure. HRM is the study of activities regarding people working in an organization. It is a managerial function that tries to match an organization's needs to the skills and abilities of its employees. Let's see what is meant by the three key terms... human, resource, and management.



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- Human (Homo-sapiens – Social Animal)
- Resources (Human, Physical, Financial, Technical, Informational etc)
- Management (Function of Planning, Organizing, Leading & Controlling of organizational resources to accomplish goals efficiently and effectively)

Functions of HRM

Basic functions that all managers perform: planning, organizing, staffing, leading, and controlling. HR management involves the policies and practices needed to carry out the staffing (or people) function of management.

HRM department regardless of the organization's size must perform following human resource management functions...

- Staffing (HR planning, recruitment and selection)
- Human resource development
- Compensation and benefits
- Safety and health
- Employee and labor relations
- Records maintaining, etc.
- HR research (providing a HR information base, designing and implementing employee communication system).
- Interrelationship of HR functions.

A. What is human resource management?

As we said that HRM is the management of people working in an organization, it is a subject related to human. For simplicity, we can say that it is the management of humans or people. HRM is a managerial function that tries to match an organization's needs to the skills and abilities of its employees. Human Resource Management is responsible for how people are managed in the organizations. It is responsible for bringing people in organization helping them perform their work, compensating them for their work and solving problems that arise.

Growing Importance of HRM

The success of organizations increasingly depends on people-embodied know-how- the knowledge, skill, and abilities imbedded in an organization's members. This knowledge base is the foundation of an organization's core competencies (integrated knowledge sets within an organization that distinguish it from its competitors and

deliver value to customers).

HRM plays important role in creating organizations and helping them survive. Our world is an organizational world. We are surrounded by organizations and we participate in them as members, employees, customers, and clients. Most of our life is spent in organization, and they supply the goods and services on which we depend to live. Organizations on the other hand depend on people, *and without people*, they would disappear.

Factors Contributing to the Growing Importance of HRM

a. Accommodation to workers' needs

Workers are demanding that organizations accommodate their personal needs by instituting such programs as flexible work schedules, parental leave, child-care and elder-care assistance, and job sharing. The human resource department plays a central role in establishing and implementing policies designed to reduce the friction between organizational demands and family responsibilities.

b. Increased complexity of the Manager's job

Management has become an increasingly complex and demanding job for many reasons, including foreign competition, new technology, expanding scientific information, and rapid change. Therefore, organizations frequently ask human resource managers for assistance in making strategic business decisions and in matching the distinctive competencies of the firm's human resources to the mission of the organization. Executives need assistance from the human resource department in matters of recruitment, performance evaluation, compensation, and discipline.

c. Legislation and litigation

The enactment of state laws has contributed enormously to the proliferation and importance of human resource functions. The record keeping and reporting requirements of the laws are so extensive that to comply with them, many human resource departments must work countless hours and often must hire additional staff.

Four areas that have been influenced most by legislation include equal employment, Compensation, safety, and labor relations. An organization's failure to comply with laws regulating these areas can result in extremely costly back-pay awards, class action suits, and penalties.

d. Consistency

Human resource policies help to maintain consistency and equity within an organization. Consistency is particularly important in compensation and promotion decisions. When managers make compensation decisions without consulting the human resource department the salary structure tends to become very uneven and unfair promotion decisions also may be handled unfairly when the HR department does not coordinate the decision of individual manager.

e. Expertise

Now a days there exist sophisticated personnel activities that require special expertise. For example, researchers have developed complex procedures for making employee-selection decisions; statistical formulas that combine interviews, test scores, and application-blank information have replaced the subjective interviews traditionally used in making selection decisions. Similarly, many organizations have developed compensation systems with elaborate benefits packages to replace simple hourly pay or piece rate incentive systems

f. Cost of Human Resource

Human resource activities have become increasingly important because of the high cost of personal problem. The largest single expense in most organizations is labor cost, which is often considerably higher than the necessary because of such problems as absenteeism tardiness and discrimination.

B. Why are we concerned with HRM?

1. Helps you get results - through others.

Different managerial techniques help managers to direct the performance of employees in desirable direction in order to achieve the organizational objectives. Through the efforts of others working in an organization, managers get things done that require effective human resource management.

2. Helps you avoid common personnel mistakes

Qualified HR managers utilize organization resources in such a way that helps to avoid common personnel mistakes like the following...

- a. Hiring the wrong person for the job
- b. Experiencing high turnover
- c. Finding employees not doing their best
- d. Having your company taken to court because of your discriminatory actions
- e. Having your company cited under federal occupational safety laws for unsafe practices
- f. Allowing a lack of training to undermine your department's effectiveness
- g. Committing any unfair labor practices

3. Helps you to gain Competitive Advantage

Among all the resources possessed by the organizations it is only Manpower or the Human resources that create the real difference. Because all organizations can have the same technology, they can possess same type of financial resources, same sort of raw material can be used to produce the goods and services but the organizational source that can really create the difference is work force of the organization. Therefore they are the main sources of innovation creativity in the organizations that can be used as a competitive advantage. In today's competitive environment, these are the people which can create competitive advantageous for the organizations.

The world around us is changing. No longer can we consider our share of the "good Life" given. If we are to maintain some semblance of that life, we as individual, as organizations, as society will have to fight actively for it an increasingly competitive global environment. If organizations are able to manage its work force efficiently/effectively this will be beneficial for all stakeholders (Organization, Employees and Society).

Successful HRM

- **Organization**: High level of profitability, Higher annual sales per employee, High market value.
- **Employee**: More employment security, More job opportunities, High wages.
- **Society**: Elevating the standard of living, Strengthening ethical guidelines.



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Challenges/Issues of Managing Human Resources in present era

Following are the main issues that are faced by the managers to manage the workforce of today's organization for achievement of objectives.

a. To Attract People

People will be interested to join any organization if it is providing them quality working environment, attractive benefit and opportunities to excel in future. Keeping in view the opportunities in the market, the first issues will be to attract good people for your organization.

b. To Develop People

Development is related to provide the opportunities for training and development to match the skills to job in particular areas. It requires careful need assessment for training and selecting effective training methods and tools. After attracting/selecting, Continuous development of workforce of the organization leads towards development of the organization. So that they will start playing their important role in the organization.

c. To Motivate

Motivation means to influence performance of others and to redirect the efforts in desirable direction by using different motivational tools that can help in fulfilling the mission of organization. Third important issues/concern will be to keep your workforce motivated so that they should keep on delivering effectively.

d. To Keep Talented People

This is related to retention of workforce in organization and to take steps that can prevent undesirable detachments of talented and motivated workers from the organization.

C. Discussion on the road-map of HRM

For the convenience and attainment of our course objectives, we divide our course into 42 modules. Each module includes information for you to acquire and understand, issues for you to consider, and skills for you to develop.

Road Map of the Course

The list of topics, which we call the ‘road map’ of this course, is given below...

1. Introduction
2. Basic concepts of management and its relationships with HRM
3. Components of an organization
4. Concepts of people working together
5. Individual vs. Group behavior and Teams
6. History of HRM
7. New trends at workplace with changing environment
8. Workforce diversity, pros and cons
9. Functions of HRM
10. Relationship between HR specialist and line managers
11. Legal and ethical issues in HRM
12. Human resource planning (HRP) Human resource information system (HRIS)
14. Job analysis
15. Job analysis continued Job analysis outcomes.
16. Recruitment
17. Source of recruitment
18. Selection
19. Selection Tests
20. Selection process, continued
21. Socialization
22. Training & development
23. Maximizing learning
24. Career management
25. Performance Performance Appraisal
27. Job evaluation and pricing
28. Compensation system
29. Benefits
30. Role of money in performance of employee
31. Motivation Occupation health and safety
33. Stress management
34. Communication in organization
35. Trade union
36. Conflict and Negotiation
37. Power & politics
38. Discipline
39. HR auditing
40. HR control process
41. Leadership
42. Leadership in organization
43. Employee separation
44. International dimension of HRM
45. Conclusion & Review.

Key Terms

Human Resource Management

The staffing functions of the management process. Or the policies and

	practices needed to carry out the “people” or human resource aspects of a management position, including recruiting, screening, training, rewarding, and appraising etc.
Manager	Individuals in an organization who direct the activities of others. Member of the organization performing the management function
Motivation:	Motivation means to influence performance of others and to redirect the efforts in desirable direction by using different motivational tools that can help in fulfilling the mission of organization
Organization	A systematic arrangement of people to accomplish some specific purpose.
Competitive Advantage	Any factor that allows an organization to differentiate its product or service from those of its competitors to increase market share.
Stakeholders	All individuals and groups that are directly or indirectly affected by an organization’s decisions