

## HUMAN RESOURCE MANAGEMENT

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### ABSTRACT

Human capital is the most important asset of any organisation. The overall focus of human resource management is to ensure that the organization is able to achieve success through human capital, consisting of the people who work there and their attributes so it aims to ensure that the organization obtains and retains the skilled, committed and well-motivated workforce. In this article we will study Human resource management and its various activities like procurement, development etc. and various important qualities that successful HR Professional must possess.

**KEYWORDS:** Human Capital, Recruitment, Training, Development, Performance Appraisal, Compensation

### INTRODUCTION

Human resource management is defined as a strategic and coherent approach to the Management of an organization's most valued assets – the people working there who individually and collectively contribute to the achievement of its objectives. It comprises of two terms Management and Human Resource, the term Management can be simply defined as a process of planning, organizing, staffing, directing, coordinating and controlling. According to Peter F. Drucker "Management is a multipurpose organ that manages a business, manages managers and manages worker and work." It is the force that holds everything in a business enterprise together and that sets everything in motion. The term Human resource means the people and their characteristics at work. Human resources are the wealth of an organization which can help it in achieving its goals. Human resource represents the knowledge, skills, abilities, talents both inherited and acquired that they have. Thus human resource management may be defined as the set of policies, practices and programmes designed to manage human resources to achieve both individuals as well as organizational goals.

Human Resource Management is the planning, organising, directing and controlling of the procurement, development, compensation, integration, maintenance and reproduction of human resources to the end that individual, organisational and societal objectives are accomplished.

Human resource management operates through human resource systems that bring together in a coherent way:

- HR philosophies describing the overarching values and guiding principles adopted in managing people.
- HR strategies defining the direction in which HRM intends to go.
- HR policies, which are the guidelines defining how these values, principles and the strategies should be applied and implemented in specific areas of HRM.
- HR processes consisting of the formal procedures and methods used to put HR Strategic plans and policies into effect.

- HR practices comprising the informal approaches used in managing people.
- HR programmes, which enable HR strategies, policies and practices to be implemented

One of the founding fathers of HRM was the Harvard School of Beer et al (1984) who developed what Boxall (1992) calls the 'Harvard framework'. This framework is based on the belief that the problems of historical personnel management can only be solved: When top management develop a viewpoint of, how they wish to see employees involved in and developed by the enterprise, and of what HRM policies and practices may achieve those goals. Without either a central philosophy or a strategic vision –which can be provided only by top management – HRM is likely to remain a set of independent activities, each guided by its own practice tradition.

Beer and his colleagues believed that 'Today, many pressures are demanding a broader, more comprehensive and more strategic perspective with regard to the organization's human resources.' These pressures have created a need for: 'A longer-term perspective in managing people and consideration of people as potential assets rather than merely a variable cost.' They were the first to underline the HRM tenet that it belongs to line managers. They also stated that: 'Human resource management involves all management decisions and action that affect the nature of the relationship between the organization and its employees – its human resources.'

## **FEATURES OF HUMAN RESOURCE MANAGEMENT**

- It is a Continuous Function
- It is future oriented
- It is development oriented.
- It is science as well as art.
- It is people oriented. based on the belief that people should be treated as assets (human capital);
- It is pervasive in nature.
- It is interdisciplinary in nature.
- It is action oriented
- It is individual oriented.

### **Human Resource Management: Nature and Scope**

The overall focus of human resource management is to ensure that the organization is able to achieve success through human capital. The human capital of an organization consists of the people who work there and on whom the success of the business depends. Human capital has been defined by Bontis *et al* (1999) as follows:

“Human capital represents the human factor in the organization; the combined intelligence, Skills and expertise that give the organization its distinctive character. The human elements of the organization are those that are capable of learning, changing, innovating and providing the creative thrust which if properly motivated can ensure the long-term survival of the organization.”

Human capital can be regarded as the prime asset of an organization and businesses need to invest in that asset to ensure their survival and growth. HRM aims to ensure that the organization obtains and retains the skilled, committed and well-motivated workforce it needs. This means taking steps to assess and satisfy future people needs and to enhance and develop the inherent capacities of people – their contributions, potential and employability – by providing learning and continuous development opportunities. It involves the operation of ‘rigorous recruitment and selection procedures, performance-contingent incentive compensation systems, and management development and training activities linked to the needs of the business’ (Becker *et al*, 1997). It also means engaging in talent management – the process of acquiring and nurturing talent, wherever it is and wherever it is needed, by using a number of interdependent HRM policies and practices in the fields of resourcing, learning and development, performance management and succession planning.

Thus Human Resource Management can be regarded as the planning, organising, directing and controlling of the procurement, development, compensation, integration, maintenance and reproduction of human capital to the end that individual, organisational and societal objectives are accomplished. It has very broader scope. Its definition and nature explained above indicates that human resource management consists of several interrelated activities/ functions which may be common to all organisations. All these functions/ activities are explained as below:

## **HUMAN CAPITAL PROCUREMENT**

Human capital procurement is concerned with the procuring right number and right kind of people. It is not an easy task to procure human capital which becomes asset for the organisation; it involves various activities as explained below:

**Manpower Planning:** Manpower Planning is the process by which an organization ensures that it has the right number and kind of human capital at the right place, at the right time, capable of effectively and efficiently completing those tasks that will help the organisation achieve its overall objectives. It involves forecasting individual and organisational needs, predicting trends in labour market, wages, union demands etc and their impact on the organisation.

**Job Analysis:** Job analysis is the process of studying and collecting information relating to operations and responsibilities of a specific job. According to US labour department “job analysis is the process of determining by observation and study and reporting pertinent information relating to the nature of a specific job. It is the determination of the tasks which comprise the job and of the skills, abilities and responsibilities required by the worker for a successful performance and which differentiate one job from all others.”

**Recruitment:** It is the process of finding and attracting capable applicants for employment. The process begins when new recruits are sought and ends when their applications are submitted. The result is a pool of applicants from which new employees are selected. There are various factors to be taken into consideration while recruitment such as govt recruitment policies, organisation size and image etc

**Selection:** selection is the process of differentiating among applicants in order to identify those with a greater likelihood of success in a job. Selection of a right candidates is a comprehensive exercise which involves series of steps listed below::

- 1.4.1. Screening of application forms
- 1.4.2. Selection tests

1.4.3. Selection interviews

1.4.4. Checking of references

1.4.5. Physical verification

1.4.6. Final selection

1.4.7. Employment contracts

1.4.8. Evaluation

**Placement:** It involves assigning suitable jobs to selected candidates so as to match employee qualification with the job requirement.

**Orientation:** It is the technique by which new employee is familiarising with the organisation, its surroundings and existing employees and also introduced to the practices, policies, and purposes of the organisation.

**Organising:** In order to implement Planning done earlier, proper organising is required. Organising is the process by which tasks are allocating among the individual members and groups, authority responsibility relationships are established and individual activities are integrated among common objectives.

### **Human Capital Development**

Human resource development is a continuous process of improving the knowledge, skill, aptitudes and values of the employees so that they can perform their present and future jobs effectively. It involves various activities as explained below:

**Training:** It is a learning process whereby people acquire skills, concepts, attitudes and knowledge to aid in the achievement of goals. It is an act of increasing the knowledge and skill of an employee for doing a specific job: Training can be imparted on the job or off the job as per the need of the employee and demand of the situation and job.

**Career Planning and Development:** It is the planning the career of employees and implementing career plans so as to fulfil the career aspirations of the employees. It involves promotions, transfers and other staff benefits so as to achieve both individual as well organisational goals.

**Performance Appraisal:** It is the process of measuring quantitatively and qualitatively the employees' past or present performance against the background of his experienced role performance, the background of his work environment, and about his future potential for an organisation. According to Randall S. Schuler; "performance appraisal is a formal, structured system of measuring and evaluating and employees' job related behaviour and outcomes to discover how and why the employee is presently performing on the job and how the employee can perform more effectively in future so that the employee, organisation and society will benefit." some of the important methods of performance appraisal are as follows:

- Confidential Reports
- Graphic Scales
- Checklist Method

- Group Appraisal
- Critical Incidents
- Field review Method
- Straight rating
- Paired Comparison
- Forced distribution method
- Essay Writing Method
- Management by Objectives
- Behaviourally Anchored Rating Scale
- Assessment centre
- Human Resource Accounting

## **COMPENSATIONS**

It refers to providing equitable and fair remuneration to employees for their contribution to the attainment of organisational objectives. It includes direct and indirect payments in the form of employee benefits and incentives to motivate employees to strive the higher levels of productivity. It involves various activities like job evaluation, wage and salary administration and other related employee benefit activities. Compensation can be both monetary and non monetary

## **HUMAN CAPITAL INTEGRATION AND MAINTENANCE**

An individual effectiveness in the organisation depends on the degree to which he is integrated with the organisation. This is the degree to which expectation of the individuals as well as those of the organisational match. When an individual joins the organisation, he brings with him his needs, skills values and attitudes and wishes to behave accordingly. In the same way organisation has certain expectations from the individuals in the form of subscribing its culture and climate, and producing expected results. When both sets of expectation match each other, it is beneficial to both the individuals and organisation. However this matching is not automatic but requires some efforts from both sides.

Integration involves motivating employees through various financial and non financial incentives, proving job satisfaction, handling employee grievances through formal grievance procedures, collective bargaining, worker's participation in management, conflict resolution, employee counselling, improving quality of work life etc.

Maintenance is concerned with protecting and promoting the physical and mental health of the employees. For this purpose several types of fringe benefits such as housing, medical aid, educational facilities, etc are provided to employees. Social security measures like pension, provident funds, gratuity etc.

## **Attributes of a Successful Hr Professional**

Some of the important attributes that a HR professional should possess are as follow:

- He should have good communication skills

- He should be well qualified to perform his designated role.
- He should be self motivated.
- He should have leadership qualities.
- He should be proactive.
- He should have respect for others
- He should have knowledge of all the activities of the organisation.
- He should have professional attitude.

## CONCLUSIONS

Human Resource Management is concerned with development of most valued asset of any organisation to achieve individual as well organisational goal. It is a continuous function comprises of various activities like human resource procurement, retention, development, compensation etc. The Human Resource Professional or Manager plays an important role in planning, organising, and directing all these activities so there are some important qualities that they should possess like Intelligence, well qualified, self motivation, professional attitudes, etc.

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