

Human Resource Management

Outline

Definition

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Challenges of HRM in Indian Economy / Modern
Management

Relationship with other social sciences – Approaches to HRM
/ Interdisciplinary approach

Newspaper Articles

Human Resource Management

Definition 1 – Integration

HRM is a series of integrated decisions that form the employment relationships; their quality contributes to the ability of the organizations and the employees to achieve their objectives



Definition 2- Influencing

- HRM is concerned with the people dimensions management. Since every organization is made up of people ,**acquiring their services**, developing their skills , motivating them to higher levels of performance and ensuring that they continue to maintain their commitment to the organization are essential to achieving organizational objectives.

This is true regardless of the type of the organization- govt, business education , health, recreational or social action

Definition 3 Applicability

- HRM is planning, organizing directing and controlling of the **procurement , development, compensation , integration, maintenance, and separation of human resources** to the end that individual, organizational and social objectives are accomplished.

Core Elements of HRM

Organizations -----People ----- Management



Meaning of HRM

It is concerned with management of people from **Recruitment to Retirement**

To select right person, at the right place for the right job.



HRM	PM
<p>People as important assets who could be used for the benefit of organization and society</p>	<p>People as a tool behavior of whom could be manipulated for benefit of the organization and replaced when worn out ,this department was not treated with respect</p>
<p>Aiming at policies and promoting mutuality – goals, respect, rewards & responsibilities</p>	<p>One way traffic</p>
<p>In turn better economic performance and greater HRD</p>	<p>Emphasis on only performance</p>



A part of strategic business	Not considered a part
Eg – ICICI Bank every unit of ICICI Bank is a profit making center	
New add-ons like training programmes could be invoked in HRM	A routine activity meant to hire new employees having fixed grades & to maintain personnel records.

Table 1.1 draws the line of separation between HRM and PM quite clearly.

Another term widely used these days is HRD. For many people, HRD and HRM convey the same meaning. This may not be true. Essentially, HRD is a function more concerned with training and development, career planning and development, performance and potential appraisal, counselling, succession planning, and welfare. HRD, therefore, is a part of HRM (see Fig. 1.5).

Table 1.1 *Differences between HRM and PM*

<i>Dimension</i>	<i>Personnel Management</i>	<i>Human Resource Management</i>
1. Employment contract	Careful delineation of written contracts	Aim to go beyond contract.
2. Rules	Importance of devising clear rules	Can do outlook, impatience with rule
3. Guide to management action	Procedures	Business need
4. Behaviour referent	Norms/customs and practices	Values/mission
5. Managerial task vis-à-vis labour	Monitoring	Nurturing
6. Key relations	Labour management	Customer
7. Initiatives	Piecemeal	Integrated
8. Speed of decision	Slow	Fast
9. Management role	Transactional	Transformational leadership
10. Communication	Indirect	Direct
11. Prized management skills	Negotiation	Facilitation
12. Selection	Separate, marginal task	Integrated, key task
13. Pay	Job evaluation (fixed grades)	Performance related
14. Conditions	Separately negotiated	Harmonisation
15. Labour management	Collective-bargaining contracts	Individual contracts
16. Job categories and grades	Many	Few
17. Job design	Division of labour	Team work
18. Conflict handling	Reach temporary truce	Manage climate and culture
19. Training and development	Controlled access to courses	Learning companies
20. Focus of attention for interventions	Personnel procedures	Wide-ranging cultural, structural and personnel strategies
21. Respect for employees	Labour is treated as a tool which is expendable and replaceable	People are treated as assets to be used for the benefit of an organisation, its employees and the society as a whole
22. Shared interests	Interests of the organisation are uppermost	Mutuality of interests
23. Evolution	Precedes HRM	Latest in the evolution of the subject

Industrial Relations Management (IRM) is yet another term which adds to the problem of semantics. 'Industrial relations', as the term implies, is merely concerned with employee grievances and their settlement, unionisation, and the like. Obviously, IRM is one wing of HRM (see Fig. 1.5).

HRM Objectives	Supporting Functions
Societal Objectives	Legal Compliance
SAILs basic objective is customer satisfaction	Benefits
	Union Management Relations
Organizational Objectives	HRP
TVS Suzuki- emphasis of the company are	Employee Relations
People and quality through quality	Selection
circles	Training and Development
	Appraisal
	Placement
	Assessment
Functional Objectives	Appraisal
Reliance – KRA based on PMS & career mapping exercise, Mfg leadership prog for its senior execs in association with Hewitt	Placement
	Assessment
Personal Objectives	Training and Development
Eg- DuPont Nylon – a development	Appraisal, Placement, Compensation
Center created for employees, team bldg	

SCOPE OF HRM

HRM starts from the employees **entry** till the **exit** of the same and hence covers everything under the sun.

Activities

- ❖ HR Planning
- ❖ Job Analysis – JD & JS- Eg Wipro – implicit JA & Nirma – explicit
- ❖ Job Design eg- Bajaj Auto- job rotation and job enrichment
- ❖ Employees Hiring --Recruitment & Selection
- ❖ Orientation & Placement, Training & Development eg Dupoint Saint Goabain Satyam –team work practiced, Punjab Tractor- Individual

SCOPE OF HRM

- ❖ Employee and Executive Remuneration Eg-infosys prefers low base of salary& individual negotiation , L&T prefers collective bargaining
- ❖ Employee Maintenance – Motivation, Communication eg BPOs ,Reliance – PLI for its employees with international cons, Google
- ❖ Performance Appraisals, Job Evaluation Eg- Polaris & Bajaj Auto- 1-behaviour 2.on results
- ❖ Industrial Relations – Welfare, Safety& Health eg ONGC,

Role of HRM

- ❖ Advisory Role
- ❖ Personnel Policies
- ❖ Personnel Procedures
- ❖ Functional Role
- ❖ Service Role

Eg – Google

HR Managers Today

Humanitarian Role

Counselor

Mediator

Spokesman

Problem Solver

Change Agent

Future

Enhancement of Human & Non Human Resources

Maximization of people to achieve organizational goals

Synergizing IT with HR

Managing diverse workforce

Managerial functions of HRM

Planning- plan & research about wage trends, labour mkt etc

Organizing- manpower and resources

Staffing- recruitment & selection

Directing- issuance of orders and instructions to follow plan of action

Controlling – to regulate the activities

Operational Functions of HRM

Procurement- planning , Recruitment & Selection , Induction & Placement

Development – T & D, Career Planning & Counseling

Compensation- Wage & Salary administration

Integration

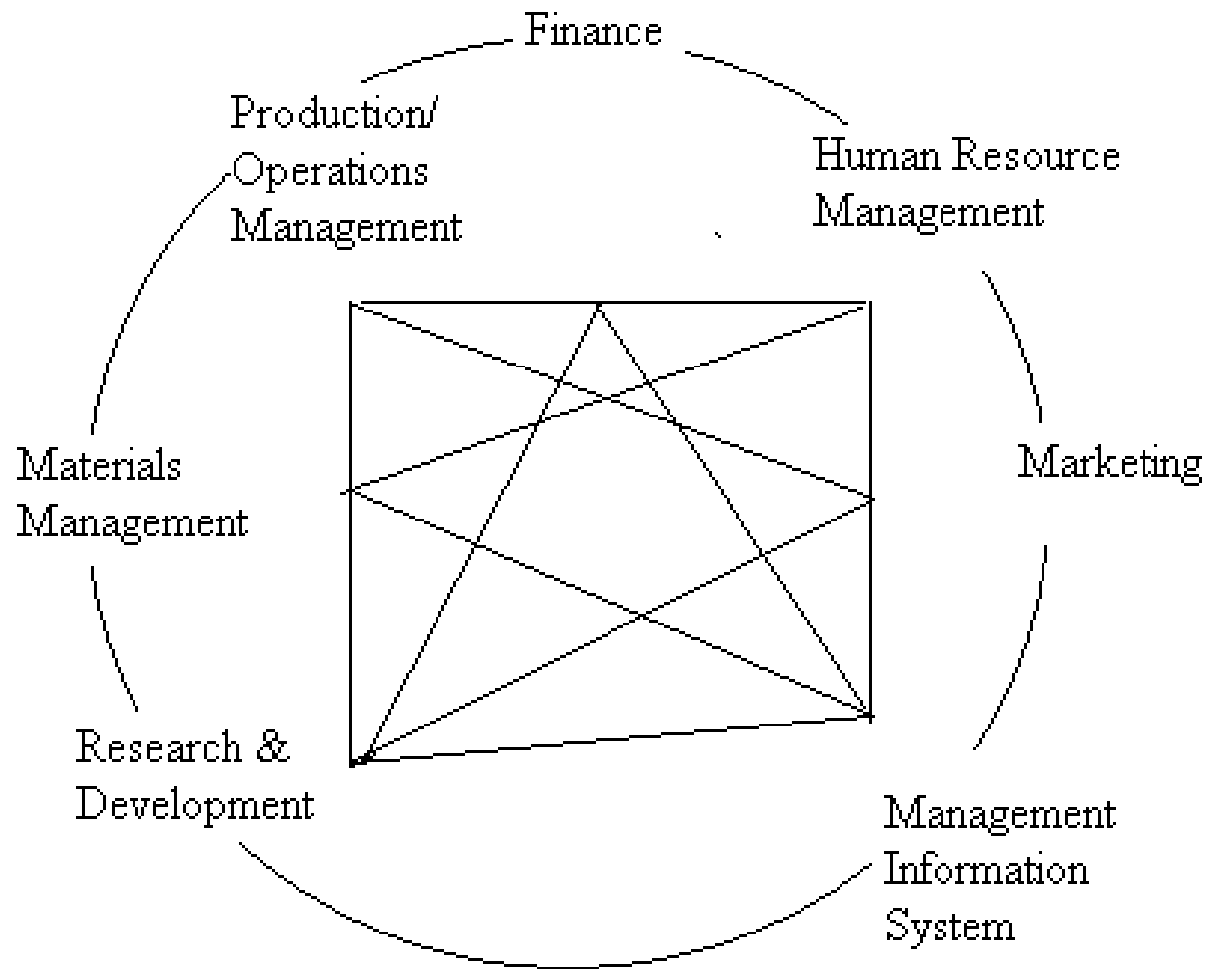
Maintenance – improving work conditions, retentions

Separation - caused by resignations, retirement, death, medical reasons etc

CHALLENGES OF HRM IN INDIAN ECONOMY

- World becoming a Global Village eg-GE, ranbaxy, Glaxo, TCS
- Corporate Re-organizations eg- Air India & IA,
- New Organizational Structures- Virtual, boundary less, flat, Wipro – diversfcn – soaps, edible oils etc Forward & Backward Intg Backward integration M&As
- Diverse workforce- eg. Teenagers, Nuclear families, working mothers etc Gen Y
- Change in Employee Expectations- more of benefits
- People Focus – concept of flexi time –huges software, L&T – nanhi kali, TCS joined Tata Mgmt Training Center for balance scorecard & other systems like PMS, Protection of Interests of Weaker sections
- Employee Engagement
- Attrition

Approaches to HRM / Interdisciplinary Approaches



1950s	2000s	Broad Banding
Multiple Layers	Flat/ Delayered	Few levels
Mfg/ lab intensive	Very less control	Empowerment
Autocratic	Team Focused	Merit Pay
Centralized	Adaptive/ Mobility	
Tight ownership	Flexible	Few Rules
Individual Contributors	Decentralized	Market Driven
Narrow Responsibilities	Externally Focused	

Line & Staff Relationships in Organizations

Relationship which the managers in an organization deal with one another are classified into two categories

Line and staff

Line Relationship - authority and responsibility

Receiving and giving instructions or orders. Important as one gets work done through people.

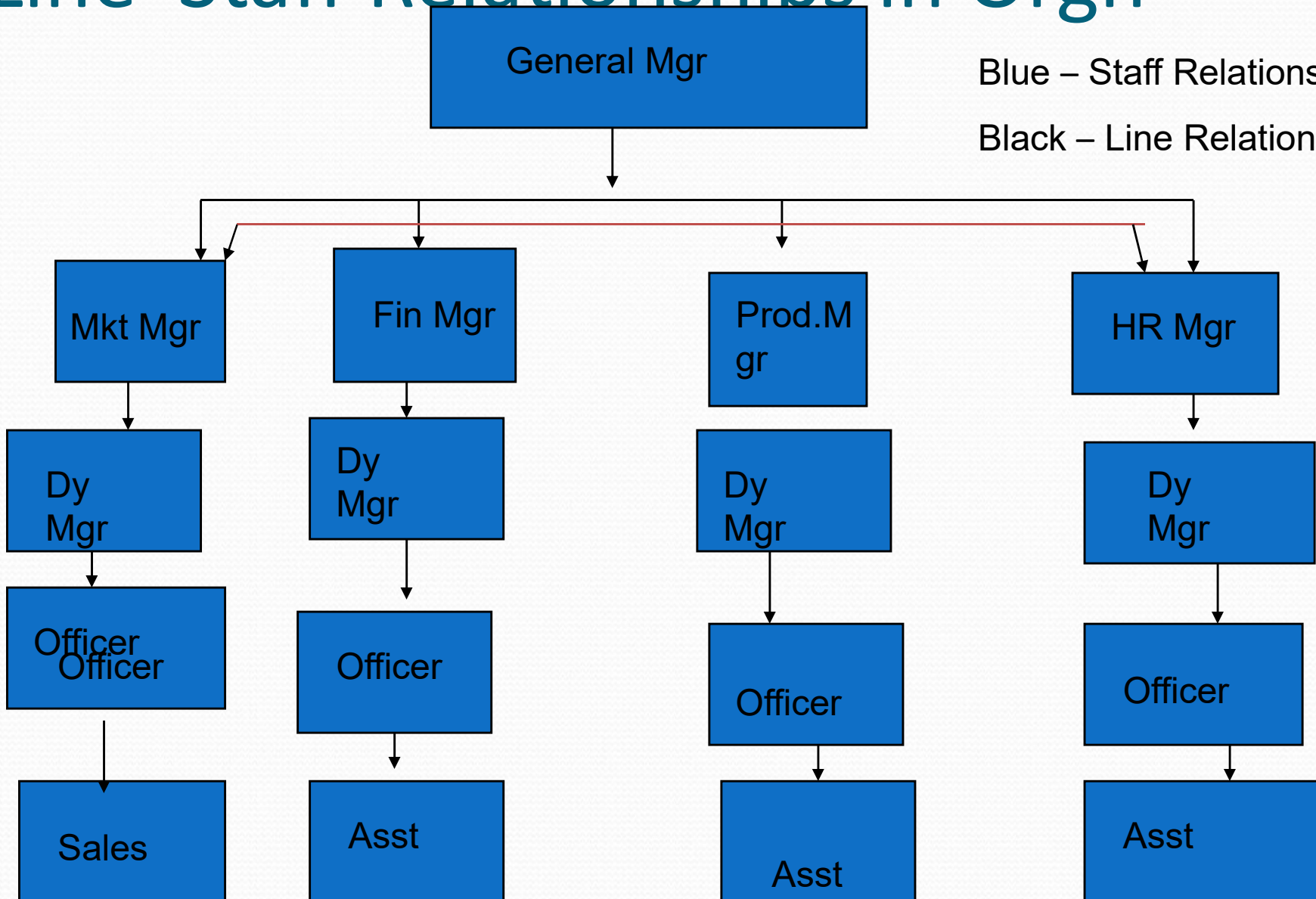
Staff Relationship - giving and taking of advice

Line Staff Relationships in Orgn

General Mgr

Blue – Staff Relationship

Black – Line Relationship



Organization of Personnel Department

1. Its concerned with the relationships of management to employees
 2. Its concerned with the relationships of employees to employees in all matter
 3. Personnel department is staff deparment and has a structure of line type
 4. Organization of personnel function depends on the size, structure, range and depth of actions, needs, capacities, nature and location of organization.
 5. The degree to which the organization takes personnel function seriously
-
- Scale of operations large – a separate department is essential

Organizational Structure Personnel Department

ears.

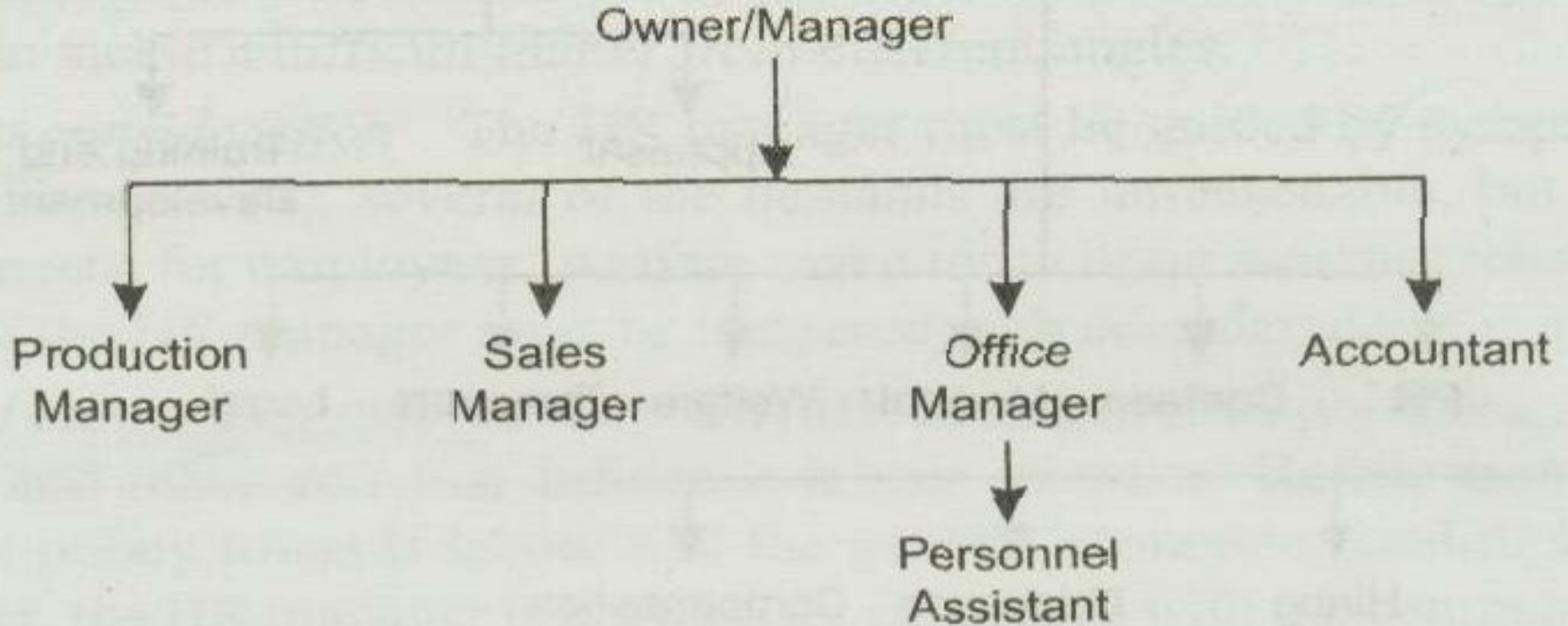


Fig. 1.3 HRM in a small-scale unit

Organizational Structure Personnel Department

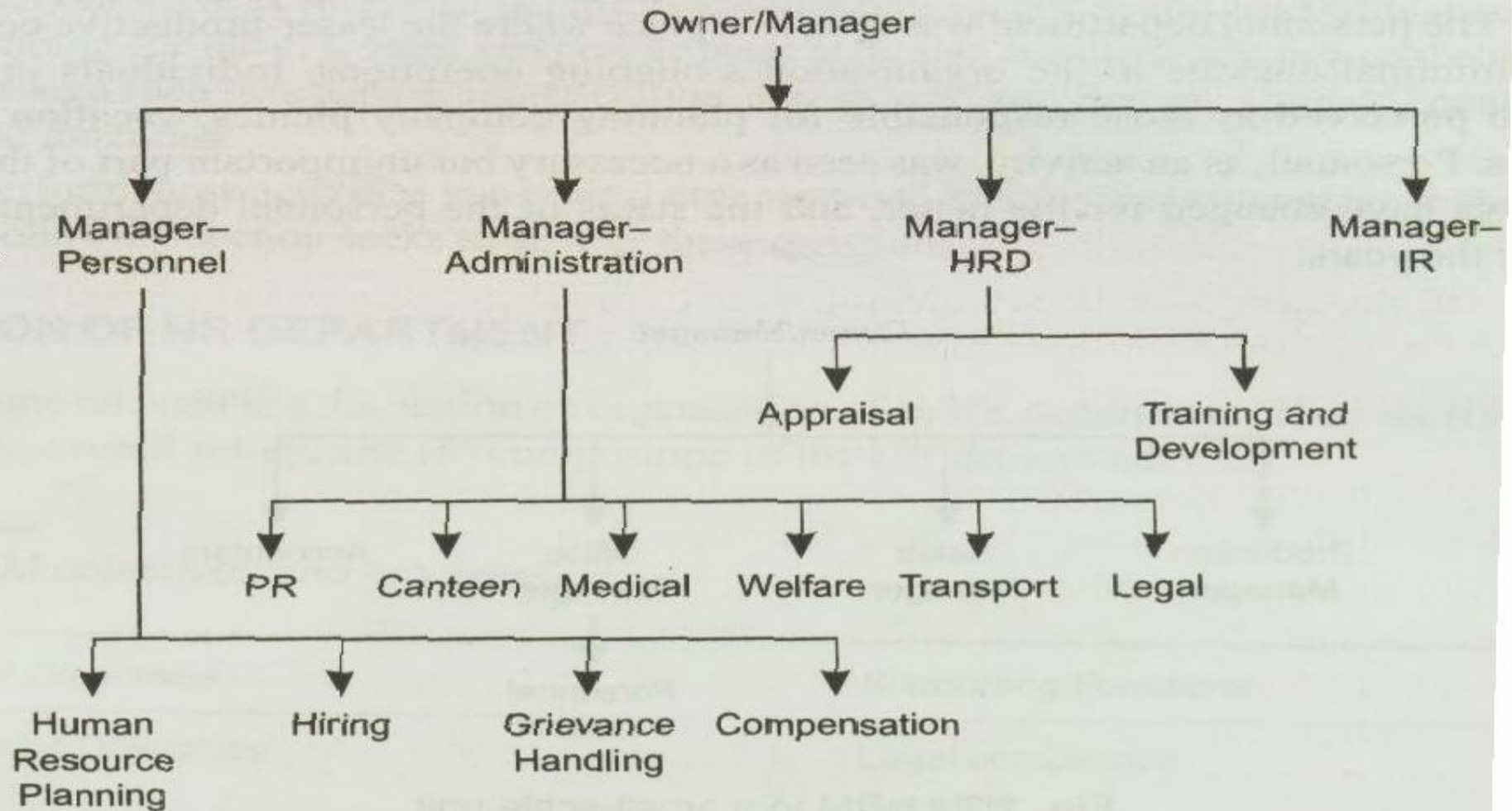


Fig. 1.5 Composition of a HR/Personnel department

Personnel Department

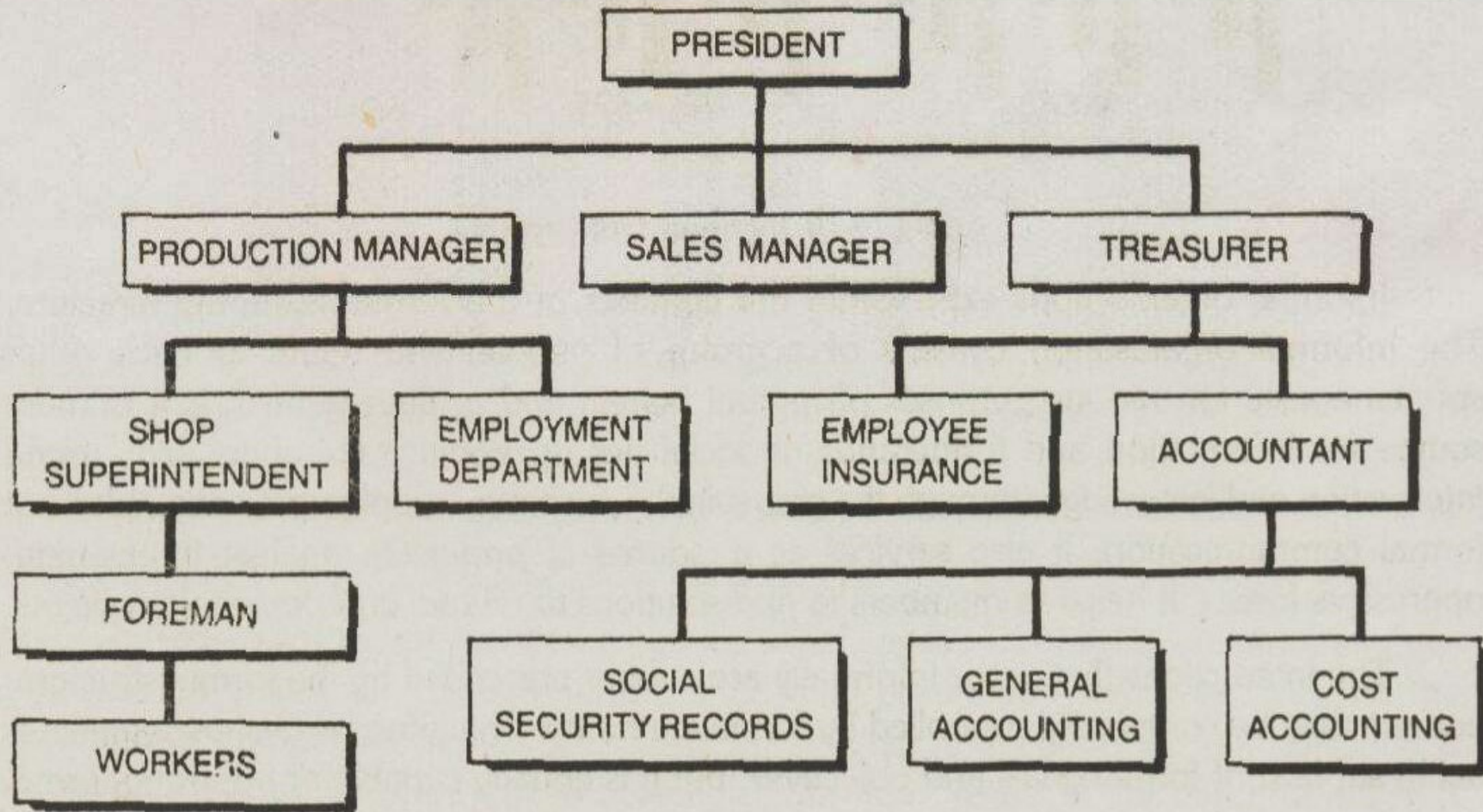
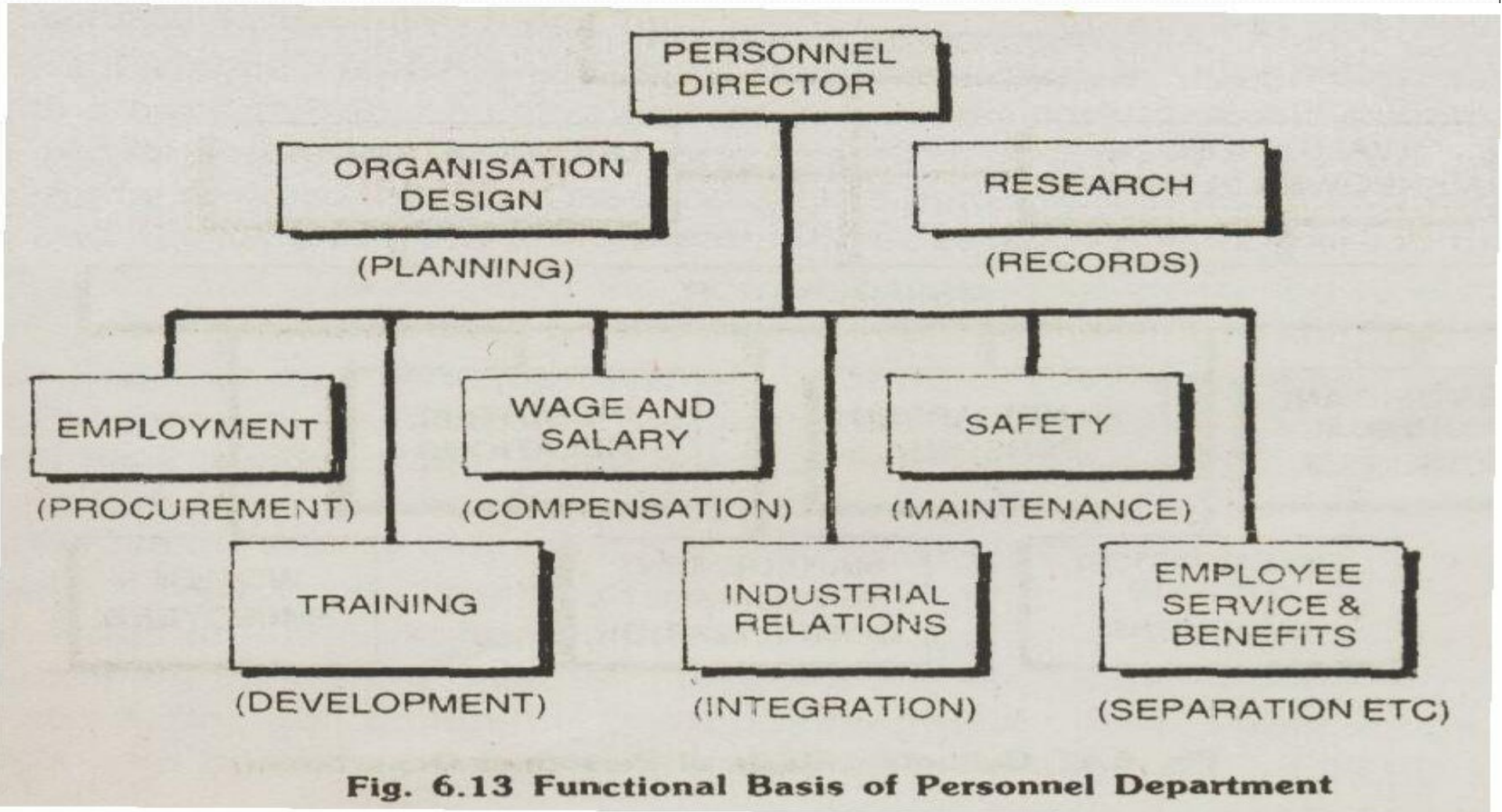


Fig. 6.11 Personnel Functions in a Small Company

Personnel Department

Eg- Hospitals

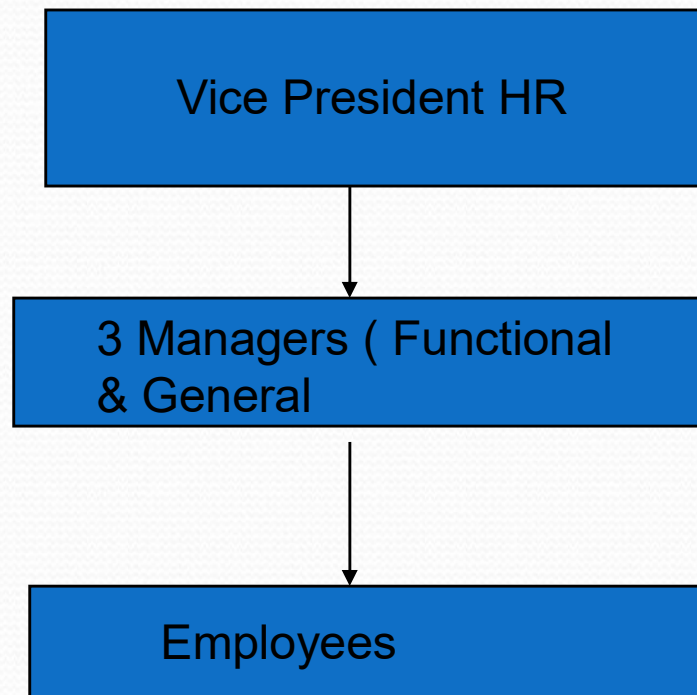


Personnel Department

Eg-FMCG colgate Palmolive

Levels of Management 3

HR Dept



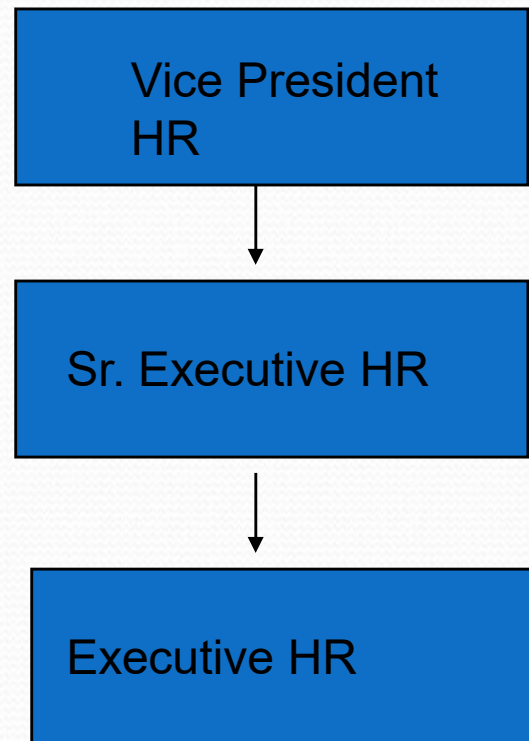
Personnel Department

-g- Pharma cos Merck

Organization Structure

Levels of Management 3

HR Dept Structure



Responsibility of Personnel Specialist

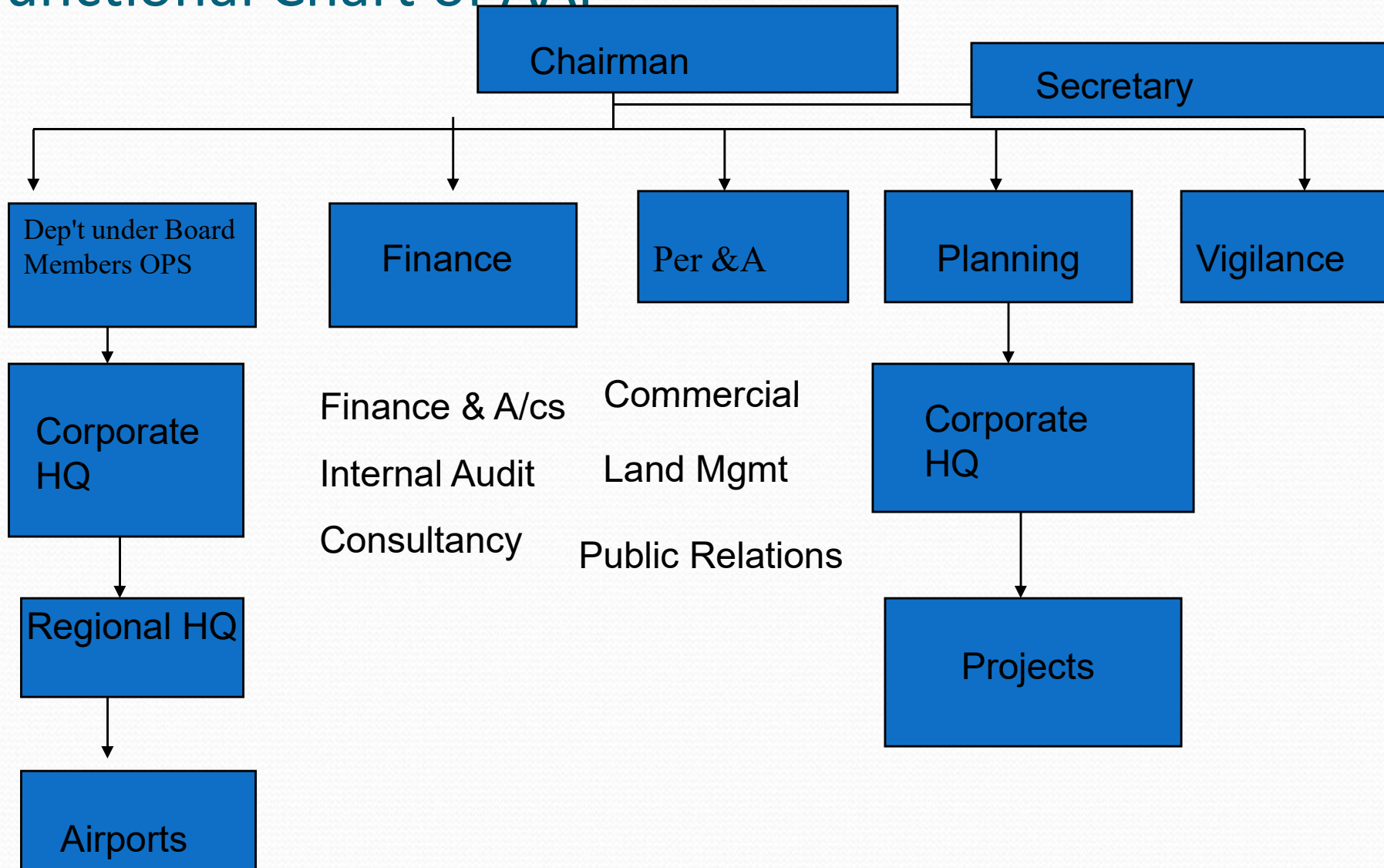
- Human Resource Planning
- Formulation of Programmes & Procedures
- Employee Health & Safety Programmes
- Training and Development of Personnel
- Wage & Salary Administration
- Good Labour Management Relations – Grievance handling
- Employee Benefit Programmes
- Personnel Research
- Personnel Audit & Review Work

Airport Authority of India

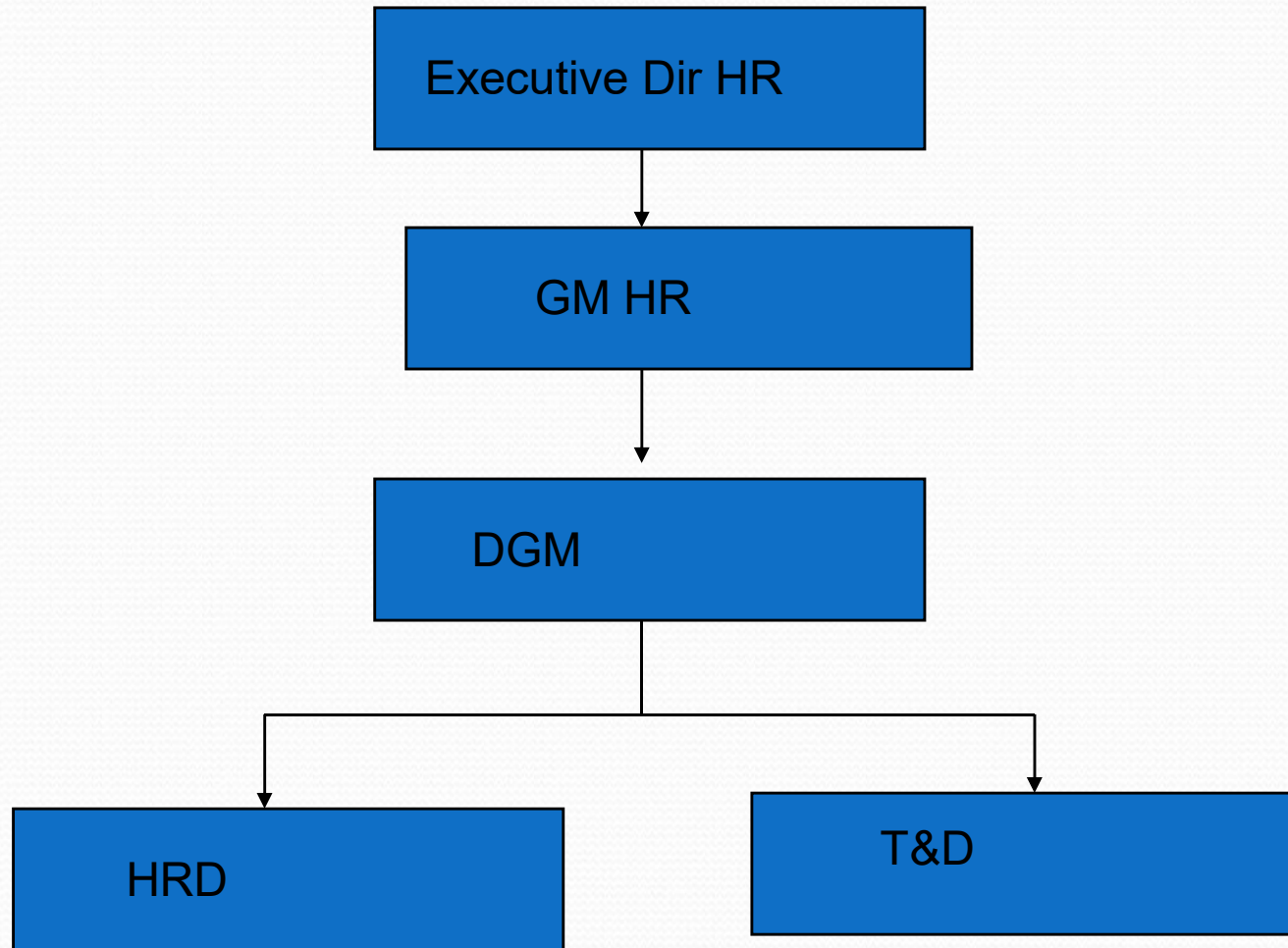
- **Functions of Personnel Department**

- Formulating policies & procedure
- Manpower Planning
- Training & Development
- Recruitment & Promotion
- Service Condition
- Wage & Salary Administration
- PAS & Counseling
- Formulation of various welfare schemes

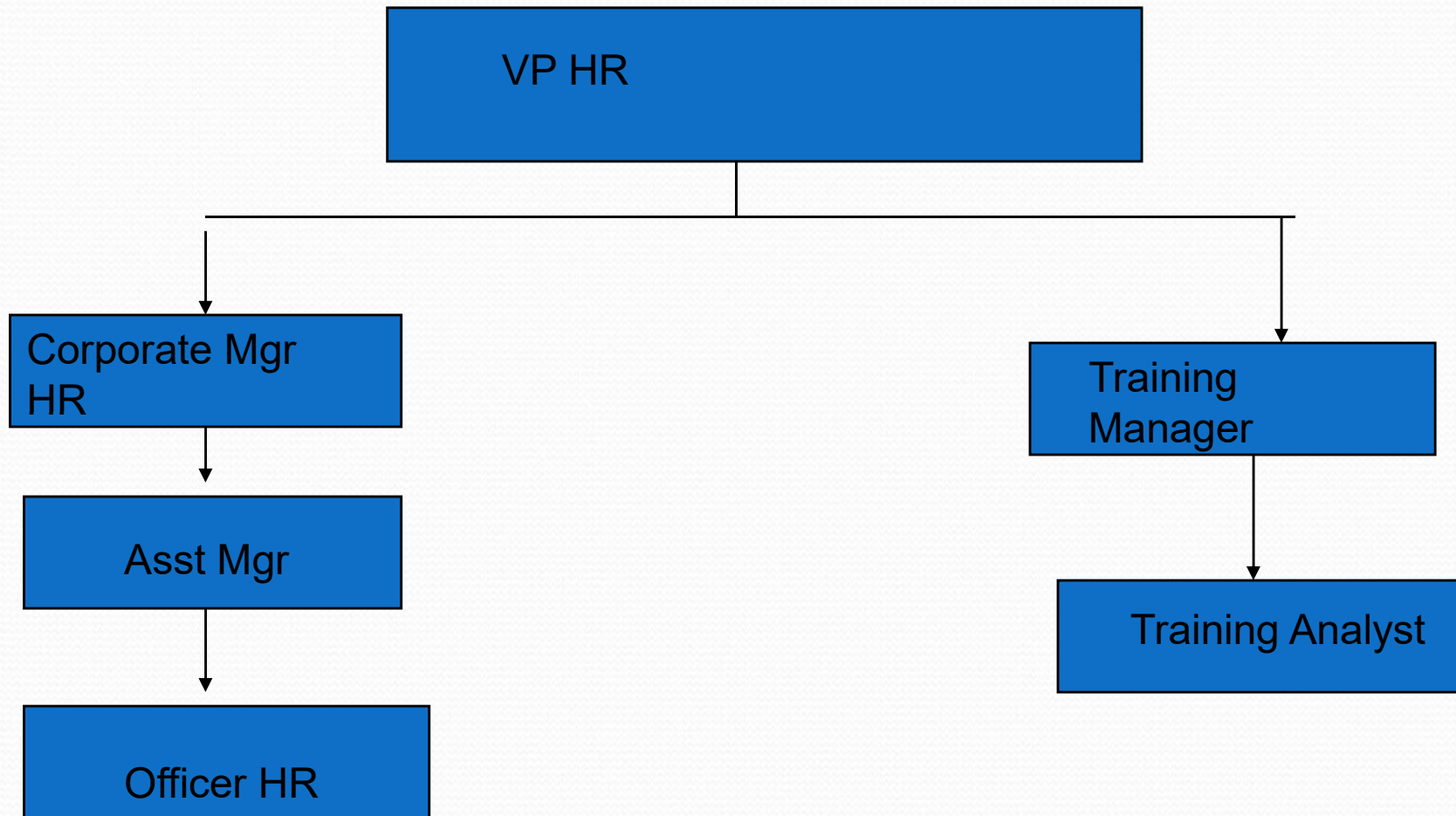
Functional Chart of AAI



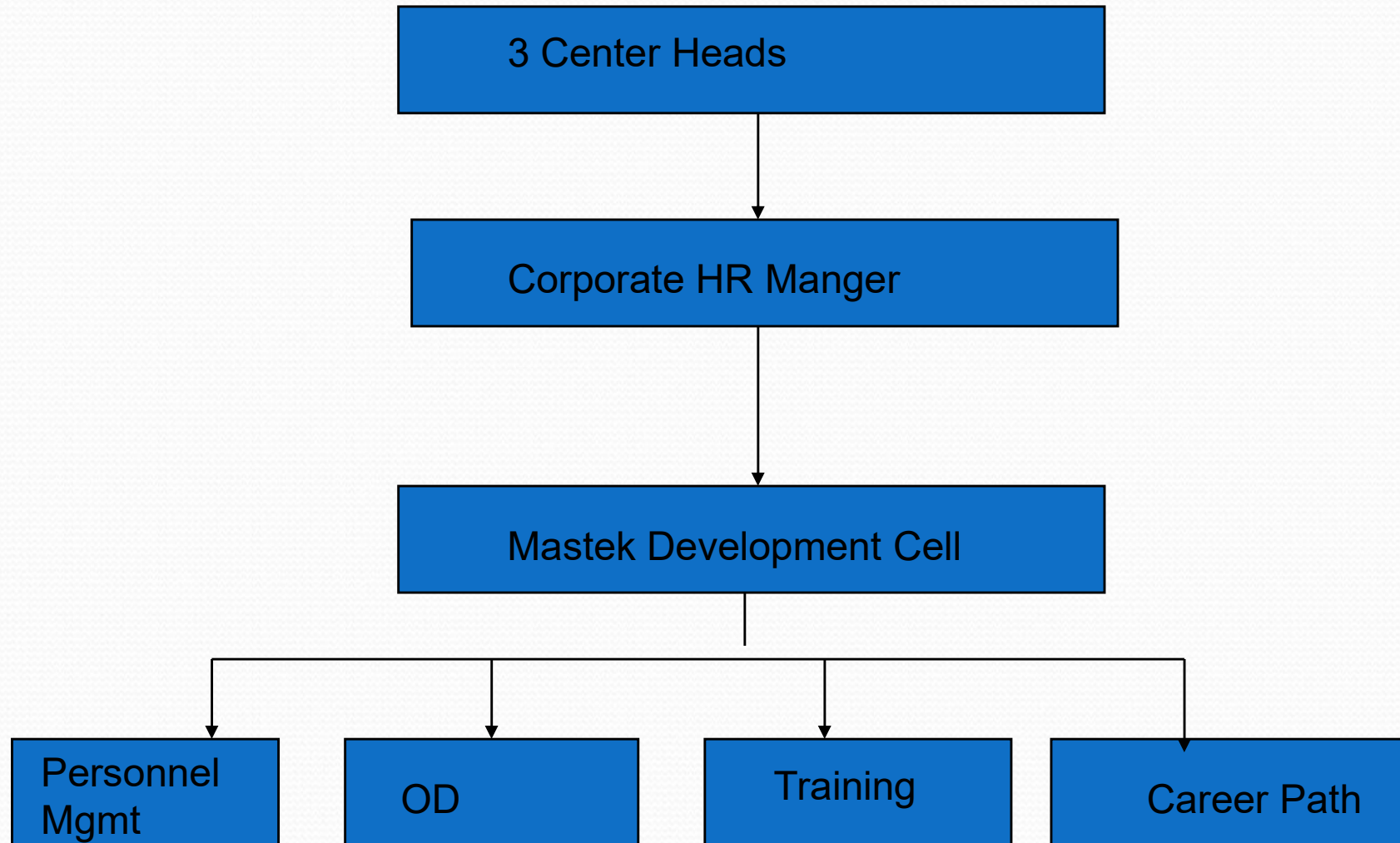
Personnel Department Indian Oil Corporation



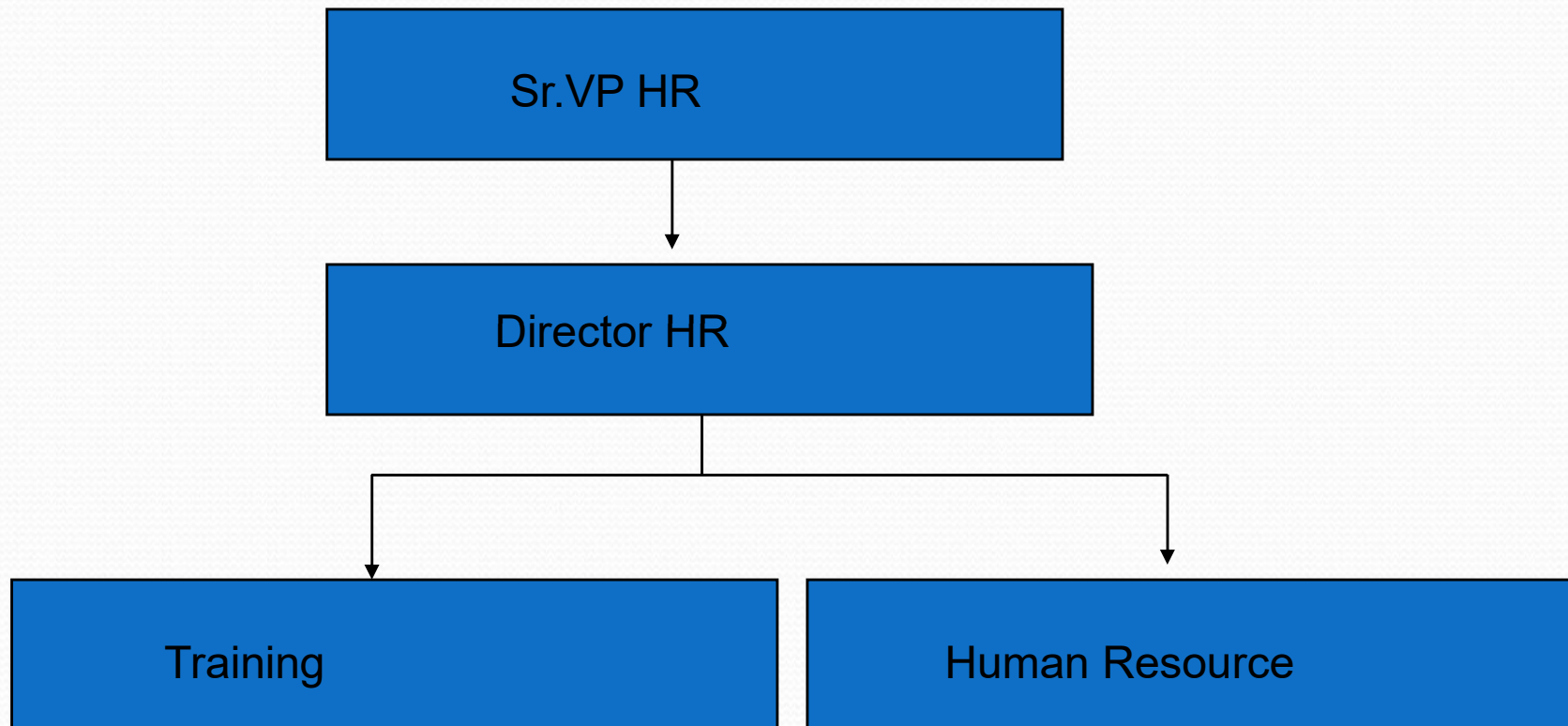
HR/Personnel Dept Shoppers Stop



Mastek A mix of functional & Matrix Organization



Oberoi Hotels



Summary

HRM is a tool that helps managers to plan, recruit, select, train, develop, remunerate, motivate and make maximum utilization of human and non human resources for the organization and society at large.

“One machine can do the work of fifty ordinary men. No machine can do the work of one extraordinary man.”- Elbert Hubbard