

HUMAN RESOURCE MANAGEMENT

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HUMAN RESOURCE MANAGEMENT

(As per Revised Syllabus of Six Semester BBI, Mumbai University, w.e.f. 2018-19)

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PREFACE

It is a matter of great pleasure to present revised edition of the book on Human Resource Management to the students and teachers of BBI, University of Mumbai. This book is written on lines of syllabus instituted by the University. The book presents the subject matter in a simple and convincing language.

I owe a great many thanks to a great many people who helped and supported me during the writing of this book which includes Principal, Co-coordinator and Students of K.M. College, DAV, Ratnam College, K.J. Somaiya, Vivekananda Education Society, Vikas College, R.J. College of the B.Com., BBI, BMS, BAF and BFM section.

My deepest thanks to Mr. Manoj Sharma of the Nitin Godiwala College who was the strength to me always.

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Authors

SYLLABUS

Modules at a Glance

Sl. No.	Modules	No. of Lectures
1	Framework of Human Resource Management	15
2	HR Procurement	10
3	HR Planning and Recruitment	10
4	Training and Development	15
5	Compensation	10
Total		60

Sl. No.	Modules/Units
1.	Framework of Human Resource Management Introduction to HRM, Nature of HRM, Scope of HRM, Functions and Objectives of HRM, HRM Policies and Practices, Role and Functions of HR Manager (in Banking and Insurance Sector). HRM and Strategies – Strategic Function of HRM, Understanding and Implementing Global Competitiveness and HR, Strategic HR, Linkages of Organizational and HR Strategies.
2	HR Procurement Job Analysis and Design-Job Analysis, Introduction, Importance, Purpose, Benefits, Job Evaluation, Competency-based Job Analysis. Job Design - Introduction, Characteristics, Factors Affecting Job Design, Job Satisfaction.
3	HR Planning and Recruitment Definition, Objectives, Need and Importance of HR Planning, Preparing Manpower Inventory, Promotions and Transfers. Recruitment – Strategic Approach to Recruitment, Recruitment Source: Internal and External and Selection Procedure.
4	Training and Development Employee Training and Development – Nature and Process of Training, Training Methods – On-the-job and Off-the-job. Management Development Program and Performance Appraisal – Definition, Methods, Advantages and Limitations of Appraisal.

Meaning, Need and Importance, Current Trends in Compensation, Team-based Incentives, Pension Schemes with Reference to Banking and Insurance, Fringe Benefits, Perquisites, Allowances and other Non-monetary Benefits.

Voluntary Retirement Scheme – Concept, Types, Needs, Effects with Reference to Banking and Insurance.

Participative Management

Meaning, Levels, Types, Employee Welfare, Comparative Study of Working Conditions in Banks, Financial Institutions and Insurance Companies.



PAPER PATTERN

Maximum Marks: 75

Questions to be Set: 05

Duration: 2½ Hours

All questions are compulsory carrying 15 Marks each.

Question No.	Particulars	Marks
Q. 1	Objective Questions (A) Sub-questions to be asked (10) and to be answered (any 08) (B) Sub-questions to be asked (10) and to be answered (any 07) (*Multiple Choice/True or False/Match the Columns/Fill in the Blanks)	15 Marks
Q. 2	Full Length Question OR	15 Marks
Q. 2	Full Length Question	15 Marks
Q. 3	Full Length Question OR	15 Marks
Q. 3	Full Length Question	15 Marks
Q. 4	Full Length Question OR	15 Marks
Q. 4	Full Length Question	15 Marks
Q. 5	(A) Theory Questions (B) Theory Questions OR	08 Marks 07 Marks
	Short Notes To be asked (05) To be answered (03)	15 Marks

Note: Theory questions of 15 Marks may be divided into two sub-questions of 7/8 and 5/10 Marks.

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Unit I: Framework of Human Resource Management



CHAPTER 1 HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION TO HUMAN RESOURCE MANAGEMENT

Information Technology (IT) — A wonderful creation of man brought shifts in our day-to-day life. Indian software professionals made significant strides in the information technology industry of USA.

The answer to this question centered around the following areas:

- Getting the people who can make an organization.
- Enabling those people to acquired capabilities to make a successful organization.
- Motivating those people to contribute their resources continuously for running the organization successfully.

2. MEANING AND DEFINITION OF HRM

The total knowledge, skill, creative abilities, talents and aptitudes of an organization's workforce, as well as the value, attitudes and beliefs of the individuals involved.

Definition of HRM

The field of management which has to do with planning, organizing, directing and controlling the functions of procuring, developing, maintaining and utilizing a labour force so that the organizational, social and individual goals are met.

3. SCOPE OF HUMAN RESOURCE MANAGEMENT

The scope of HRM is very wide:

1. **Personnel Aspect:** This is concerned with manpower planning, recruitment, selection, placement, transfer, promotion, training and development, layoff and retrenchment, remuneration, incentives, productivity, etc.
2. **Welfare Aspect:** It deals with working conditions and amenities such as canteens, creches, rest and lunch rooms, housing, transport, medical assistance, education, health and safety, recreation facilities, etc.
3. **Industrial Relations Aspect:** This covers union-management relations, joint consultation, collective bargaining, grievance and disciplinary procedures, settlement of disputes, etc.
4. **Motivation:** This deals with influencing employee to attain the desirable organization goal and leads to organization growth and development.
5. **Communication:** HRM involves upward, downward and horizontal communication which leads to conduct of organizational activities in a very smooth manner.

4. HUMAN RESOURCE MANAGEMENT: OBJECTIVES

- To help the organization reach its goals.
- To ensure effective utilization and maximum development of human resources.
- To ensure respect for human beings.
- To identify and satisfy the needs of individuals.
- To ensure reconciliation of individual goals with those of the organization.
- To achieve and maintain high morale among employees.
- To provide the organization with well-trained and well-motivated employees.
- To increase to the fullest the employee's job satisfaction and self-actualization.
- To develop and maintain a quality of work life.
- To be ethically and socially responsive to the needs of society.
- To develop overall personality of each employee in its multidimensional aspect.
- To enhance employee's capabilities to perform the present job.
- To equip the employees with precision and clarity in transaction of business.
- To inculcate the sense of team spirit, teamwork and inter-team collaboration.

5. ROLE OF HUMAN RESOURCE MANAGEMENT IN INSURANCE

Services sectors like banks and insurance are entirely dependent on the knowledge, expertise, skills, attitudes and quality of human resources for growth and success. Hence, effective management of human resources is extremely crucial in banks and insurance companies.

Human resource management in banking and insurance concentrates on building employee capabilities. Employee capabilities serve as the trigger and create growth opportunities for the organization. As employee capabilities is the key link to success in banks and insurance companies, the HR department becomes a “strategic capabilities unit”. Some key functions of the HR department in banks and insurance companies are:

1. The use of the individual, team and organization learning for serving the customers in a better way.
2. Ensuring that employee’s knowledge and skills are kept up-to-date.
3. Aligning the HR development and learning strategies with the overall strategies of the bank.
4. Devising strategies to motivate the employees by means of a suitable compensation structure.

6. ROLE OF HRD PROFESSIONALS IN TRAINING

This is the era of cut-throat competition and with this changing scenario of business, the role of HR professionals in training has been widened. HR role now is:

1. Active involvement in employee education
2. Rewards for improvement in performance
3. Rewards to be associated with self-esteem and self-worth
4. Providing pre-employment market-oriented skill development education and post- employment support for advanced education and training.

7. DIFFERENCE BETWEEN PERSONNEL MANAGEMENT AND HUMAN RESOURCE MANAGEMENT

Personnel Management	Human Resources Management
1. Management of people employed.	1. Management of employees’ skill, aptitude, creativity etc.
2. Employees are treated as economic man and services are exchanged for salary, wages.	2. Employees are treated as economic man and services are exchanged for salary, wages.
3. Employees are treated as cost centre.	3. Employees are treated as profit centres.
4. Employees are mostly used for organizational benefit.	4. Employees are utilized for multiple benefits.
5. Personnel Management is treated as auxiliary function.	5. HRM is treated as strategic function.
6. Actions are based on procedures.	6. Action is based on business needs.
7. Management tasks are monitoring.	7. Tasks are nurturing.
8. Decision is slow.	8. Facilitates speedy decisions.
9. Communication is indirect.	9. Communication is direct.
10. Pay is based on job evaluation.	10. Pay is based on performance evaluation.
11. Management role is transactional.	11. Role is transformational leadership.
12. Job categories are many.	12. Job categories and grades are few.

