

HUMAN RESOURCE MANAGEMENT

(Text & Cases)

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PREFACE

This Organisation around the world is remodeling themselves as they respond to the challenges presented by the global economy. Success in today's competitive business environment is increasingly a result of effective human resource management. Humans are an organisation's greatest assets; without them, everyday business functions such as managing cash flow, making business transactions, communicating through all forms of media, and dealing with customers could not be completed. Humans and the potential they possess drive an organisation. Today's organisations are continuously changing. Organisational change impacts not only the business but also its employees. In order to maximize organisational effectiveness, human potential-individuals' capabilities, time and talents-must be managed. Human resource management works to ensure that employees are able to meet the organizations.

This book is designed to provide a comprehensive introduction to the study of Human Resource Management, its process and challenges. It is basically student oriented textbook as it satisfies the requirement of students for an exhaustive exposure to the principles and practices of human resource management. To become successful managers, students need exposure to practicalities, this book contains certain examples a cases that has been chosen from a broad spectrum of organizations to illustrate major concepts and help student apply the knowledge. The book has been especially written for the students of PG courses. We have tried to make the book useful for the students but still we will thankfully solicit and incorporate the suggestions of our readers.

The book would not have seen the light, but for the grace of God and the blessings and support of our family members and friends.

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Chennai
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Authors

Syllabus

Unit - I: Perspectives in Human Resource Management

Evolution of human resource management – The importance of the human factor – Challenges – Inclusive growth and affirmative action – Role of human resource manager – Human resource policies – Computer applications in human resource management – Human resource accounting and audit.

Unit - II: The Concept of Best Fit Employee

Importance of Human Resource Planning – Forecasting human resource requirement – matching supply and demand – Internal and External sources. Recruitment – Selection – induction – Socialization benefits.

Unit - III: Training and Executive Development

Types of training methods – purpose – benefits – resistance. Executive development programmes – Common practices – Benefits – Self-development – Knowledge management.

Unit - IV: Sustaining Employee Interest

Compensation plan – Reward – Motivation – Application of theories of motivation – Career management – Development of mentor – Protege relationships.

Unit - V: Performance Evaluation and Control Process

Method of performance evaluation – Feedback – Industry practices. Promotion, Demotion, Transfer and Separation – Implication of job change, The control process – Importance – Methods – Requirement of effective control systems grievances – Causes – Implications – Redressal methods.

Content

<i>Sl. No.</i>	<i>Unit Name</i>	<i>Page No.</i>
Unit - 1	Perspectives in Human Resource Management	1 - 46
	Evolution of Human Resource Management Importance of the Human Factor Challenges of Human Resource Management Inclusive Growth and Affirmative Action Role of Human Resource Manager Human Resource Policies Computer Applications in Human Resource Management Human Resource Accounting and Audit Review Questions	
Unit - 2	The Concept of Best Fit Employee	47 - 96
	Human Resource Planning Importance of Human Resource Planning Forecasting Human Resource Requirement Matching Supply and Demand Internal and External Sources Recruitment Selection Induction Socialization Benefits Review Questions	
Unit - 3	Training and Executive Development	97 - 124
	Training Types of Training Methods Purpose of Training Benefits of Training Resistance of Training Executive Development Programmes Common Practices Executive Development Programmes Benefits Executive Development Programmes	

	Self-development Knowledge Management Review Questions	
Unit - 4	Sustaining Employee Interest	125 - 174
	Compensation Plan Reward Motivation Application of Theories of Motivation Career Management Development of Mentor Protege Relationships Review Questions	
Unit - 5	Performance Evaluation and Control Process	175 - 232
	Performance Evaluation Method of Performance Evaluation Feedback Industry Practices Promotion Demotion Transfer Separation Implication of Job Change The Control Process Importance Methods Requirement of Effective Control Systems Grievances Causes Implications Redressal Methods Review Questions	
	Case Study	233 - 248
	Bibliography	249 - 250

Perspectives in Human Resource Management

U N I T - 1

Highlights

- Evolution of Human Resource Management
- Importance of the Human Factor
- Challenges of Human Resource Management
- Inclusive Growth and Affirmative Action
- Role of Human Resource Manager
- Human Resource Policies
- Computer Applications in Human Resource Management
- Human Resource Accounting and Audit

INTRODUCTION TO HUMAN RESOURCE MANAGEMENT

Human Resource Management (HRM) is the set of productive activities within an organization that focuses on transforming human being into useful resources. The activities include searching right candidate, identifying their knowledge, skills and attitude towards a specific job, fixing and practicing fair compensation policy, ensure the safety and comfort in work place, observing the performance of the employees, employee motivation, effective communication, administration and training for increasing productivity and efficiency.

HRM is a deliberate and widespread approach to managing people and the workplace culture and environment. Effective human resource management enables employees to contribute effectively and productively to the overall company direction and the accomplishment of the organization's goals and objectives.

HRM is moving away from traditional personnel, administration and transactional roles which are increasingly outsourced. HRM is now expected to add value to the strategic utilization of employees and that employee programs impact the business in measurable ways. The new role of human resource management involves strategic direction and human resource management metrics and measurements to demonstrate value.

Human Resources

Human resource can be defined as the translating process of human being into a useful resource. When a human being contributes his/her skills, knowledge and positive attitude towards productive work in an organization, he/she becomes the human resource for that organization.

Meaning of Human Resource Management

Human Resource Management refers to the planning organizing and implementing of productive activities within an organization that focuses on translating human being into useful resources. The human resource management activities include searching right candidate, identifying their knowledge, skills and attitude towards a specific job, fixing and practicing fair compensation policy, ensure the safety and comfort in work place, observing the performance of the employees, employee motivation, effective communication, administration and training for increasing productivity and efficiency.

Definitions

According to *Prof. Thomas G Spates*, “Human Resource administration is a code of the ways of organizing and treating individuals at work so that they will get the greatest possible realization of their intrinsic abilities, thus attaining maximum efficiency for themselves and their group and thereby giving to the enterprise of which they are a part of its determining competitive advantages and its optimum results”.

According to *Leon C. Megginson*, “HR is the total knowledge, skills, creative abilities, talents and aptitudes of an organization’s workforce, as well as the value, attitudes and beliefs of the individuals involved”.

According to **Gary Dessler**, “Human resource management is the policy and practice of one need to carry out the people or human resource aspects of a management position, including recruiting, screening, training, rewarding and appraising”.

According to **Edwin B. Flippo**, “Human resource management refers to the planning organizing, directing and controlling of procurement, development, competition, integration, maintenance and separation of human resource to the end so that individual organizational and social objectives are accomplished”.

According to **C. D. Risher and L. F. Schoenfeldt**, “Human resource management involves all management decisions and practices that directly affect or influence the people or human resources, who work for the organization”.

EVOLUTION OF HRM

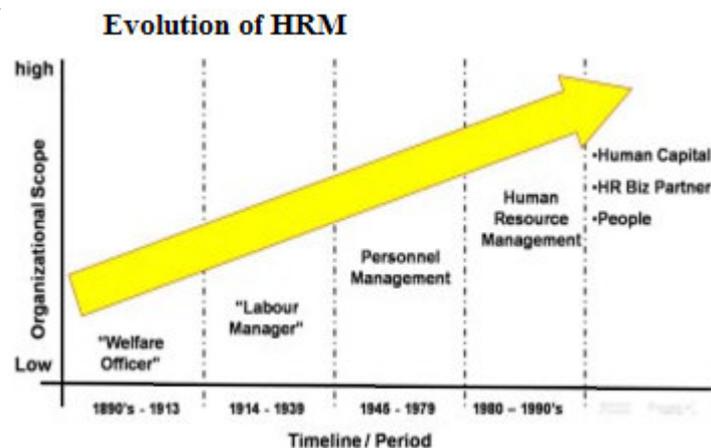
The evolution of the concept of Human Resource Management is given below:

1. Period before Industrial Revolution

The society was primarily an agriculture economy with limited production. Number of specialized crafts was limited and was usually carried out within a village or community with apprentices assisting the master craftsmen. Communication channel were limited.

2. Period of industrial revolution (1750 to 1850)

Industrial revolution marked the conversion of economy from agriculture based to industry based. Modernization and increased means of communication gave way to industrial setup. A department was set up to look into workers wages, welfare and other related issues. This led to emergence of personnel management with the major task as:



- i) Worker’s wages and salaries.
- ii) Worker’s record maintenance.
- iii) Worker’s housing facilities and health care.

An important event in industrial revolution was growth of Labour Union (1790) – The works working in the industries or factories were subjected to long working hours and very less wages. With growing unrest, workers across the world started protest and this led to the establishment of Labour unions. To deal with labor issues at one end and management at the other Personnel Management department had to be capable of politics and diplomacy, thus the industrial relation department emerged.

3. Post Industrial Revolution

The term Human resource Management saw a major evolution after 1850. Various studies were released and many experiments were conducted during this period which gave HRM altogether a new meaning and importance.

A brief overview of major theories release during this period is given below:

- (a) Frederick W. Taylor gave principles of scientific management (1857 to 1911) led to the evolution of scientific human resource management approach which was involved in:
 - i) Worker's training
 - ii) Maintaining wage uniformity
 - iii) Focus on attaining better productivity.
- (b) Hawthorne studies, conducted by Elton Mayo & Fritz Roethlisberger (1927 to 1940) – Observations and findings of Hawthorne experiment shifted the focus of Human resource from increasing worker's productivity to increasing worker's efficiency through greater work satisfaction.
- (c) Douglas McGregor Theory X and Theory Y (1960) and Abraham Maslow's Hierarchy of needs (1954) – These studies and observations led to the transition from the administrative and passive Personnel Management approach to a more dynamic Human Resource Management approach which considered workers as a valuable resource.

As a result of these principles and studies, Human resource management became increasingly line management function, linked to core business operations. Some of the major activities of HR department are listed as:

- (i) Recruitment and selection of skilled workforce.
- (ii) Motivation and employee benefits
- (iii) Training and development of workforce
- (iv) Performance related salaries and appraisals.

4. Strategic Human Resource Management Approach

With increase in technology and knowledge base industries and as a result of global competition, Human Resource Management is assuming more critical role today. Its major accomplishment is aligning individual goals and objectives with corporate goals and objectives.

Strategic HRM focuses on actions that differentiate the organization from its competitors and aims to make long term impact on the success of organization.

NATURE OF HUMAN RESOURCE MANAGEMENT

Human Resource Management is a process of bringing people and organizations together so that the goals of each are met. The nature of HRM can be summarized as follows:

- i) It is pervasive in nature as it is present in all enterprises.
- ii) It focus is on results rather than on rules.
- iii) It tries to help employees develop their potential fully.
- iv) It encourages employees to give their best to the organization.
- v) It is all about people at work, both as individuals and groups.
- vi) It tries to put people on assigned jobs in order to produce good results.
- vi) It helps an organization meet its goals in the future by providing for competent and well-motivated employees.
- viii) It tries to build and maintain cordial relations between people working at various levels in the organization.
- ix) It is a multi-disciplinary activity, utilizing knowledge and inputs drawn from psychology, economics, etc.
- x) Human resources are multi dimensional in nature.

SCOPE OF HUMAN RESOURCE MANAGEMENT

Human resource Management is undoubtedly the key resources in an organization, the easiest and the most difficult to manage. The purposes of the HRM span right from the manpower needs assessment to management and retention of the same. To this effect Human resource management is responsible for effective designing and implementation of various policies, procedures and programs. It is all about developing and managing knowledge, skills, creativity, aptitude and talent and using them optimally. Human Resource Management is not just limited to manage and optimally exploit human intellect. It also focuses on managing physical and emotional capital of employees. Considering the intricacies involved, the scope of HRM is widening with every passing day. It covers but is not limited to HR planning, hiring (recruitment and selection), training and development, payroll management, rewards and recognitions, Industrial relations, grievance handling, legal procedures etc. In other words, we can say that it's about developing and managing harmonious relationships at workplace and striking a balance between organizational goals and individual goals.

The scope of human resource management can be summarized as follows:

1. HRM in Personnel Management

This is typically direct manpower management that involves manpower planning, hiring (recruitment and selection), training and development, induction and orientation, transfer, promotion, compensation, layoff and retrenchment, employee productivity. The overall objective here is to ascertain individual growth, development and effectiveness which indirectly contribute to organizational development. It also includes performance appraisal, developing new skills, disbursement of wages, incentives, allowances, traveling policies and procedures and other related courses of actions.

2. HRM in Employee Welfare

This particular aspect of HRM deals with working conditions and amenities at workplace. This includes a wide array of responsibilities and services such as safety services, health services, welfare funds, social security and medical services. It also covers appointment of safety officers, making the environment worth working, eliminating workplace hazards, support by top management, job safety, safeguarding machinery, cleanliness, proper ventilation and lighting, sanitation, medical care, sickness benefits, employment injury benefits, personal injury benefits, maternity benefits, unemployment benefits and family benefits.

It also relates to supervision, employee counseling, establishing harmonious relationships with employees, education and training. Employee welfare is about determining employees' real needs and fulfilling them with active participation of both management and employees. In addition to this, it also takes care of canteen facilities, creches, rest and lunch rooms, housing, transport, medical assistance, education, health and safety, recreation facilities etc.

3. HRM in Industrial Relations

Since it is a highly sensitive area, it needs careful interactions with labor or employee unions, addressing their grievances and settling the disputes effectively in order to maintain peace and harmony in the organization. It is the art and science of understanding the employment (union-management) relations, joint consultation, disciplinary procedures, solving problems with mutual efforts, understanding human behavior and maintaining work relations, collective bargaining and settlement of disputes.

The main aim is to safeguard the interest of employees by securing the highest level of understanding to the extent that does not leave a negative impact on organization. It is about establishing, growing and promoting industrial democracy to safeguard the interests of both employees and management.

FEATURES OR CHARACTERISTICS OF HRM

The characteristics of HRM can be summarized as follows:

1. Human Resource Planning

It is understood as a process of forecasting an organization's future demand and supply for the right type of people in the right number. It is through this activity, which helps the organization to know how many employees exist in the organization and how many are required to perform the current jobs and as to how many are required to perform the future jobs.

2. Job Analysis

It is the process of studying and collecting information relating to the operations and responsibilities of a specific job. The immediate products of this analysis are job description and job specification

3. Recruitment and Selection

Recruitment is the process of stimulating the candidates to apply for jobs. Selection is a process of identifying the most eligible candidate for a particular job.

4. Orientation and Placement

Orientation is a socializing process by which the organization seeks to make the employee comfortable at the work place. Placement on the other hand is about matching the requirements of the job with the qualification of the candidate.

5. Training and Development

Training is imparting specific and necessary skills to an employee in order to perform a particular job/task at present; whereas development of an employee is all about imparting vast knowledge to an employee in order to equip him/her towards the future job.

6. Performance Appraisal and Job Evaluation

Performance Appraisal is the systematic evaluation of the individual with respect to his or her performance on the job and his or her potential for development.

Job evaluation is a systematic technique, which aims at determining the worth of a job. It is rating a job & not an individual performing the job.

7. Employee and Executive Remuneration

Remuneration is a wage or salary or any other compensation paid to employee for the service they render to the organization.

8. Motivation and Communication

Motivation is the process of channeling a person's inner drives towards accomplishing the goals of an organization.

Communication is the process of transmission of ideas, information orders or instructions to the recipient so that there is an understanding between the sender and the receiver.

9. Welfare, Safety and Healthy measures

The organization implements various welfare, safety and healthy measures for the betterment security and satisfaction of the employees.

10. Better Industrial Relations

Industrial Relations are those relations, which arise at the work place. *For example:* relationship between the employer and the employee and between the employee and the employers. Hence IR is more concerned and strives towards maintaining cordial relationship between the groups as mentioned above.

OBJECTIVES OF HUMAN RESOURCE MANAGEMENT

The main objective of human resource management is to accomplish the organizational goals. Therefore, the resources are mobilized to achieve such goals. Some other objectives of human resource management are as follows:

1. To ensure the effective utilization of resources

Human resource management ensures the effective utilization of resources. HRM teaches how to utilize human and non-human resources so that the goals can be achieved. Organization aiming to utilize their resources efficiently invites the HR department to formulate required objectives and policies.

2. To maintain organizational structure

Organizational structure defines the working relationship between employees and management. It defines and assigns the task for each employee working in the organization. The task is to be performed within the given constraints. It also defines positions, rights and duties, accountability and responsibility and other working relationships. The human resource management system provides required information too timely and accurately. Hence, human resource management helps to maintain organizational structure.

3. To develop human resources

Human resource management provides favorable environment for employees so that people working in organization can work creatively. This ultimately helps them to develop their creative knowledge, ability and skill. To develop personality of employees, human resource management organizes training and development campaigns which provide an opportunity for employees to enhance their caliber to work.

4. To respect for human beings

Another importance objective of human resource management is to provide a respectful environment for each employee. Human resource management provides with required means and

facilitates employee along with an appropriate respect because the dominating tendency develops that will result organizational crisis. Hence, all of them should get proper respect at work. Human resource management focuses on developing good working relationships among workers and managers in organization. So, good human resource management system helps for respecting the employees.

5. To maintain goal harmony

Human resource management bridges the gap between individual goal and organizational goal- thereby resulting into a good harmony. If goal difference occurs, the employees will not be willing to perform well. Hence, a proper match between individual goal and organizational goal should be there in order to utilize organizational resources effectively and efficiently.

6. To ensure employee satisfaction

Human resource management provides a series of facilities and opportunities to employees for their career development. This leads to job satisfaction and commitment. When the employees are provided with every kind of facilities and opportunities, they will be satisfied with their work performance.

7. To ensure employee discipline and moral

Human resource management tries to promote employee discipline and moral through performance based incentives. It creates a healthy and friendly working environment through appropriate work design and assignment of jobs.

8. To increase organizational productivity

Human resource management focuses on achieving higher production and most effective utilization of available resources. This leads to an enhancement in organizational goals and objectives.

FUNCTIONS OF HUMAN RESOURCE MANAGEMENT

Every manager must get things done from people. Individual goals and aspirations have to be in alignment with organizational goals for the successful handling of a business. A manager's handling of the human assets reflects his managerial capabilities. Managing people is one of the biggest challenges for any manager.

The functions of HRM can be classified into two categories which are:

1. Managerial Functions
2. Operative Functions

1. Managerial Functions

Management is the accomplishment of results through the efforts of other people. Managerial functions of HRM are as follows:

(i) Planning

Planning involves choosing of one of the various alternatives available for accomplishing the desired result with the greatest economy and certainty through the process of looking ahead. It also involves planning of human resources, requirements, recruitment, selection, training etc. and also involves determining of strategies, programme, policies and procedure to accomplish organization objectives. It involves ability to think, to predict, to analyze and to take decision.

(ii) Organizing

It involves establishing an intentional structure of roles for people in an organization. Structural considerations such as the chain of command, division of labor and assignment of responsibility are part of the organizing function. Careful organizing ensures effective use of human resources. According to JL Massie, an organization is a “structure and a process by which a cooperative group of human beings allocates its task among its members, identifies relationships and integrates its activities towards a common objective”. The organizing function establishes relationships among employees so that they can contribute collectively towards the attainment of organizational goals. It is an activity which establishes harmonious adjustment among all the factors of production i.e., land; labor, capital organization and enterprise. Complex relationships exist between the specialized departments and the general departments as many top managers are seeking the advice of HR manager. Organization establishes relationships among the employees so that they can collectively contribute to the attainment of company goals.

(iii) Directing

Direction is telling people what to do and seeing that they do it to the best of their ability. It is the process of directing all the available resources towards the common organizational goals. Direction includes seeing that mistakes are corrected, making assignments, issuing orders, provided on the job instructions and of course, corresponding procedures. Thus direction is a vital management function, which ensures maximum employee contribution and also helps in establishing sound industrial and human relations. It is a very important managerial function in building sound industrial and human relations besides securing employee contributions. Directing also involves coordination between different departments to ensure maximum utilization of all resources including human resource.

(iv) Co-ordinating

Co-ordination is required in all levels. Human resource department ensures developing, programmers for better co-ordination, interpreting and reviewing personnel policies.

(v) Controlling

Controlling is the measuring and correcting of activities of subordinates to ensure that events conform to plan. Auditing is the training programmers, analyzing labor turnover records, directly moral surveys are some of the means for controlling the HRM functions. It is checking regulating and verifying whether everything occurs as per the standards set and plans adopted.

2. Operative Functions

The operative functions of HRM are concerned with the activities specially dealing with employment, human resource development, compensation and human relations.

(i) Procurement

Through the process of recruitment and selection, the HR manager identifies the right type of people required in the organization and puts in some efforts to develop to get better performance.

(ii) Maintenance

Maintenance is one of the important functions to perform in HRD. Human Resources Management undertakes all the activities contributing to maintaining people in the organization. For examples, Good environment, different facilities like canteen, rest room, parking facilities, introducing safety measures to avoid accident, introducing incentives in the form of extra leaves, remuneration for medical expenses etc.

(iii) Development

Through Training and Development the present and future skills required are imparted to employees.

(iv) Work Culture

HRM introduces to pattern, the procedures in which the organization carries out its function. It is this definite way of work that creates a definite work culture in the organization.

(v) Educating the Managerial Personnel

Personnel Development programmes tries to educate the managerial executive of the market situations and trends which help in forming new plans and strategies of products.

(vi) Conducting Research

The main focus of human resource management is to come out with different ways in order to control and regulate the personnel towards the right direction there by achieving organization's objectives. In order to attain HRM it should focus towards coming out with continuous innovative methods in order to communicate, understand and integrate the workforce, research plays a pivotal role.

(vii) Developing a Communication System

HRM promotes free flow of communication in organization i.e., upwards, downwards and lateral, which helps in building suitable environment of work and builds culture link in the organization.

(viii) Compensation

It is concerned with securing adequate and equitable remuneration to persons working in the organization. Compensation should be fixed in such a way that it is able to attract and retain suitable persons in the organization.

(ix) Integration

It is an attempt to effect reconciliation of individual organization and social interest.

(x) Employment

Employment is concerned with stabling and employing the people possessing required kind and level of human resources necessary to achieve the organizational objectives. It includes the functions like job analysis, human resource planning, recruitment, selection, placement, induction and internal mobility.

(xi) Human Resource Development

Human resource development efforts are described in terms of the training and educating programs and the number of people who are exposed to these programmes. Unless a systematic and constant monitoring of these programs and a systematic appraisal of the actual effect of these programs, in terms of actual results achieved, can be determined, it may not be possible to understand whether the real purpose is served by these programs.

(xii) Human Relation

This process leads to the human relations movement with its emphasis on the fact that employees need to be understood in order to be satisfied and productive. The idea that good human relations in and of themselves will increase productivity failed to be consistently supported and many of the movement's ideas were abandoned.

IMPORTANCE OF HRM

Importance of HRM can be discussed at four levels which are as follows:

1. Corporate Level

For an enterprise effective HRM leads to attainment of its goal efficiently and effectively. HRM helps enterprise in the following ways:

- a) Hiring required skill set and retaining them through effective human resource planning, recruitment, selection, placement orientation and promotion policies.
- b) Development of employees by enhancing necessary skills and right attitude among employees through training, development, performance appraisals etc.
- c) HRM also takes care of optimum utilization of available human resource.
- d) HRM also ensures that organization has a competent team and dedicated employees in future.

2. Professional Level

- a) HRM also leads to improved quality of work life; it enables effective team work among employees by providing healthy working environment.
- b) By providing opportunities for personal development of an employee.

- c) Enabling healthy relationships among teams and allocating work properly to employees as well as teams.

3. Social Level

- a) HRM plays important role in the society, it helps labour to live with pride and dignity by providing employment which in turn gives them social and psychological satisfaction.
- b) HRM also maintains balance between open jobs and job seekers.

4. National Level

- a) HRM plays a very significant role in the development of nation. Efficient and committed human resource leads to effective exploitation and utilization of nation's natural, physical and financial resources.
- b) Skilled and developed human resource ensures the development of that country. If people are underdeveloped then that country will be underdeveloped.
- c) Effective HRM enhances economic growth which in turn leads to higher standard of living and maximum employment.

PROCESS OF HRM

Human resource management is viewed as a process of sequence of operations and activities. HRM process starts with the objectives of an organization. HRM objectives are drawn from the organizational objectives. Similarly HRM objectives are drawn from the organizational strategies, thus, form the basis for HRM process in an organization. Human resource management includes the processes that organize and manage the project team. The project team is comprised of the people who have assigned roles and responsibilities for completing the project. While it is common to speak of roles and responsibilities being assigned, team members should be involved in much of the project's planning and decision-making. Early involvement of team members adds expertise during the planning process and strengthens commitment to the project. The type and number of project team members can often change as the project progresses. Project team members can be referred to as the project's staff.

The Project Human Resource Management processes include the following:

1. **Human Resource Planning:** Identifying and documenting project roles, responsibilities and reporting relationships, as well as creating the staffing management plan.
2. **Acquire Project Team:** Obtaining the human resources needed to complete the project.
3. **Develop Project Team:** Improving the competencies and interaction of team members to enhance project performance.
4. **Manage Project Team:** Tracking team member performance, providing feedback, resolving issues and coordinating changes to enhance project performance.

HRM ACTIVITIES

The various HRM activities are as follows:

1. Leadership

Leadership is stated as the “process of social influence is which one person can enlist the aid and support of others in the accomplishment of a common task.” Leadership remains one of the most relevant aspects of the organizational context. However, defining leadership has been challenging and definitions can vary depending on the situation as “leadership is about capacity: the capacity of leaders to listen and observe, to use their expertise as a starting point to encourage dialogue between all levels of decision-making, to establish processes and transparency in decision-making, to articulate their own value and visions clearly but not impose them. Leadership is about setting and not just reacting to agendas, identifying problems and initiating change that makes for substantial improvement rather than managing change”.

2. Training and Development

It is a learning process that involves the acquisition of knowledge, sharpening of skills, concepts, rules or changing of attitudes and behaviors to enhance the performance of employees. Training is an investment because the departments such as, marketing & sales, HR, production, finance, etc. depends on training for its survival. If training is not considered as a priority or not seen as a vital part in the organization, then it is difficult to accept that such a company has effectively carried out HRM. Training actually provides the opportunity to raise the profile development activities in the organization the enhancement of the skills, knowledge and experience of employees with the purpose of improving performance. Employee development, unlike personal development, is usually coordinated by the employing organization. It can use a variety of training methods and is usually conducted on a planned basis, perhaps as a result of a performance appraisal.

3. Performance Appraisal

Personnel evaluation method is seeking the measurement of employee work effectiveness using objective criteria. Performance appraisal systems hope to achieve higher productivity outcomes by delineating how employees meet job specifications. Performance appraisal is one of the important components in the rational and systemic process of human resource management. The information obtained through performance appraisal provides foundations for recruiting and selecting new hires, training and development of existing staff and motivating and maintaining a quality work force by adequately and properly rewarding their performance. Without a reliable performance appraisal system, a human resource management system falls apart, resulting in the total waste of the valuable human assets a company has.

4. Staffing

The term staffing may be defined as the managerial function of hiring and developing the required personnel to fill in various positions in an organization. This function involves the

determination of the size and categories of staff requirement. It is also concerned with employing the right type of people and developing their skills through training. The staffing function focuses on maintaining and improving the manpower in an organization. After an organization's structural design is in place, it needs people with the right skills, knowledge and abilities to fill in that structure. People are an organization's most important resource, because people either create or undermine an organization's reputation for quality in both products and service. Staffing, is the management function devoted to acquiring, training, appraising and compensating employees. The right staff can carry an organization through a period of change and ensure its future success. Because of the importance of hiring and maintaining a committed and competent staff, effective human resource management is crucial to the success of all organizations.

5. Justice Determination

The quality of being just; conformity to the principles of righteousness and rectitude in all things; strict performance of moral obligations; practical conformity to human or divine law; integrity in the dealings of men with each other; rectitude; equity; uprightness. Generally, maintaining good organizational justice can lead to ideal and favorable outcomes in the workplace. It is expected that employees will act according to organizational rules and regulations if they are treating fairly and receive the outcomes they desire. In research, it has been shown that employees are more committed to the organization, have more trust and are more satisfied when justice is perceived as being fair. There is also research that compared organizational justice to various employee behaviors and elements of interpersonal communication, such as sexual harassment, ethics, performance, feedback and citizenship behavior

6. Collective Bargaining

Collective bargaining is a process between employers and employees to reach an agreement regarding the rights and duties of people at work. Collective bargaining aims to reach a collective agreement which usually sets out issues such as employees pay, working hours, training, health and safety and rights to participate in workplace or company affairs. Collective bargaining is process of joint decision making and basically represents a democratic way of life in industry. It is the process of negotiation between firm's and workers' representatives for the purpose of establishing mutually agreeable conditions of employment. It is a technique adopted by two parties to reach an understanding acceptable to both through the process of discussion and negotiation.

7. Organization Development

Organization development is a planned organization-wide effort to increase an organization's effectiveness and viability. Warren Bennis, has referred to organization development as a response to change, a complex educational strategy intended to change the beliefs, attitudes, values and structure of organization so that they can better adapt to new technologies, marketing and challenges and the dizzying rate of change itself. Organization development is neither "anything done to better an organization" nor is it "the training function of the organization"; it is a particular kind of change process designed to bring about a particular kind of end result. Organization

development can involve interventions in the organization's "processes," using behavioral science knowledge as well as organizational reflection, system improvement, planning and self-analysis.

SYSTEMS AND TECHNIQUES OF HRM

Systems of HRM

The system has a goal sequence or end oriented. It has been defined as "a particular linking of inter-related and inter-dependent components having a facilitating effect, on the carrying out of one and more processes". This can be further explained as-particular may be different in some respect from other systems. Components like, raw materials, techniques, procedures, plans, policies, rules and people, signify interdependent and inter relation which has a facilitating effect. Considering the various systems and sub-systems which exist in an organization. HRM is considered as a system which has within it certain processes and sub systems.

Every functional department in the organization has to achieve its goals and objectives. HR department of an organization has to develop an appropriate HR structure and an administrative system. This requires that systematic data should be collected internally and externally and techniques have to be evolved for systematic development of HRM structure. These techniques are adapted and reviewed periodically or continuously to make them as standard techniques applicable to that particular organization. Review of techniques will facilitate the change made in these techniques as and when the situation demands. HR manager should assume the responsibility of attaining the requirements of his enterprise and those imposed upon it by environmental changes.

Therefore HR managers have evolved tools and techniques for the successful operation of HR division and thereby achieve the goals set by the top management.

A system is a set of comprehensive, interrelated and unified objectives and elements that interact with each other. These elements receive inputs from the external environment, process these inputs and produce the output for the external environment.

Thus, system consists of external environmental factors like social factors, technical factors, economic factors, political factors and neutral factors, inputs, transformation, output and feedback. Business organizations are regarded as open and adaptive systems which are influenced by environmental factors and also influence and shape the environment. The factors underlying business organization as a system include:

- i) Business organization as a single entity composed of an interrelated subunits like production, marketing, human resources and finance.
- ii) Organization is closely related to its environment. In other words, environment influences the organization and the organization also influences the environment.
- iii) System is "input-process-output" mechanism. Organization receives raw material from the environment, converts the raw material into products and supplies these products to the environment.

- iv) Information flows freely in the organization. In addition, information flows from the external environment to the organization system and from the organization system to the external environment.
- v) System integrates all its internal and external stakeholders like supplying of inputs, employees, shareholders, customers, government, creditors, bankers, market intermediaries like wholesalers, retailers and franchisees.
- vi) Each system consists of several sub-systems. In fact each of the stakeholders forms a sub-system.

Thus organizational system consists of several sub-systems which are closely interlinked and interrelated as shown in the figure. These sub-systems interact with each other closely. In fact each sub system is a system by itself.

Different systems of human resources management are as follows:

- (i) **Information management system:** Under this method, all policies and practices are to be well articulated and effectively communicated to the workforce.
- (ii) **Discipline management system:** Under a discipline management a system of administering disciplines to foster positive employee behavior that will promote organizational objectives.
- (iii) **Recruitment management system:** Recruiting is the process by which organizations locate and attract individuals to fill job vacancies. Most organizations have a continuing need to recruit new employees to replace those who leave or are promoted and to permit organizational growth.
- (iv) **Training management system:** Under this system the HR managers identify of training needs, preparation of a training strategy and an appropriate training system.
- (v) **Performance management system:** Performance appraisal is the system by which an employee's contribution to the organization during a specified period of time is assessed. Performance appraisal can improve employee motivation and performance.
- (vi) **Reward management system:** It ensure that people are rewarded in accordance with their contribution.
- (vii) **Culture management system:** It is a system of thinking and behaving shaped by the values, attitudes, rituals and sanctions in an organization.
- (viii) **Health and safety management system:** It is a system of maintaining a healthy and safety system of work in an organization. Most organizations are very much concerned about providing a safety and healthy work place. Part of this concern is simple humanitarianism. Few firms would knowingly send unprotected employees into a dangerous situation.

TYPICAL ORGANIZATION SET-UP OF HRM

The international organizational structure of the Human Resource department varies widely in different companies depending upon the size. In small companies HR functions are discharged by the executives, as follows:

- i) In a large company, where Human Resource activities are generally of a complex nature, a separate department is organized for the purpose. This department is variously known as Human Resource Department or Industrial Relations Department. It is controlled by “Human Resource Manager” or “Human Resource Director” or “Vice President” or “Industrial Relation Director” or “Labor Relation Officer” or “Labor Superintendent” or “Employment Officer”.
- ii) Depending upon the nature of duties assigned him and the terminology used his position is under the president or General Manager. Under Human Resource Management Officer, Interviewing Officer, Training Officers, Secretary Medical Doctor, Welfare Officer Head of clearers, gate keepers etc., will be there to look after two proper running of HR department. The subordinates undertake the responsibility of recruitment, selection, training, industrial relations, employee service and security work.
- iii) The Human Resource Manager has under him subordinates who look after the employee selection, the training and development selection, the wages and salary administration etc., will be there. Each department will be looked after by labour welfare officer, training director, wages and salary administrator labour welfare officer, security officer, health officer labour relations officer respectively.

The Human Resource Department organizational chart may be drawn on the basis of:

1. Functional Basis

According to this basis, department are grouped into different functions as shown above and all these are controlled by respective heads.

2. Service Basis

This takes into consideration the service render or the purpose achieved. It tries to prevent dissatisfaction through hygienic maintenance and promotion. This is given by Herzberg's.

3. Clientele Basis

This basis has been explained by Soholik is that different requirements for different types of employees need specialization.

ORGANIZATION OF HRM DEPARTMENT

1. HR front office

Organization of personnel Department (known as HR front office) is responsible for striking rapport with internal groups/client. A designated official, generally, would be meeting the requirements of clients.

2. HR back office

It centralizes traditional HR agenda such as HR administration, payroll, welfare amenities, etc. The back office would take care of legal requirements and regulatory framework. The back office people would be responsible for keeping personnel files, records and data in an accessible form-updated almost every week.

3. HR centers of excellence

This independent department looks after functions such as recruitments, training & development, compensation and benefits, industrial relations etc. These centers work in the close coordination with HR front office and HR back office while trying to get the best out of employees through excellent HR practices and procedures.

4. HR department in line organization

Line structure is a type of structure in which authority flows in direct line from a superior to a subordinate. Each employee knows who his superior is and who has authority to issue order to whom. Managers have full authority in their area of operations and are responsible for final results. Chief Executive HR Manager Recruitment Training Compensation Industrial Welfare Officer Manager Relations.

5. HR department in functional organization

In any functional organization, all activities of an organization are divided into different functions such as production, marketing, finance etc. Each functional area is headed by a specialist who directs the activities of that area for the entire organization. Every employee is required to report to his respective functional head. The functional head has line authority over activities of his functional area.

6. HR department in a divisional structure

The role of a personnel manager attached to the divisional office/branch office or factory of a decentralized organization is particularly a different one. The personnel managers at divisional/branch level are responsible to the local divisional/branch manager, personnel manager at divisional/branch assist branch manager in devising personnel programs and in the management of personnel at the branch/division.

7. HR department matrix structure

In a matrix organizational structure, employees have two superiors, in that they are under dual authority. One chain of command is functional and the other is a project team. Hence matrix structure is referred to as a multi-command system. Thus, the team of employees which comprise the personnel department have two superiors, i.e., personnel manager {vertical dimension} and project manager {horizontal dimension}. Both dimensions of structure are permanent and balanced, with power held equally by both the functional head and a project manager.

ROLE OF HUMAN RESOURCE MANAGER

Human resource manager plays various roles at different levels in the modern organization.

The various role of HR manager are as follows:

1. **Role playing as a Specialist:** The HRM department has personnel relationship with other department in the organization. It is responsible for advising management from the Managing Director to the lowest line supervisor in all areas relating to personnel management and industrial relations. The human resource manager provides information, offers suggestions and is not responsible for the end results.
2. **Role playing as a Controller:** The human resource manager performs as a controller. He can give the advice on policies, help managers in implementing their programs and provide services, exercise monitoring and control functions sparingly.
3. **Role playing as an Agent:** The human resource manager should work as a consultant of an organizational development by providing necessary information and infrastructure to the line managers. Thus, the role of HR managers is more concerned with providing information and offering advice of the decision makers rather than making decisions.
4. **Role playing as a Counselor:** As a counselor, the HR manager take care the employees facing various problems like material, health, children education, mental, physical and career and also approach the personnel manager.

DUTIES AND RESPONSIBILITIES OF HUMAN RESOURCE MANAGER

The primary duties and responsibilities of HRM are as follows:

- (i) To act as an internal change agent and consultant.
- (ii) To initiate change and act as an expert and facilitator.
- (iii) To actively involve himself in company's strategy formulation.
- (iv) To provide co-ordination and support services for the delivery of HRD programs and services.
- (v) To develop a thorough knowledge of corporate culture plant and policies.
- (vi) To keep communication lines open between the HRD function and individuals and groups both within and outside the organization.
- (vii) To evaluate the impact of an HRD intervention or to conduct research as to identify, develop or test how HRD in general has improved individual or organizational performance.
- (viii) To try and relate people and work so that the organization objectives are achieved effectively and efficiently.
- (ix) To facilitates the development of various organizational teams and their working relationship with other teams and individuals.

- (x) To diagnose problems and to determine appropriate solution particularly in the human resources areas.

QUALITIES OF HR MANAGER

The important qualities of HR manager are:

1. Knowledge

HR manager should be good knowledgeable person. A thorough knowledge base is essential. The knowledge base must be so ingrained and integrated into their being that they become transparent, focusing on the employee and what s/he needs to learn, versus focusing on the knowledge base. The excellent manager lives from a knowledge base, without having to draw attention to it.

2. Creativity

Creativity is what separates competence from excellence. Creativity is the spark that propels projects forward and that captures peoples' attention. Creativity is the ingredient that pulls the different pieces together into a cohesive whole, adding zest and appeal in the process.

3. Structure

The context and structure we work within always have a set of parameters, limitations and guidelines. A stellar manager knows how to work within the structure and not let the structure impinge upon the process or the project. Know the structure intimately, so as to guide others to effectively work within the given parameters. Do this to expand beyond the boundaries.

4. Intuition

Intuition is the capacity of knowing without the use of rational processes; it's the cornerstone of emotional intelligence. People with keen insight are often able to sense what others are feeling and thinking; consequently, they're able to respond perfectly to another through their deeper understanding. The stronger one's intuition, the stronger manager one will be.

5. Commitment

HR manager is committed to the success of the project and of all team members. He holds the vision for the collective team and moves the team closer to the end result. It's the manager's commitment that pulls the team forward during trying times.

6. Being Human

Employees value leaders who are human and who don't hide behind their authority. The best leaders are those who aren't afraid to be themselves. Managers who respect and connect with others on a human level inspire great loyalty.

7. Flexibility

Flexibility and versatility are valuable qualities in a manager. Beneath the flexibility and versatility is an ability to be both non-reactive and not attached to how things have to be. Versatility implies an openness - this openness allows the leader to quickly *change on a dime* when necessary. Flexibility and versatility are the pathways to speedy responsiveness.

8. Lightness

A stellar manager doesn't just produce outstanding results; s/he has fun in the process. Lightness doesn't impede results but rather, helps to move the team forward. Lightness complements the seriousness of the task at hand as well as the resolve of the team, therefore contributing to strong team results and retention.

9. Discipline/Focus

Discipline is the ability to choose and live from what one pays attention to. Discipline as self-mastery can be exhilarating. Role model the ability to live from your intention consistently and you'll role model an important leadership quality.

10. Big Picture, Small Actions

Excellent managers see the big picture concurrent with managing the details. Small actions lead to the big picture; the excellent manager is skillful at doing both: think big while also paying attention to the details.

PERSONNEL POLICIES AND PRINCIPLES OF HRM

It is evident that the human resource management department has to perform a number of functions such as human resource planning, recruitment, selection, training and development, performance appraisal and so on for the purpose of achieving operational efficiency and organizational goals and objectives. In order to execute these functions effectively and efficiently, so as to facilitate the organizations to achieve its aims, there is a need for the organizations to observe certain principles of HRM.

The area of HRM has been surfacing ever since it came into existence in 1970s. A number of models have proposed by many human resource professionals to construe and also promote HR policies and practices in tune with precise thoughts and values. Amongst this new sort of models, the Ten C's model of HRM is regarded as all encompassing and a realistic model. Alan Price is the architect of this model who presented it in his book titled Human Resource Management in a Business Context, published in 1997. There are ten essential principles-the Ten Cs-in this model. These are:

1. **Comprehensiveness:** The HRM strategy of an organization must include all the aspects of people management, typically starting from recruitment to post separation programmes.
2. **Credibility:** The HR practices must build trust between staff and top management and encourage employees' belief in HRM strategies.

3. **Communication:** The objectives of organization and that of HRM must be understood and accepted by all employees. The operating culture in organization must encourage openness and be free from all barriers.
4. **Cost effectiveness:** The reward and promotion system must be fair.
5. **Creativity:** The competitive advantage of the company must stem from its unique HR strategies.
6. **Coherence:** HRM activities and initiatives must form a meaningful whole.
7. **Competence:** HRM strategy will be crafted in such a way that organization becomes competent to achieve its objectives with the support of individual competencies.
8. **Control:** HRM policies and practices must ensure that performance of HR is consistent with business objectives.
9. **Change:** The basic premise of HRM strategy must be that continuous improvement and development is essential for survival.
10. **Commitment:** The last C stresses upon that employees are to be motivated to achieve organizational goals.

IMPACT OF BUSINESS ENVIRONMENT ON HRM

The Business environment means the surroundings in which we live or the society in which the activities are done. The term “Business” means various activities that are carried on by and for people.

Business represents the “organized efforts of enterprise to supply consumers with goods and services”. “It is a system created to satisfy society’s needs and desires”. Thus Business Environment can be explained as “the surroundings in which the people live where the people are affected by the business activities. Environment factors or constraints are largely if not totally, external and beyond the control of individual industry enterprise and their management. These are essentially the givers within which firms and their management must operate in a specific country. According to William. F. Glueck, “The environment includes factors outside the firm which can lead to opportunities for or threats to the firm. Although there are many factors the most important of the sectors are Social, Economic, Technological, Supplier, Competitors and Government”. The following points can explain about the impact of Business Environment of HRM:

1. Growth

As we know business brings changes or growth in the environment. The small scale organizations can develop into big organizations, with the help of business or society even customers’ desire can be fulfilled. If the growth or change is there in the business, at that time it affects HRM. For example, HRM includes Recruitment, Selection, Training Development, Retaining and Retirement of workers. Growth brings changes in the organizations so that more number of

persons can be recruited and selected as per the requirement nature of the job, size of the unit, capital investment. If the financial position is good, then training facilities can also be made. Because of the business is very dynamic in nature. It requires more knowledge, skill, tactfulness, which can be obtained through training. If the business situations permit, those who have finished their training, the chance of development will be given. If the organization is improving in its activities quality and financial position then HRM, HRP, HRD of that organization will be good. The training, promotion, increasing status, prestige providing more and more fringe benefits will be there to workers. All these points are directly related to the business environment.

2. Mass Production

More production and marketing are the order of the day. Machines are gradually replacing manual labour in activities and machines will be operated. For the operators, which require skill, knowledge more number of workers will be appointed, training and development will be provided. If the demand is more from the side of customers, then mass production will be there. Whatever may be machines installed. But we need HR to maintain and to operate machineries. This mass production helps to technique and technical staff, skilled and unskilled man power.

3. Moving all Directions

Not only the technical, put in all direction, Accounts, Marketing, Purchasing, Salesman, Production activities, Quality controlling, Inspection, Worker's welfare, the business is having its impact, bearing on HRM. The product portfolio of any medium or large business houses reads like who is who. Example, Tata group has already iron and steel, fertilizers, light commercial vehicles, powers, chemicals, tea, textiles, shipping, hotel services industries, which has given much scope for HRM. The more is the job opportunities and better performance of the HR department.

4. Power

Business has vast resources like men, material, money, machinery. This has enormous economic, political power on owners and managers, business. It is only the industrialists who enjoy high power in India next to PM or CM with the help of power. J. N. Tata, who was a pioneer in Industry, research, health care, art and literature and in many other areas, gave a strong base for HR department to others. If the owner is a powerful man, then the activities of his industry will be good. Thus the workers are benefited.

5. Employee Satisfaction and Development

To satisfy the needs of the customers the owners take lot of strain. When the satisfaction of customers is very important, highly skilled, & unskilled persons are to be appointed. By giving the attractive salary and non-monetary benefits a proper HRM can be built. Once the customers are satisfied, the growth of the owners and ultimately the development of the Human resources will be possible.

6. Challenging

Business offers vast scope and poses and challenges. Such a business venture snacks of the abilities of individuals. It provides interesting tasks and acceptable ventures and challenges to workers. It gives job satisfaction to talented workers.

7. Market Leadership

Through innovations, the new market can be captured. For this we need the new generation with creative ideas. Innovation may be in product, advertising, finance, distribution or any field. Hindustan Lever Limited introduced close-up with mouth washer, clinic plus with anti dandruff formula. So it got the leadership in the market. It is a prompt business opportunities to the deserved candidates, talented, dare who accepts risk. HR department of these industries gives recruitment and selection chances, which are considered as the important part of HRM.

8. Service Rendering

Business is a part of society, has many obligations towards it. Ex: Providing good quality of goods, at reasonable prices, providing good environment, employment opportunities patronizing cultural and religious activities protecting ecology. All these are the aims of not only the non-profit making organizations but also gives mental satisfaction to the HR of that organization. The more good services rendered. The more will be good will. Thus the benefit goes to staff of the organization.

IMPORTANCE OF THE HUMAN FACTORS

The importance of the human factor can be discussed as follows:

a) Social Significance

Proper management of personnel, enhances their dignity by satisfying their social needs. This it does by i) maintaining a balance between the jobs available and the jobseekers, according to the qualifications and needs; ii) providing suitable and most productive employment, which might bring them psychological satisfaction; iii) making maximum utilization of the resource in an effective manner and paying the employee a reasonable compensation in proportion to the contribution made by him; iv) eliminating waste or improper use of human resource, through conservation of their normal energy and health; and v) by helping people make their own decisions, that are in their interests.

b) Professional Significance

By providing a healthy working environment it promotes teamwork in the employees. This it does by: i) maintaining the dignity of the employee as a human-being ii) providing maximum opportunities for personal development iii) providing healthy relationship between different work groups so that work is effectively performed; iv) improving the employees' working skill and capacity; v) correcting the errors of wrong postings and proper reallocation work.

c) Significance for Individual Enterprise

It can help the organisation in accomplishing its goals by: i) creating right attitude among the employees through effective motivation; ii) utilizing effectively the available human resources; and iii) securing willing co-operation of the employees for achieving goals of the enterprise and fulfilling their own social and other psychological needs of recognition, love, affection, belongings, esteem and self-actualisation.

Dynamic and growth-oriented organisations do require effective management of people in a fast-changing environment. Organisations flourish only through the efforts and competencies of their human resources. Employee capabilities must continuously be acquired, sharpened and used. Any organisation will have proper human resource management i) to improve the capabilities of an individual; ii) to develop team spirit of an individual and the department; and iii) to obtain necessary cooperation from the employees to promote organisational effectiveness.

It is the human resource, which is of paramount importance in the success of any organisation, because most of the problems in organisational settings are human and social rather than physical, technical or economic. Failure to reorganize this fact causes immense loss to the nation, enterprise and the individual. In the words of Oliver Sheldon, No industry can be rendered efficient so long as the basic fact remain unrecognized that it is principally human. It is not a mass of machines and technical processes, but a body of men. It is not a complex matter, but a complex of humanity. It fulfills its function not by virtue of some impersonal force, but a human energy. Its body is not an intricate maze of mechanical devices but a magnified nervous system.

People at work 'comprise a large number of individuals of different sex, age, socio-religious group and different educational or literacy standards. These individuals in the work place exhibit not only similar behaviour patterns and characteristics to a certain degree, but they also show dissimilarity. Each individual who works has his own set of needs, drives, goals and experiences. Each has his own physical and psychological traits. Each human being is not only a product of his biological inheritance but also a result of interactions with his environment. Family relationships, religious influences, racial or caste backgrounds, educational accomplishment, the application of technological innovations and many other environmental-experimental influences affect the individual as he works.

People come to work with certain specific motives to earn money, to get employment, to have better prospect in future, to be treated as a human being while at the place of work. They sell their labour for reasonable wage / salary and other benefits. It is these people who provide the knowledge and much of the energy through which organisational objectives are accomplished.

CHALLENGES OF HUMAN RESOURCE MANAGEMENT

1. Rework the vision and mission of the company

HRM is becoming increasingly involved with strategic planning and the development of means by which people can work proactively toward the achievement of organizational objectives. This

means a broader perspective focused on objectives and results. It implies personal commitment by each worker to the company's goals. The need for this personal commitment means that employee education, communication and involvement now become fundamental. This being the case, companies develop and emphasize an HRM philosophy to which top management is deeply committed and which is clearly articulated and practiced by all employees. HR planning is closely linked with strategic planning, so as to support the company mission and give incentives to support its achievement.

2. Information and Knowledge age

Information and knowledge have replaced manufacturing as the source of most new jobs. Work performed in factories by machines is being replaced by work in offices or at computer terminals. And instead of working with things, people increasingly work with ideas and concepts. The information age made knowledge the most important organizational resource. The traditional factors of production - nature, capital and labour - have already exhausted their contributions. Now the important activities are the generation, structure, development, spreading, sharing and application of knowledge; belongs to the people, the human capital. Successful companies are becoming learning organizations. Organizational effectiveness will increasingly depend on attracting, utilizing and retaining people who can use their knowledge to solve problems, create services, develop new work processes and satisfy customer needs.

3. Empowering Employees

Empowering is mutual influence; it is the creative distribution of power; it is shared responsibility; it is vital and energetic and it is inclusive, democratic and long-lasting. Empowering enables people to use their talents and capabilities, fosters accomplishment, invests in learning, finds the spirit in an organization and builds effective relationships, informs, leads, coaches, serves, creates and liberates. Becoming an empowering manager, therefore, involves both who you are and what you do.

4. Managing Global Workforce

The biggest challenge the organization around the globe facing is to know the social classes and categories from which the new global workers are recruited and to understand the systems of education and training that shape them so that they can be made socially and culturally fit to serve customers. Educational institutes are particularly crucial in this context, not only in providing the raw material for the virtual service economy, but also in producing social networks (such as old boys' networks) that form an important basis for sociality and upward mobility among the new professional classes. For this we require to redefine the employee status. Talented people will be unwilling to sign on as employees hence companies will have to maintain a fine balance between career planning and free agent ship.

5. Enhancing the supplementary Services

In today's competitive world the workforce are heavily loaded with work and stress associated with it i.e. mental stress as well as physical stress. To have a sound body and sound mind it is necessary to develop certain competencies to survive with the stressful situations. The growth of an supplementary industry like computer training institutes, manpower consultants, soft skills and cultural training consultants, psychological counsellors, spiritual guides, stress and time management trainers, gyms, recreational facilities and health-related services, yoga teachers, suggest that new forms of subjectivity are being produced not only through the work itself, but also through the deliberate shaping of personalities and bodies to be fit? for the global Challenges.

6. Challenges of Mergers and Acquisitions

Liberalization, Privatization and Globalization (LPG), is as dangerous as beneficial. Increasing competition has forced the organizations to device ways and means to grow, perform and achieve excellence. Mergers and acquisition are being accepted as one of the most effective techniques to strengthen a company's market position and adopt a new technology to gain competitive advantage over other organizations. The business situation alters day by day. Before one know the ownership of company's changes hands, starting off a wave of uncertainty of acquired company, suddenly the employees starts feeling that their bosses are changed, if not physically, at least attitudinally. Some of them find themselves grave danger of losing their jobs. A general de-motivating feeling perpetrate organization.

INCLUSIVE GROWTH AND AFFIRMATIVE ACTION

Inclusive growth is a concept that advances equitable opportunities for economic participants during economic growth with benefits incurred by every section of society. This concept expands upon traditional economic growth models to include focus on the equity of health, human capital, environmental quality, social protection and food security.

The definition of inclusive growth implies direct links between the macroeconomic and microeconomic determinants of the economy and economic growth. The microeconomic dimension captures the importance of structural transformation for economic diversification and competition, while the macro dimension refers to changes in economic aggregates such as the country's gross national product (GNP) or gross domestic product (GDP), total factor productivity and aggregate factor inputs.

Sustainable economic growth requires inclusive growth. Maintaining this is sometimes difficult because economic growth may give rise to negative externalities, such as a rise in corruption, which is a major problem in developing countries. Nonetheless, an emphasis on inclusiveness—especially on equality of opportunity in terms of access to markets, resources and an unbiased regulatory environment is an essential ingredient of successful growth. The inclusive growth approach takes a longer-term perspective, as the focus is on productive employment as a means of increasing the incomes of poor and excluded groups and raising their standards of living.

Affirmative action is a practice that is intended to promote opportunities for the “protected class” which includes minorities, woman and people with disabilities or any disadvantaged group for that matter. With affirmative action in place people of this protected class are given an even playing field in terms of hiring, promotion, as well as compensation. Historically, affirmative action is only known to have protected African Americans and woman; however that is not the case. Affirmative action protects a variety of people and without this statute many people included in this protected class would be unfairly discriminated against.

There are many reasons why affirmative action should continue to be a part of workplace such as:

- i) Fosters diversity.
- ii) Educates our workforce on diversity.
- iii) Equips employees to achieve their highest contribution to the mission.
- iv) Challenges employees to make their maximum contribution to the mission.
- v) Encourages employees to offer differing views and suggestions toward achieving organizational goals.
- vi) Respects and appreciates individual differences.

HUMAN RESOURCE POLICIES

Human resource policies are the formal rules and guidelines that businesses put in place to hire, train, assess and reward the members of their workforce.

Human resource policies are continuing guidelines on the approach an organization intends to adopt in managing its people. They represent specific guidelines to HR managers on various matters concerning employment and state the intent of the organization on different aspects of Human Resource management such as recruitment, promotion, compensation, training, selections etc. They therefore serve as a reference point when human resources management practices are being developed or when decisions are being made about an organization's workforce.

A good HR policy provides generalized guidance on the approach adopted by the organization and therefore its employees, concerning various aspects of employment. A procedure spells out precisely what action should be taken in line with the policies.

Each organization has a different set of circumstances and so develops an individual set of human resource policies. The locations an organization operates in will also dictate the content of their policies.

The establishment of policies can help an organization demonstrate, both internally and externally, that it meets requirements for diversity, ethics and training as well as its commitments in relation to regulation and corporate governance of its employees. For example, in order to dismiss an employee in accordance with employment law requirements, amongst other considerations, it

will normally be necessary to meet provisions within employment contracts and collective bargaining agreements. The establishment of an HR Policy which sets out obligations, standards of behavior and documents disciplinary procedures, is now the standard approach to meeting these obligations. HR policies provide frameworks within which consistent decisions are made and promote equity in the way in which people are treated.

HR policies can also be very effective at supporting and building the desired organizational culture. For example, recruitment and retention policies might outline the way the organization values a flexible workforce, compensation policies might support this by offering a 48/52 pay option where employees can take an extra four weeks holidays per year and receive less pay across the year.

In actuality, policies and procedures serve a number of purposes:

- i) They provide clear communication between the organization and their employees regarding their condition of employment.
- ii) They form a basis for treating all employees fairly and equally.
- iii) They are a set of guidelines for supervisors and managers.
- iv) They create a basis for developing the employee handbook.
- v) They establish a basis for regularly reviewing possible changes affecting employees.
- vi) They form a context for supervisor training programs and employee orientation programs.

COMPUTER APPLICATIONS IN HUMAN RESOURCE MANAGEMENT

HRIS is an effective and efficient catalyst for integrating human resource management and Information Technology. HRIS as a system support HR functional applications such as employee selection and placement, payroll, pension and benefits management, intake and training projections. The composition of HRIS includes input, maintenance and output. Input function enters personnel information into the HRIS. The maintenance function updates and adds new data to the database having entered data into the information system. The output is considered the most visible function of an HRIS. HRIS process that output, adjust it in such a way that it is understandable. The Human Resource Information Systems is introduced by presenting the various definitions, development, costs and benefits, as well as their functions and relationship with HRM. Furthermore, different software providers and their solutions are presented. Furthermore, HRIS shape an integration between human resource management (HRM) and Information Technology. It merges HRM as a discipline and in particular basic HR activities and processes with the information technology field. As is the case with any complex organizational information system, an HRIS is not limited to the computer hardware and software applications that comprise the technical part of the system it also includes the people, policies, procedures and data required to manage the HR function.

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The three major groups that make use of HRIS are HR professionals, managers in functional areas and employees. While HR professionals rely on the HRIS in fulfilling job functions, managers rely on the HRIS's capabilities to provide superior data collection and analysis, especially for performance appraisal and performance management. Individual employees are the end users of many HRIS applications and complexities of job related issues have augmented the awareness of HRIS functionality among employees.

In addition to HRIS's integration function, HRIS enable effectiveness and efficiency and ensure competitiveness among firms. However, along with the benefits are the costs involved in implementing and maintaining these systems. For example, hardware and software cost, time and other related costs. There are many software solution offers; the choice is however dependent on the decision of the user. Consequently, information validity, reliability and utility constitute a comprehensive HRIS and should always be the pivot for every HRIS implementation.

Meaning of Human Resource Information System (HRIS)

Human Resource Information System (HRIS) is a software or online solution for the data entry, data tracking and data information needs of the Human Resources, payroll, management and accounting functions within a business. Normally packaged as a data base, hundreds of companies sell some form of HRIS and every HRIS has different capabilities.

Definition of HRIS

According to *Tannenbaum*, "HRIS as a technology-based system used to acquire, store, manipulate, analyze, retrieve and distribute pertinent information regarding an organization's human resources".

According to *Kovach*, "HRIS as a systematic procedure for collecting, storing, maintaining, retrieving and validating data needed by organization about its human resources, personnel activities and organization unit characteristics".

NEED FOR HUMAN RESOURCE INFORMATION SYSTEMS

The human resource information systems help the business to improve its operations, promote innovation and maximize satisfaction of its employees. The need for HRIS can be summarized as follows:

1. **Easy Access to Employee Records:** From a user-friendly dashboard, the HRIS lets you see recent employees added, monitor their work, check files uploaded and reports created. You can also get alerts on special dates such as birthdays and anniversaries.
2. **Attendance and PTO Tracking:** The HRIS tool will allow keeping track of employee attendance and paid time off. With just a click, employees can request time off and managers can approve or decline requests. The system also keeps track of accruals and balances.
3. **Employee Self Service:** Most HRIS have a feature that allows employees to access the information they need. They can also fire requests from virtually anywhere, view time off balances, better understand their benefits and anything else you decide to share with them. By helping themselves, they free time for managers and HR personnel to focus on other matters.
4. **Email Alerts:** The HRIS will do it for you and send alerts to managers when birthdays are coming up or when an employee is close to becoming eligible for a certain benefit.
5. **Easily Create Reports:** This can create customizable reports by creating simple queries with just a few clicks. It can also easily export these reports to common formats such as Excel, PDF or CSV.
6. **Track Training Progress:** Closely monitor employee's training progress and allow employees to check their training status and set up their goals and work towards their training completion
7. **Reduce Employee Management Costs:** One simple solution is the payroll process. The HRMS integrates with payroll systems and other accounting systems to ensure that your payroll functions will be completed on time and without errors.

ADVANTAGES OF HUMAN RESOURCE INFORMATION SYSTEM (HRIS)

A human resource information system is computer software employers use to manage the human resources functions of their organization. It has the capability to maintain employment records of all staff members and employers can use it to collect metrics surrounding the firm's staffing, performance management, compensation and benefits activities. The various Advantages of Human Resource Information System are:

1. Reporting

Perhaps the biggest benefit that the use of an HRIS system adds to a business is its ability to create reports and presentations. An HRIS system typically holds all information surrounding the firm's human resources initiatives, including details regarding the group's hiring practices, such as a comprehensive listing of all job applicants, an up-to-date index of job openings and electronic copies of each employee's on boarding paperwork, such as I-9 and W2 forms. It also holds data regarding the salary and incentive compensation of each staff member. Results of annual performance appraisals and any disciplinary actions that have been taken toward members of the team are included, as well. Because these figures are held in one database, a business owner possesses the capability of running a variety of detailed reports that encompass some or all of this

information. *For example*, when looking to hire additional staff, he can run a report of past candidates who possess a specific skill set. Alternatively, he can run a compensation report to obtain needed information when preparing the annual budget.

2. Recruitment

In support of a firm's staffing efforts, many HRIS systems provide a sophisticated interface allowing its use by both internal employees, as well as external job applicants. An HRIS system allows candidates for open positions to submit their resumes and contact information to a potential employer from a remote computer. The system then collects the information and archives it so it is easily accessible by the hiring manager. When seeking candidates, the manager is able to perform detailed searches of collected resumes, using a variety of queries, including location, level of education, years of professional experience and technical skill set. In addition, the software also allows current employees to electronically apply for new positions.

3. Administration

An HRIS system allows a business to streamline the administration of employee benefits. In many cases, employees and new hires may electronically enroll in benefit plans. They may also have the capability of logging onto the system to monitor and update their current coverage throughout the year, changing status, dependent information and contact data as required. A self-service system allows for benefits to be efficiently administered with as little manpower as possible, saving an organizations time and money.

HRIS APPLICATION AND UTILITIES

Various HRIS Application and Utilities are:

1. **Personnel Administration:** It will encompass information about each employee, such as name, address, personal details etc.
2. **Salary Administration:** Salary review procedure are important function of HRM, a good HRIS system must be able to perform what if analysis and present the reports of changes.
3. **Leave and Absence Recording:** Essentially be able to provide comprehensive method of controlling leave/absences.
4. **Skill Inventory:** It is also used to store record of acquired skills and monitor the skill database both employee and organizational level.
5. **Performance Appraisal:** The system should record individual employee performance, appraisal data, such as due date of appraisal, scores etc.
6. **Human Resource Planning:** HRIS should record details of the organizational requirements in terms of positions.
7. **Recruitment:** Record details of recruitment activities such as cost and method of recruitment and time to fill the position etc.