HRM

CONCEPT

Human resource management (HRM) is the process of acquiring, training, appraising, and compensating employees, and of attending to their labour relations, health and safety, and fairness concerns. It involves conducting job analyses, planning human resource needs and recruiting job candidates, selecting job candidates, orienting and training, managing wages and salaries, providing incentives and benefits, appraising performance, training employees, and developing managers. Human resource management is important to all managers because organizations, nowadays, give much more importance to people than earlier.

The policies, practices, and systems that influence employees' behaviour, attitudes, and performance. The concept of "human resource management" implies that employees are resources of the employer. This view means employees in today's organizations are not interchangeable, easily replaced parts of a system but the source of the company's success or failure. By influencing who works for the organization and how those people work, human resource management therefore contributes to basic measures of an organization's performance such as quality, profit¬ ability, and customer satisfaction.

The human resources (HR) of an organization represent one of its largest investments. In fact, government reports show that approximately 72 percent of national income is used to compensate employees.' The value of an organization's human resources frequently becomes evident when the organization is sold. Often the purchase price is greater than the total value of the physical and financial assets. This difference, sometimes called goodwill, partially reflects the value of an organization's human resources.

FUNCTIONS

Human resource functions refer to those tasks and duties performed in both large and small organizations to provide for and coordinate human resources. Human resource functions encompass a variety of activities that significantly influence all areas of an organization.

The Society for Human Resource Management (SHRM) has identified six major functions of human resource management:

- **Human resource planning, recruitment, and selection**

  - Conducting job analyses to establish the specific requirements of individual jobs within the organization
  - Forecasting the human resource requirements the organization needs to achieve its objectives.
  - Developing and implementing a plan to meet these requirements.
  - Recruiting the human resources the organization requires to achieve its objectives.
  - Selecting and hiring human resources to fill specific jobs within the organization.
  - To produce their given product or service (or set of products or services), companies require that a number of tasks be performed. The tasks are grouped together in various combinations to form jobs. Ideally, the tasks should be grouped in ways that help the organization to operate efficiently and to obtain people with the right qualifications to do the jobs well. This function involves the activities of job analysis and job design. Job analysis is the process of getting detailed information about jobs. Job design is the process of defining the way work will be performed and the tasks that a given job requires.
  - Based on job analysis and design, an organization can deter¬ mine the kinds of employees it needs. With this knowledge, it carries out the function of recruiting and hiring employees. Recruitment is the process through which the organization seeks applicants for potential employment. Selection refers to the process by which the organization attempts to identify applicants with the necessary knowledge, skills, abilities, and other characteristics that will help the organization achieve its goals. An organization makes selection decisions in order to add employees to its workforce, as well as to transfer existing employees to new positions.
  - Some organizations may actively recruit from many external sources, such as Internet job postings, newspaper want-ads, and college recruiting events. Other organizations may rely heavily on promotions from within, applicants referred by current employees, and the availability of in-house people with the necessary skills.

- **Human resource development**
  - Orienting and training employees.
  - Designing and implementing management and organizational development programs.
  - Building effective teams within the organization structure.
  - Designing systems for appraising the performance of individual employees.
  - Assisting employees in developing career plans.
  - Although organizations base hiring decisions on candidates' existing qualifications, most organizations provide ways for their employees to broaden or deepen their knowledge, skills, and abilities. To do this, organizations provide for employee training and development. Training is a planned effort to enable employees to learn job‑related knowledge, skills, and behaviour. For example, many organizations offer safety training to teach employees safe work habits. Development involves acquiring knowledge, skills, and behavior that improve employees' ability to meet the challenges of a variety of new or existing jobs, including the client and customer demands of those jobs. Development programs often focus on preparing employees for management responsibility.
- **Compensation and benefits**
  - Designing and implementing compensation and benefit systems for all employees
  - Ensuring that compensation and benefits are fair and consistent
  - The process of ensuring that employees' activities and outputs match the organization's goals is called **performance management**. The activities of performance management include specifying the tasks and outcomes of a job that contribute to the organization's success
  - The pay and benefits that employees earn play an important role in motivating them. This is especially true when rewards such as bonuses are linked to the individual's or group's achievements.
- **Safety and health**
  - Designing and implementing programs to ensure employee health and safety.
  - Providing assistance to employees with personal problems that influence their work performance.
- **Employee and labour relations**
  - Serving as an intermediary between the organization and its union(s).
  - Designing discipline and grievance handling systems.
- **Human resource research**
  - Providing a human resource information base.
  - Designing and implementing employee communication systems.

HRD

DEFINITION

Human resource development (HRD) refers to the organization's plan to help employees develop their abilities, skills, and knowledge. In return, this process enhances the organization's efficiency. Human Resource Development includes such opportunities as employee training, employee career development, performance management and development, coaching, mentoring, succession planning, key employee identification, tuition assistance, and organization development. The focus of all aspects of Human Resource Development is on developing the most superior workforce so that the organization and individual employees can accomplish their work goals in service to customers.

HR professionals focus on three primary aspects of human resource development in the HR life cycle:

1. **Training and development** - improving knowledge and skills necessary for a future role or responsibilities

2. **Organization development** - improving organizational effectiveness and well-being through macro and micro changes

3. **Career development** - improving individual career planning and management through mentorship

GOALS

Resource planning
Having the right person for the job at the right time is crucial for any organization. Resource planning is the process to ensure that.

Recruitment and selection
Recruitment and selection processes are there to ensure that we get the right talent along with the right attitude. Well, there is no right or wrong attitude in general. By the right attitude here, we mean, the attitude which matches with company's work culture.

Training and development
This is for retaining the employees while enhancing their skill set to benefit both, the organization and the employee. A trained workforce translates into better productivity thus more profit.

Performance appraisal
This is a feedback process. Employee's performance is evaluated on the basis of different factors and he/she is provided with the feedback along with the suggestions for improvements. If someone does not improve with time, the organization may fire him/her.

Remuneration
This is a process of making sure if the employees are getting paid well. By paid well, we mean they are getting their salary and wages according to industry standards. Also, this process keeps a check if the given amount is being justified in the performance of the employee or not. If the performance is on a higher side, additional perks may be allocated while for lower side performances, there may be some deductions.

Motivation
Motivation is again a crucial factor when it comes to managing humans. We often tend to lose track and need some external push. This is the process to ensure that the external push is given on time and in a proper way.

Overall well-being of the workforce
Human Resource Development tries to ensure the physical and mental well-being of the employee. It also tries to touch the social life of the employees by giving them more opportunities to engage and interact in internal, external, formal or informal groups. A physically fit and mentally strong person, with the right skill and mindset, is a highly valuable resource for any organization.

CHALLENGES

Adapting to Technological Advancements
In an era of rapid technological evolution, organizations must harness the power of digital tools for HRD. However, adapting to new technologies and ensuring their seamless integration into HRD processes can be a significant challenge

Personalization of Development Paths
Every employee is unique, with different skills, aspirations, and learning styles. Tailoring development paths to individual needs while maintaining consistency across the organization is a delicate balance that HRD professionals must strike

Addressing Skill Gaps
As industries evolve, skill gaps emerge. Identifying these gaps and rapidly upskilling employees to meet changing demands is a perpetual challenge. HRD must anticipate these shifts and proactively address skill deficiencies.

Retaining Top Talent
Offering development opportunities is a key strategy for talent retention. However, with increased competition, retaining top performers can be tough. Balancing career growth with competitive compensation and benefits becomes essential.

Cultural Alignment
HRD initiatives need to align with the organization's culture and values. Ensuring that learning and development programs resonate with diverse employees while reinforcing the company's ethos is a nuanced challenge

Leadership Development
Developing effective leaders requires time and effort. Identifying high-potential employees and providing them with the necessary coaching and mentorship to become future leaders is a continuous challenge.

Managing Change and Resistance
Introducing new HRD initiatives often encounters resistance from employees who are comfortable with the status quo. Managing change and addressing resistance while conveying the benefits of new programs requires effective communication and change management strategies.

Meeting the Need for Lifelong Individual Learning
With the rapid changes that all organisations are facing, it is clear that employees must continue the learning process throughout their careers in order to meet these challenges. To make an ongoing investment in HRD, this need for lifelong learning will require organisations. The term lifelong learning can mean different things to different employees. For example, for semiskilled workers, it may involve more rudimentary skills training to help them to build their competencies. This learning may mean taking advantage of continuing education opportunities o professional employees. This is particularly important for certified professionals who are required to complete a certain number of continuing education courses

Changing Workforce Demographics
Around the world, demographic changes have already had a major impact on HR departments. The labour forces have become increasingly diverse, and this has forced organisations to make considerable changes to the way in which they approach people management because it is very much required to cope with the dynamics of the market.
First, the organisations need to address racial and ethnic prejudices that may persist, as well as cultural insensitivity and language differences.
Second, organisations should continue to provide developmental opportunities that will prepare women for advancement into the senior ranks and provide safe-guards against sexual harassment with the increasing numbers of women in the workforce.
Third, the aging of the workforce highlights the importance of creating HRD programs. These programs recognize and address the learning related needs of older workers

CHANGING ENVIRONMENT OF HRM

GLOBALIZATION
Globalization refers to the tendency of firms to extend their sales, ownership, and/or manufacturing to new markets abroad. Examples are all around us. Toyota produces the Camry in Kentucky, ; while Dell produces and sells PCs in China. Free trade areas—agreements that reduce tariffs and barriers among trading partners—further encourage international trade. NAFTA (the North American Free Trade Agreement) and the EU (European Union) are examples. More globalization means more competition, and more competition means more pressure to be "world class"—to lower costs, to make employees more productive, and to do things better and less expensively. As when the Spanish retailer Zara opens a new store in Manhattan, globalization pressures local employers and their HR teams to institute practices that get the best from their employees.

CULTURAL ENVIRONMENT
HRM must begin by fostering cultural awareness and sensitivity through regular training programs, workshops, and seminars led by cultural experts. Recruitment and hiring practices should be inclusive, utilizing diverse sourcing channels to reach a broader pool of candidates and implementing bias-free recruitment techniques, such as blind recruitment and diverse interview panels. Effective communication is crucial, so HR should provide multilingual support and cultural communication training to ensure clear and respectful interactions among employees. Leadership development programs should focus on enhancing the cultural competency of leaders and managers, enabling them to lead diverse teams effectively. Mentorship programs that pair employees from different cultural backgrounds can foster mutual learning and support. Performance management systems must be tailored to be culturally sensitive, with feedback and appraisal processes that respect cultural differences. Training for evaluators on recognizing and mitigating cultural biases is essential. Compliance with local labor laws and cultural norms is vital for global operations, along with developing ethical guidelines that respect cultural practices while maintaining organizational standards. In practice, HR should conduct regular cultural audits to assess the organization's cultural dynamics and establish clear policies that support diversity and inclusion. Encouraging open dialogue about cultural differences promotes mutual

understanding and respect. Continuous improvement of HR practices ensures they remain relevant and effective in addressing the evolving cultural environment.

TECHNOLOGICAL ADVANCES

Technology is changing almost everything businesses do. For example, technology (in the form of Internet communications) made it feasible for Bank of America's Merrill Lynch to outsource security analysis jobs to India. Zara doesn't need the expensive inventories that burden competitors like The Gap. Zara operates its own Internet-based worldwide distribution network, linked to the checkout registers at its stores around the world. Suppose its headquarter in Spain sees a garment "flying" out of a store? Zara's computerized manufacturing system dyes the required fabric, cuts and manufactures the item, and speeds new garments to that store within days.

WORKFORCE DIVERSITY

Diversity has been defined as any attribute that humans are likely to use to tell themselves, that person is different from me and, thus, includes such factors as race, sex, age, values, and cultural norms'. The Indian work force is characterized by such diversity that is deepening and spreading day by day.

It is likely to be more diverse as women, minority- group members, and older workers flood the work force. With the increasing number of women entering the work force due to a combination of factors like women's emancipation, economic needs, greater equality of sexes, education and so on, additional pressures of managing a different set of problems at the work place have arisen. However, increasing number of women in the work force has been necessitating the implementation of more flexible work scheduling, child care facilities, maternity and now paternity leave also and transfer to location of husband's place of posting.

Also, as the work force ages, employers will have to grapple with greater health care costs and higher pension contributions. Further, creating unanimity from a diverse work force has also become a challenge for HR manager. This is because, as several experts' put it; diversity is marked by two fundamental and inconsistent realities operating today with it. One is that organisations claim they seek to maximize diversity in the work place, and maximize the capabilities of such a diverse work force.The other is that traditional human resources system will not allow diversity, only similarity. These experts emphasize that employers traditionally hire, appraise, and promote people who fit a particular employer's image of what employees should believe and act like. At the same time, there is corresponding tendency to screen out those who do not fit.

CORPORATE DOWNSIZING

Organisational restructuring is used to make the organisation competitive. Downsizing is yet another form of organisational restructuring. As a part of the organisational changes, many organisations have "rightsized" themselves by various ways like eliminating layers of managers, closing facilities, merging with other organisations, or out placing workers. Whatever be the form of restructuring, jobs are redesigned and people affected. One of the challenges that HRM faces with organisational restructuring is dealing with the human consequences of change. For example, the human cost associated with downsizing has been much debated and discussed in the popular press. As such, HRM needs to focus on the changed scenario uniquely and that is not so simple

CHANGING SKILL REQUIREMENT

Technology is also changing the nature of work, even factory work. In plants throughout the world, knowledge-intensive high-tech manufacturing jobs are replacing traditional factory jobs. Skilled machinist Chad Toulouse illustrates this. After an 18-week training course, this former college student became a team leader in a plant where about 40% of the machines are automated. In older plants, machinists would manually control machines that cut chunks of metal into things like engine parts. Today, Chad and his team spend much of their time typing commands into computerized machines that create precision parts for products, including water pumps.!" Technology-based employees like these need new skills and training to excel at these more complex jobs. For employers, this all means a growing need for "knowledge workers" and human capital. Human capital refers to the knowledge, education, training, skills, and expertise of a firm's workers.!

HRM SUPPORT FOR IMPROVEMENT PROGRAMS

- Allowing work from home
- Restricting hours worked
- Focusing on the image and culture that top management projects
- Focusing on outcomes, not hours worked
- Looking deeper at workplace culture
- Promoting breaks in the work day
- Giving employees information about work life balance
- Allowing extra time off for charitable pursuits or volunteer work
- Unlimited vacation time policies
- Providing childcare benefits
- Offering maternity /Paternity leave to new parents
- Getting input from employees
- Providing help to employees to get everyday tasks done
- Offering wellness plans
- Offering flexible hours

WORK LIFE BALANCE

Work-life balance is the amount of time you spend doing your job versus the time you spend with your friends and family and pursuing your interests. In practice, work-life balance involves managing work responsibilities in a way that allows for adequate time and attention to be given to personal interests, family, social activities, and self-care. This balance helps prevent burnout, reduce stress, and improve mental and physical health.

Key elements of work-life balance include:

1. **Flexible Work Arrangements:** Offering options such as remote work, flexible hours, part-time schedules, and compressed workweeks allows employees to tailor their work schedules to better fit their personal lives.

2. **Setting Boundaries:** Establishing clear boundaries between work and personal time is essential. This can involve setting specific work hours, turning off work-related notifications outside those hours, and designating a separate workspace at home.

3. **Time Management:** Effective time management skills help individuals prioritize tasks, set realistic goals, and allocate time for both work and personal activities. Tools such as to-do lists, calendars, and productivity apps can be helpful.

4. **Self-Care:** Prioritizing self-care activities, including exercise, hobbies, relaxation, and sufficient sleep, is vital for maintaining energy levels and overall health. Employers can support this by promoting wellness programs and encouraging regular breaks.

5. **Supportive Workplace Culture:** A workplace culture that values work-life balance encourages employees to take time off, supports their personal commitments, and recognizes the importance of rest and recovery.

6. **Communication:** Open and honest communication between employees and management about work-life balance needs and challenges is crucial. This helps in finding mutually beneficial solutions and creating a supportive work environment.

Maintaining a healthy work-life balance is not only important for health and relationships, but it can also improve your employee's productivity, and ultimately performance. Put simply, if your people don't view work as a chore, then they will work harder, make fewer mistakes and are more likely to become advocates for your brand. Businesses that gain a reputation for encouraging work-life balance have become very attractive – especially when you consider how difficult it can be to attract and retain younger workers these days.

Here are some more reasons why work-life balance is important for people and organisation:

Fewer Health Problems
When we are stressed and overworked, we run the risk of jeopardising more than just our social lives – our physical and mental health is in danger too. It's no secret that when we are overworked, tired or stressed – our health will suffer. A poor work-life balance can lead to a variety of symptoms that can affect our wellbeing. By encouraging your people to look after

themselves and find balance, you will significantly limit health problems and absences. This will ensure your organisation is more efficient during business hours and people want to be part of the business and culture.

More Engagement
By helping your people to find the perfect balance between work and home, you will increase their engagement levels. Having an engaged workforce will lead to your people going the extra mile for you and becoming loyal advocates for your brand and product.

Fewer 'Burnouts'
We all get stressed from time to time. It is unavoidable. However, workplace burnouts are avoidable, and you should make efforts to ensure this doesn't happen to your people. Burnouts occur when we feel overwhelmed and unable to meet constant demands

More Mindfulness
When we find and sustain a healthy work-life balance, we develop greater control over our focus and ability to concentrate on the task at hand – this is known as mindfulness. By encouraging your people to have a healthy work-life balance, you will create an environment where everyone is dedicated to the task at hand. This will improve retention rates, productivity and ultimately profit.