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Department of Commerce

Class: **III B.com**

HUMAN RESOURCE MANAGEMENT

MINIMUM LEARNING MATERIAL

Unit-I- INTRODUCTION ABOUT HRM

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2MARK QUESTIONS

1. What is Human Resource Management?

Human Resource Management (HRM) is the process of managing people in organizations in a structured and thorough manner. This covers the fields of staffing (hiring people), retention of people, pay and perks setting and management, performance management, change management and taking care of exits from the company.

2. Definition of HRM?

Edwin Flippo defines- HRM as “planning, organizing, directing, controlling of procurement, development, compensation, integration, maintenance and separation of human resources to the end that individual, organizational and social objectives are achieved.”

3. Write 2 importance of HRM?

(a) Procurement of required talents through recruitment, selection, placement, inducting, training, compensation and promotion policies.

(b) Secures co-operation of all employee of the organization for achieving goals.

4. What are the objectives of HRM?

- To help the organization reach its goals.
- To ensure effective utilization and maximum development of human resources
- To ensure respect for human beings. To identify and satisfy the needs of individuals.
- To ensure reconciliation of individual goals with those of the organization.

5. Name the functions of HRM.

1. Managerial Functions
2. Operative Functions
3. Advisory Functions.

6. What is operative function?

The operative functions are those tasks or duties which are specifically entrusted to the human resource or personnel department. These are concerned with employment, development, compensation, integration and maintenance of personnel of the organisation.

7. What is compensation?

This function is concerned with the determination of adequate and equitable remuneration of the employees in the organisation of their contribution to the organisational goals. The personnel can be compensated both in terms of monetary as well as non-monetary rewards. Factors which must be borne in mind while fixing the remuneration of personnel are their basic needs, requirements of jobs, legal provisions regarding minimum wages, capacity of the organisation to pay, wage level afforded by competitors etc. For fixing the wage levels, the personnel department can make use of certain techniques like job evaluation and performance appraisal.

8.What is advisory function?

Human resource manager has specialized education and training in managing human resources. He is an expert in his area and so can give advice on matters relating to human resources of the organization

9.What is managerial function?

The Human Resource Manager is a part of the organisational management. So he must perform the basic managerial functions of planning, organising, directing and controlling in relation to his department

10.Write down the social importance of HRM?

(a) Human resource management enhances the dignity of labour. (b) Provides suitable job to suitable person and it will help to satisfy the psychological and social satisfaction of employees.

5 MARK QUESTIONS

1.What are the scope in HRM?

Scope of Human Resource Management 1. Personnel Aspect Human Resource Planning – It is the process by which the organization identifies the number of jobs vacant. Job Analysis and Job Design – Job analysis is the systematic process for gathering, documenting, and analyzing data about the work required for a job.

Job analysis is the procedure for identifying those duties or behavior that defines a job.

Recruitment and Selection – Recruitment is the process of preparing advertisements on the basis of information collected from job analysis and publishing it in newspaper. Selection is the process of choosing the best candidate among the candidates applied for the job.

Orientation and Induction – Making the selected candidate informed about the organization's background, culture, values, and work ethics.

Training and Development – Training is provided to both new and existing employees to improve their performance.

Performance Appraisal – Performance check is done of every employee by Human Resource Management. Promotions, transfers, incentives, and salary increments are decided on the basis of employee performance appraisal.

Compensation Planning and Remuneration – It is the job of Human Resource Management to plan compensation and remunerate. Motivation – Human Resource Management tries to keep employees motivated so that employees put their maximum efforts in work.

2. Welfare Aspect – Human Resource Management have to follow certain health and safety regulations for the benefit of employees. It deals with working conditions, and amenities like - canteens, crèches, rest and lunch rooms, housing, transport, medical assistance, education, health and safety, recreation facilities, etc.

3. Industrial Relation Aspect – HRM works to maintain co-ordinal relation with the union members to avoid strikes or lockouts to ensure smooth functioning of the organisation. It also covers - joint consultation, collective bargaining, grievance and disciplinary procedures, and dispute settlement.

2.Write down the importance of HRM?

1. Importance concerned with individual organization Human Resource Management can help an organization to achieve to its objective more efficiently and effectively in the followingways:

- (a) Procurement of required talents through recruitment, selection, placement, inducting, training, compensation and promotion policies.
- (b) Secures co-operation of all employee of the organization for achieving goals.
- (c) Proper utilization of human resources for the success of the enterprise.
- (d) Ensure a future team of efficient and competent workers required for the organization.

2. Professional Importance Professional competency among employees can be achieved through the following ways.

- (a) Human resource management provides maximum opportunities to employees for their personnel development.
- (b) Providing healthy relationship among employees
- (c) Proper allocation of work among employees.
- (d) Providing training facilities for the individual development of employees.

3. Social Importance HRM is important in social perspective also. It includes the following aspects:

- (a) Human resource management enhances the dignity of labour.
- (b) Provides suitable job to suitable person and it will help to satisfy the psychological and social satisfaction of employees.
- (c) Helps to provide reasonable compensation to workers, which leads them to have a good standard of living.
- (d) Helps to maintain a balance between jobs and job seekers in terms of numbers, qualification, aptitude etc.
- (e) Takes health and safety measures which ensures physical and mental health of the employees.

4. National Importance

Effective management of human resources will speed up the economic growth of nation. This in turn leads to better standard of living and more job opportunities.

3.What are the objectives of HRM?

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

10 MARK QUESTIONS

1.What are the functions of HRM?

Human Resource Management Functions: Managerial, Operative and Advisory Function Some of the major functions of human resource management are as follows: 1. Managerial Functions 2. Operative Functions 3. Advisory Functions.

Human Resource or Personnel Department is established in most of the organizations, under the charge of an executive known as Human Resource/Personnel Manager. This department plays an important role in the efficient management of human resources. The personnel department gives assistance and provides service to all other departments on personnel matters. Though personnel or human resource manager is a staff officer in relation to other departments of the enterprise, he has a line authority to get orders executed within his department.

(i) Managerial, (ii) Operative and (iii) Advisory functions.

1. Managerial Functions: The Human Resource Manager is a part of the organisational management. So he must perform the basic managerial functions of planning, organising, directing and controlling in relation to his department. These functions are briefly discussed below:

1. Planning: To get things done through the subordinates, a manager must plan ahead. Planning is necessary to determine the goals of the organisation and lay down policies and procedures to reach the goals. For a human resource manager, planning means the determination of personnel programs that will contribute to the goals of the enterprise, i.e., anticipating vacancies, planning job requirements, job descriptions and determination of the sources of recruitment. The process of personnel planning involves three essential steps. Firstly, a supply and demand forecast for each job category is made. This step requires knowledge to both labour market conditions and the strategic posture and goals of the organisation. Secondly, net shortage and excess of personnel by job category are projected for a specific time horizon. Finally, plans are developed to eliminate the forecast shortages and excess of particular categories of human resources.

2. Organizing: Once the human resource manager has established objectives and developed plans and programs to reach them, he must design and develop organisation structure to carry out the various operations.

The organization structure basically includes the following:

- (i) Grouping of personnel activity logically into functions or positions;
- (ii) Assignment of different functions to different individuals;
- (iii) Delegation of authority according to the tasks assigned and responsibilities involved;
- (iv) Co-ordination of activities of different individuals.

2. Directing: The plans are to be put into effect by people. But how smoothly the plans are implemented depends on the motivation of people. The direction function of the personnel manager involves encouraging people to work willingly and effectively for the goals of the enterprise. In other words, the direction function is meant to guide and motivate the people to accomplish the personnel programs. The personnel manager can motivate the employees in an organisation through career planning, salary administration, ensuring employee morale, developing cordial relationships and provision of safety requirements and welfare of employees. The motivational function poses a great challenge for any manager. The personnel manager must have the ability to identify the needs of employees and the means and methods to satisfy those needs. Motivation is a continuous process as new needs and expectations emerge among employees when old ones are satisfied. 4. Controlling: Controlling is concerned with the regulation of activities in accordance with the plans, which in turn have been formulated on the basis of the objectives of the organisation. Thus, controlling completes the cycle and leads back to planning. It involves the observation and comparison of results with the standards and correction of deviations that may occur. Controlling helps the personnel manager to evaluate and control the performance of the

personnel department in terms of various operative functions. It involves performance appraisal, critical examination of personnel records and statistics and personnel audit. 2. Operative Functions: The operative functions are those tasks or duties which are specifically entrusted to the human resource or personnel department. These are concerned with employment, development, compensation, integration and maintenance of personnel of the organisation.

The operative functions of human resource or personnel department are discussed below:

1. Employment: The first operative function of the human resource or personnel department is the employment of proper kind and number of persons necessary to achieve the objectives of the organisation. This involves recruitment, selection, placement, etc. of the personnel. Before these processes are performed, it is better to determine the manpower requirements both in terms of number and quality of the personnel. Recruitment and selection cover the sources of supply of labour and the devices designed to select the right type of people for various jobs. Induction and placement of personnel for their better performance also come under the employment or procurement function.

2. Development: Training and development of personnel is a follow up of the employment function. It is a duty of management to train each employee properly to develop technical skills for the job for which he has been employed and also to develop him for the higher jobs in the organisation. Proper development of personnel is necessary to increase their skills in doing their jobs and in satisfying their growth need.

For this purpose, the personnel departments will devise appropriate training programs. There are several on- the-job and off-the-job methods available for training purposes. A good training program should include a mixture of both types of methods. It is important to point out that personnel department arranges for training not only of new employees but also of old employees to update their knowledge in the use of latest techniques.

3. Compensation: This function is concerned with the determination of adequate and equitable remuneration of the employees in the organisation of their contribution to the organisational goals. The personnel can be compensated both in terms of monetary as well as non-monetary rewards. Factors which must be borne in mind while fixing the remuneration of personnel are their basic needs, requirements of jobs, legal provisions regarding minimum wages, capacity of the organisation to pay, wage level afforded by competitors etc. For fixing the wage levels, the personnel department can make use of certain techniques like job evaluation and performance appraisal.

4. Maintenance (Working Conditions and Welfare): Merely appointment and training of people is not sufficient; they must be provided with good working conditions so that they may like their work and workplace and maintain their efficiency. Working conditions certainly influence the motivation and morale of the employees. These include measures taken for health, safety, and comfort of the workforce. The personnel department also provides for various welfare services which relate to the physical and social well- being of the employees. These may include provision of cafeteria, rest rooms, counseling, group insurance, education for children of employees, recreational facilities, etc.

5. Motivation: Employees work in the organisation for the satisfaction of their needs. In many of the cases, it is found that they do not contribute towards the organisational goals as much as they can. This happens because employees are not adequately motivated. The human resource manager helps the various departmental managers to design a system of financial and non-financial rewards to motivate the employees.

6. Personnel Records: The human resource or personnel department maintains the records of the employees working in the enterprise. It keeps full records of their training, achievements, transfer,

promotion, etc. It also preserves many other records relating to the behaviour of personnel like absenteeism and labour turnover and the personnel programs and policies of the organisation.

7. Industrial Relations: These days, the responsibility of maintaining good industrial relations is mainly discharged by the human resource manager. The human resource manager can help in collective bargaining, joint consultation and settlement of disputes, if the need arises. This is because of the fact that he is in possession of full information relating to personnel and has the working knowledge of various labour enactments. The human resource manager can do a great deal in maintaining industrial peace in the organisation as he is deeply associated with various committees on discipline, labour welfare, safety, grievance, etc. He helps in laying down the grievance procedure to redress the grievances of the employees. He also gives authentic information to the trade union leaders and conveys their views on various labour problems to the top management.

8. Separation: Since the first function of human resource management is to procure the employees, it is logical that the last should be the separation and return of that person to society. Most people do not die on the job. The organisation is responsible for meeting certain requirements of due process in separation, as well as assuring that the returned person is in as good shape as possible. The personnel manager has to ensure the release of retirement benefits to the retiring personnel in time.

3. Advisory Functions: Human resource manager has specialized education and training in managing human resources. He is an expert in his area and so can give advice on matters relating to human resources of the organization. He offers his advice to:

1. Advised to Top Management: Personnel manager advises the top management in formulation and evaluation of personnel programs, policies and procedures. He also gives advice for achieving and maintaining good human relations and high employee morale.

2. Advised to Departmental Heads: Personnel manager offers advice to the heads of various departments on matters such as manpower planning, job analysis and design, recruitment and selection, placement, training, performance appraisal, etc.

2. Difference between Personnel Management and Human Resource Management?

Both the terms refer to the one and the same function of the management and that is managing the people at work. However, Human Resource Management is mainly focused on best utilizing the man power by understanding their strength and weaknesses and engaging them in different occupations so that their productivity can be increased. Therefore, training and development and employee engagements are part of it. Personnel Management, on the other hand, is mainly concerned with maintaining good employee- employer relationship and activities connected with it. Therefore, Personnel Management mainly works around Industrial/ Employee/ Labour Relations and activities connected with grievance handling, negotiations, enforcement of labour statute, looking after welfare of employees and so on. Personnel Management is thus basically an administrative record-keeping function, at the operational level. Personnel Management attempts to maintain fair terms and conditions of employment, while at the same time, efficiently managing personnel activities for individual departments etc. It is assumed that the outcomes from providing justice and achieving efficiency in the management of personnel activities will result ultimately in achieving organizational success. Human resource management is the new version of personnel management. There is no any watertight difference between human resource management and personnel management. However, there are some differences in the following matters.

1. Personnel management is a traditional approach of managing people in the organization. Human resource management is a modern approach of managing people and their strengths in the organization.

2. Personnel management focuses on personnel administration, employee welfare and labor relation. Human resource management focuses on acquisition, development, motivation and maintenance of human resources in the organization.
3. Personnel management assumes people as a input for achieving desired output. Human resource management assumes people as an important and valuable resource for achieving desired output.
4. Under personnel management, personnel function is undertaken for employee's satisfaction. Under human resource management, administrative function is undertaken for goal achievement.
5. Under personnel management, job design is done on the basis of division of labor. Under human resource management, job design function is done on the basis of group work/team work.
6. Under personnel management, employees are provided with less training and development opportunities. Under human resource management, employees are provided with more training and development opportunities.
7. In personnel management, decisions are made by the top management as per the rules and regulation of the organization. In human resource management, decisions are made collectively after considering employee's participation, authority, decentralization, competitive environment etc.
8. Personnel management focuses on increased production and satisfied employees. Human resource management focuses on effectiveness, culture, productivity and employee's participation.
9. Personnel management is concerned with personnel manager. Human resource management is concerned with all level of managers from top to bottom.
10. Personnel management is a routine function. Human resource management is a strategic function.

3. What is the process in HRM?

Planning process

Human Resource Planning (HRP) process reviews human resources requirements to ensure that the organization has the required number of employees, with the necessary skills, to meet its goals, also known as employment planning. HRP is a proactive process, which both anticipates and influences an organization's future by systematically forecasting the demand for and supply of employees under changing conditions, and developing plans and activities to satisfy these needs. Key steps include forecasting demand for labor considering organizational strategic and tactical plans, economic conditions, market and competitive trends, social concerns, demographic trends, and technological changes. demand for labor considering organizational strategic and tactical plans, economic conditions, market and competitive trends, social concerns, demographic trends, and technological changes.

Recruitment process

Recruitment is the process of searching for and attracting an adequate number of qualified job candidate, from whom the organization may select the most appropriate to field its staff needs. The process begins when the need to fill a position is identified and it ends with the receipt of résumés and completed application forms. The result is a pool of qualified job seekers from which the individual best matching the job requirements can be selected. The steps in recruitment process include identification of job openings, determination of job requirements, choosing appropriate recruiting sources and methods, and finally, generating a pool of qualified recruits. Job openings are identified through human resource planning or manager request. Next is to determine the job requirements. This involves reviewing the job

description and the job specification and updating them, if necessary. Appropriate recruiting sources and methods are chosen because there is no one, best recruiting technique. Consequently, the most appropriate for any given position depend on a number of factors, which include organizational policies and plans, and job requirements.

Selection process

Selection is the process of choosing individuals with the relevant qualifications to fill existing or projected openings. Data and information about applicants regarding current employees, whether for a transfer or promotion, or outside candidates for the first time position with the firm are collected and evaluated. The steps in the selection process, in ascending order include preliminary reception of applicants, initial applicant screening, selection testing, selection interview, background investigation and reference checking, supervisory interview, realistic job previews, making the hiring decision, candidate notification, and evaluating the selection process. However, each step in the selection process, from preliminary applicant reception and initial screening to the hiring decision, is performed under legal, organizational, and environmental constraints that protect the interests of both applicant and organization.

Orientation, training and development process

Employee orientation is the procedure of providing new employees with basic background information about the firm and the job. Is more or less, considered as one component of the employer's new-employee socialization process. Socialization process is an ongoing process of initialing in all employees the prevailing attitudes, standards, values, and patterns of behavior that are expected by the organization. Training however is the process of teaching new or present employees the basic skills/competencies needed to perform their jobs. Whereas training focuses on skills and competencies needed to perform employees' current jobs, employee and management development is the training of long-term nature. The aim is to prepare current employees for future jobs with the organization or solving an organizational problem concerning, for example, poor interdepartmental communication. Training and development processes include needs analysis, instructional design, validation, implementation, and evaluation and follow-up.

Career planning and development process

It is the deliberate process through which persons become aware of personal career- related attributes and the lifelong series of activities that contribute to their career fulfillment. Individuals, managers, and the organization have role to play in career development. Individuals accept responsibility of own career, assess interests, skills, and values, seek out career information and resources, establish goals and career plans, and utilize development opportunities. The career stage identification entails career cycle (the stages through which a person's career evolves). These stages include the following: growth, exploration, establishment, maintenance, and decline stages. Occupational orientation identification is the theory by John Holland. This theory enumerates six basic personal orientations that determine the sorts of careers to which people are drawn. They include realistic orientation, Investigative orientation, social orientation, conventional orientation, enterprise orientation, and artistic orientation.

Performance appraisal process

Performance appraisal may be defined as any procedure that involves setting work standards, assessing employee's actual performance relative to these standards, and providing feedback to the employee with the aim of motivating the worker to eliminate performance deficiencies or to continue to perform above par.

Processes in performance appraisal contain three steps: defining performance expectations, appraising performance, and providing feedback. First, defining performance expectation means making sure that job duties and standards are clear to all. Second, appraising performance means comparing employees' actual performance to the standards that has been set, which normally involves some type of rating form. Third, performance appraisal usually requires one or more feedback sessions to discuss employees' performance and progress and making plans for any required development. Some of the appraisal methods include graphic rating scale, alternation ranking, paired comparison, forced distribution, and critical incident methods.

Employee Compensation and benefits process

Employee compensation involves all forms of pay or rewards accrued to employees and arising from their employment. This however consists of two main components: direct financial payments, and indirect payments. While direct financial payments are in the form of wages, salaries, incentives, commissions, and bonuses, indirect payments are in the form of financial benefits like employer-paid insurance and vacations. Moreover, legal considerations in compensation, union influences, compensation policies, and equity and its impact on pay rates are the four basic considerations influencing the formulation of any pay plan.

Benefits are indirect financial payments given to employees. These may include supplementary health and life insurance, vacation, pension, education plans, and discounts on say company products. Furthermore, income and medical benefits to victims of work-related accidents or illness and/or their dependents, regardless of fault are all part of employees' compensation.

The processes in establishing pay rates involve the following five steps: First, conducting wages/salary survey to determine the prevailing wage rates for comparable jobs, which is central in job pricing. Second, determine the relative worth of each job (job evaluation) by comparing the job content in relation to one another in terms of their efforts, responsibility, and skills. This eventually results in wage or salary hierarchy. Third, group similar jobs into pay grades, a pay grade comprises of jobs of approximately equal value or importance as determined by job evaluation. Forth, price each pay grade using wage curves. A wage curve is graphical description of the relationship between the value of job and the average wage paid for the job. However, if jobs are not grouped into pay grades, individual pay rates have to be assigned to each job. Fifth, fine tune pay rates. This involves correcting out-of-line rates and usually developing rate ranges.

Occupational health and safety process

Occupational health and safety process aims at protecting the health and safety of workers by minimizing work-related accidents and illnesses. Laws and legislations to ensure and observe general health and safety rules bound employers. More so, rules for specific industries, for example, mining and rules related to specific hazards, for instance, asbestos have to be adhered to. The following steps are important in this process. Checking for or removing

unsafe conditions by using checklist to audit a company's adherence to safety rules that are guarded against hazards, which cannot be removed. Next, through selection, screening out of employees who might be accident prone for job in question without compromising the human right legislation. More so, establishing a safety policy, this emphasizes on the importance of practically reducing accidents and injuries. Setting specific loss control goals by analyzing the number of accidents and safety incidents and then set specific safety goals to be achieved. Enforcing safety rules through discipline and conducting health and safety inspections regularly by investigating. All accidents and near misses, and by having a system in place for letting employees notify management about hazardous conditions.

4. Explain the term HRIS.

Meaning and Definition of HRIS

Human Resources Information System is a system that lets you keep track of all your employees and information about them. It is usually done in a database or, more often, in a series of inter-related databases.

These systems include the employee name and contact information and all or some of the following:

department, job title, grade, salary, salary history, position history, supervisor, training completed, special qualifications, ethnicity, date of birth, disabilities, veterans status, visa status, benefits selected, and more

Any HRIS include reporting capabilities. Some systems track applicants before they become employees and some are interfaced to payroll or other financial systems. An HRIS is a management system designed specifically to provide managers with information to make HR decisions you notice that this is not an HR system...it is a management system and

- This used specifically to support management decision making . The need for this kind of information has increased in the last few years,
- Especially in large and/or diverse companies, where decision making has been moved to lower levels and large companies generally have the advantage when it comes to
- HRIS's...the cost to develop an HRIS for 200 people is usually close to that for 2000 people...so it is a better investment for large companies...larger companies tend to have systems that have a fair degree of customization

Advantages of HRIS

An HRIS can reduce the amount of paperwork and manual record

- Keeping It retrieves information quickly and accurately
- It allows quick analysis of HR issues
- Most HRIS Contain: Personal history - name, date of birth, sex
- Work history - salary, first day worked, employment status, positions in
- The organization, appraisal data and hopefully, pre-organizational information Training and development completed, both internally and externally
- Career plans including mobility
- Skills inventory - skills, education, competencies...look for transferable
- skills

* The process perspective - getting the fundamental building blocks (people processes) right and ensuring their relevance at all times. This demands close and detailed knowledge of HR processes and a commitment to

improvement and efficiency. HR professionals need to understand their own objectives and the relationship with business strategy.

* The event perspective - a focus on providing a framework for knowledge management. In other words, capturing the experience and information available in that harnesses the organisation and making it available to individuals.

* The cultural perspective - acknowledging that HR has a 'pivotal role in the proactive engagement of the entire organization in a changing climate.

Human resource systems can differ widely. They may be:

* Intranets using web-type methods but operating purely within one organization or location.

* Extranets - encompassing two or more organizations.

* Portals - offering links to internal information and services but also accessing the worldwide web.

5. What are the Advantages and disadvantages of Human Resource Information System ?

Advantages

- compliance with federal and state laws
- streamline processes for recruitment and selection produce
- analyses data and reports for internal and external use
- ease of use for qualification computer technology specialists,
- accuracy of information
- ability to perform HR audits using any combination of parameters
- Employees and managers can locate answers and information quickly without the need to consult an HR representative every time.
- An HRIS can reduce the amount of paperwork and manual record keeping
- It retrieves information quickly and accurately
- It allows quick analysis of HR issues

HRIS Disadvantages

- human error during information input
- costly technology to update your system
- malfunctions or insufficient applications to support your human resources needs
- Finding a qualified specialist with human resources functional area knowledge is difficult.
- Unauthorized Access
- Specialized Knowledge
- Data Entry Errors
- The cost per-hire for another employee in a specialized field may be a stretch for some small businesses

