

HUMAN RESOURCE MANAGEMENT

Definition

It is the modern term used for the personnel function of the organisation which includes a wide range of responsibilities such as recruitment, selection, training and appraising the employees in order to increase this efficiency so that they can work together to achieve the organisation goals. HRM is broader and more far reaching in scope as compared to the traditional personnel department.

Q. Explain the difference between the traditional personnel department and human resource management.

Ans. The human resource management (HRM) has evolved from the personnel department and its main purpose is to recruit, train and utilize the personnel of the business in such a way so to give maximum productivity. However, there are major differences between the two since the HRM is broader and more far – reaching while personnel department was responsible just for recruiting, training, discipline and welfare of staff.

TRADITIONAL PERSONNEL DEPT.

- Advisory and administrative
- Not central to the organisation
- Mediating role between management and workforce
- The preservation of specialists
- Emphasis on written rules and procedures
- Collective bargaining & negotiations
- Management hierarchy
- Collective rewards & benefits
- Tightly defined jobs
- Employees must be monitored
- Controlled access to training

HUMAN RESOURCE MGMT.

- Strategic
- Seen as essential
- A central management role
- All managers and supervisors are human resource managers
- Stress on flexibility
- Consultation and participation
- Team-based structure
- Individual rewards and benefits
- Loosely defined jobs
- Employees are to be nurtured
- The learning organization

Due to the above – mentioned factors, the traditional personnel departments tended to be:

- rather bureaucratic in their approach with an inflexible approach to staff issues
- focused on recruitment, selection and discipline rather than development and training
- reluctant to give any HR roles to any other functional managers

However, the human resource management focuses on

- planning the workforce need of the business
- recruiting and selecting appropriate staff, using a variety of techniques
- appraising, training and developing staff at every stage of their careers
- developing appropriate pay systems for different categories of staff
- measuring and monitoring staff performance
- involving all managers in the development of their staff – emphasizing that this is not just the job the HR department

Functions of human resource management:

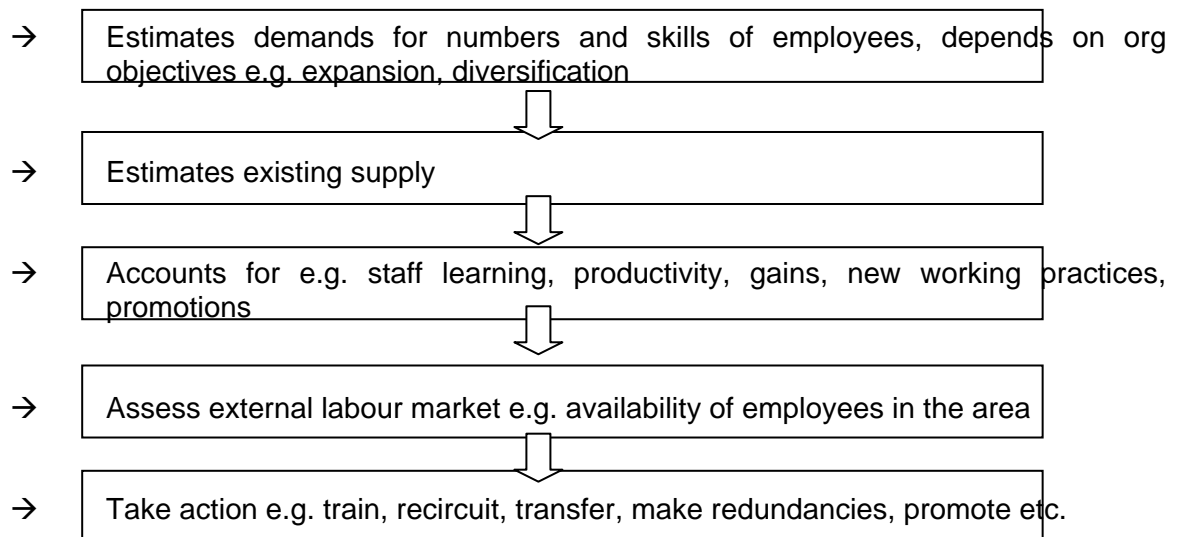
1. Human resource planning or workforce planning
2. Recruitment and selection
3. training and development
4. performance appraisal
5. developing appropriate rewards and pay systems
6. Involving all managers in the development of their staff.

Other Functions

1. Advisory and guidance roles
2. drawing up contracts of employment
3. discipline and dismissal of employee
4. Informing staff about redundancies

Human Resource Planning

Systematic process of planning human resources requirement for the organisation.



Training and development

The key objectives are:

1. to help new employee reach the level of performance expected from an experienced worker
2. to provide a wide pool of skills for the organisation
3. to develop a knowledgeable, committed and informed workforce
4. to deliver high quality services
5. training bridges the gap between the actual performance, knowledges and skills and the desired performance, knowledge and skills

Types of training

1. Induction training
2. on-the-job training
3. off-the-job training

Limitations of Training

1. time-consuming
2. expensive – payment for travel
– costs of preparing presentation
3. trained employees can leave the organisation and this fear makes managers hesitant

Prevention

- sharing of costs between business and workers
- make a contract – workers can't leave the job after training for a certain time
- if contract is broken, then workers have to pay the penalty

performance Appraisal

Objectives of performance appraisal are:

1. to improve the performance of the employee
2. to provide feedback to the individuals about their performance
3. to recognize the future training needs
4. to develop individuals' corporate careers
5. to identify employees for advancements and promotions
6. to identify any problem areas in the staff

Factors influencing Organisations performance appraisal

1. labor productivity = $\frac{\text{output per certain time period}}{\text{total no. of workers (employee)}}$

it can also be calculated by the value of output which would show the contribution of each employee according to the money it is giving to the business. Then the wages of employees could be determined if they are according to the value.

In service sector, productivity is measured only by the value of goods e.g. in hotel, the rooms which are vacant are useless or wastage of the productivity

2. Late-coming – Not punctual
3. Absenteeism rate
4. Labor turnover = $\frac{\text{No. of employees leaving the organisation in a particular period of time} \times 100}{\text{No. of total employees in that particular time that were hired (Av. no. of people employed)}}$

This gives the to percentage of people leaving the organisation

5. Waste levels – the greater the wastage i.e. damaged good so this means that employees are careless
6. Customer complaints
7. Achievement of targets

Methods or ways to improve performance

Continuous appraisal on regular basis
Continuous training
Encouraging Quality circles
Cell production and autonomous work groups
Other financial and non-financial rewards

- Sales meeting, marketing staff meeting – regular basis
- Business environment is dynamic – skills of staff should be updated
- Quality circles – part of TQM – Total Quality Management quality management is responsibility of all departments

Labor Management Relations Trade Unions

Trade unions can be defined as an organization of employees with the objective of protecting their interests at work.

Functions of Trade Unions

Negotiating with the employers on behalf of all the members about the appropriate pay and working conditions at job as well as their job security. This process is known as collective bargaining.

Acting as a channel of communication between employers and employees so that grievances can be heard and views expressed.

Providing assistance to individual members about their work-related problems.

Helping employees participate in the process of decision making.

- Protecting discrimination, unfairness

Providing a source of support and legal representation in case of a dispute between the employers and the employees

Benefits to employers

1. Saves time as management have only to deal with trade union instead of all workers.
2. Managers also work more efficiently due to the pressure of trade unions.
3. Workers work harder / more motivated.

Types of Trade Union

1. Crafts Union – workers only to a particular skill
2. Industrial Union – unskilled labor / manual work
3. General Unions – very big / manual but from several industries
4. White – collar Unions – for service Industries / clerical / administration insurance

Professional / Occupational Unions – for highly professionally qualified unions – medical / engineer / educational – related to one particular field.