Introduction To Human Resource Management

Course Code: BBLB2001 Course Name: Human Resource Management

TOPIC COVERED

- Definition of HRM
- Legacy of HRM
- > Hawthorne Effect
- Evolution of HRM
- > Scope of HRM
- Nature of HRM
- Objectives of HRM
- > Importance of HRM
- Functions of HRM
- > HR as a Strategic Manager



Definition

- •Human resource management is the art of procuring, developing and maintaining competent workforce to achieve the goals of the organization in an effective and efficient manner.
- •A process of bringing people and organizations together so that the goals of each other are met, efficiently and effectively.

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LEGACY OF HRM

The origin of HRM, as is known today, date back to ancient times. One find a reference of HR policy as early as 400 B.C., when the Babylonians had a sound incentive wage plan.

The status of labour prior to industrial revolution was extremely low and the relationships were characterized by slavery, seldom and guild system.



Slavery is the system in which principles of property-law are applied to people, allowing individuals to own, buy and sell other individuals, as a de jure form of property.

The slavery structure was replaced by seldom, were neither slaves nor hired labourers. The structure was related to rural and agrarian pursuits. Workers were offered positive incentives which resulted in enhanced productivity and reduced need for supervision. Seldom disappeared during Middle Ages with growth in manufacturing and commercial enterprises. It was replaced by the Guild System.

The *guild* tended to be an extremely hierarchical body structured on the basis of the apprenticeship *system*. In this structure, the members of a *guild* were divided into a hierarchy of masters, journeymen, and apprentices.

With the advent of Industrial Revolution the guild disappeared.

With the advent of revolution doctrine of laisser-faire was advocated and the cottage system got transformed to factory system leading to enhanced specialization. But this period was dominated by many unhealthy practices like unhealthy work environment, long working hours, increased fatigue rate, monotony, strains, likelihood of accidents and poor work relationship.

Laissez-faire is an economic system in which transactions between private parties are free

from government intervention such as regulation, privileges, tariffs and subsidies

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World War I. The modern HRM started in 1920. For the first time, psychology was applied to management. The Hawthorne studies advocated the need to improve industrial relations for increasing production.

What is the Hawthorne Effect?

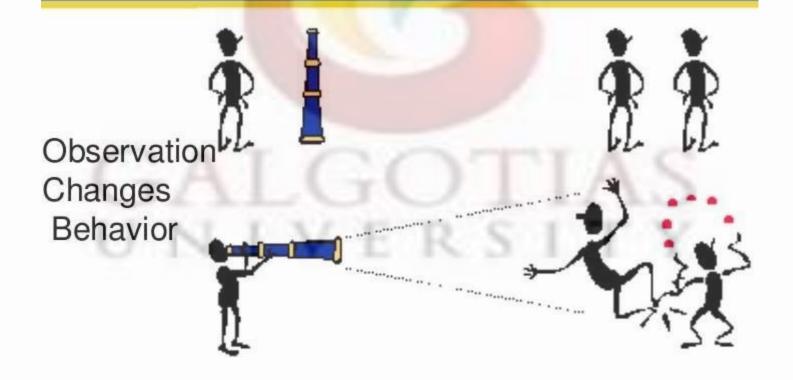


Better lighting, more regular breaks, etc. improve productivity. However, when workers see that people show concern for them, productivity rises more.

When workers know people are concerned about them their productivity increases

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The Hawthorne Effect: Observation Changes Behavior



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But this prosperity ended during the great depression. Thereafter, organizations started offering fringe benefits to workers to induce them to work. Findings of behavioural science were used to enhance productivity.

Elton Mayo through the Hawthorne studies (1924-1932) examined how stimuli, unrelated to financial compensation and working conditions, could yield more productive workers. Contemporaneous work by Abraham Maslow (1908-1970), Kurt Lewin (1890- 1947), Max Weber (1864-1920), Frederick Herzberg (1923-2000), and David McClelland (1917-1998) formed the basis for studies in industrial and organizational psychology, organizational behavior and organizational theory, giving room for an applied discipline.

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Program Name: BBA L.LB (Hons.)

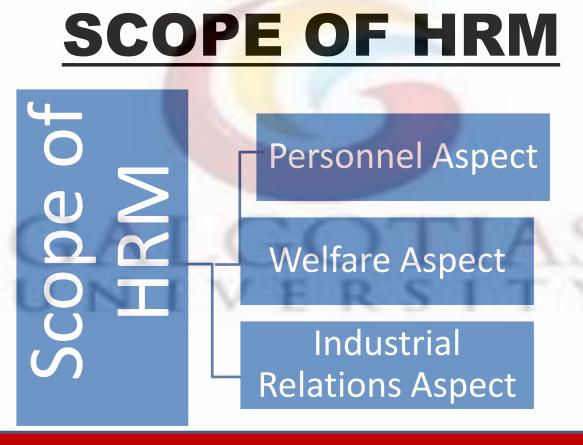
EVOLUTION OF HRM

Concept	Nature Na
The Commodity Concept	Labor was regarded as a commodity to be bought and sold. Wages were based on demand and supply. Government did very little to protect workers
The Factor of Production	Labor is like any other factor of production viz, Money, materials, land etc. Workers are like machines and tools.
The Goodwill Concept	Welfare Measures like safety, first aid, lunch room, rest room will have a positive impact on worker's productivity.
The Paternalistic Approach	Management must assume a fatherly and protective attitude towards employees.

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Concept	Nature
The Humanitarian Concept	To improve productivity, physical, social and psychological needs of workers must be met.
The Human Resource Concept	Employees are the most important assets of the organization. There should be a conscious effort to realize the organizational goals by satisfying needs and aspirations of the employees.
The Emerging Concept	Employees should be accepted as partners in the progress of a company. They should have a feeling that the organization is their own. To this end, managers must offer better quality of working life and better opportunities to people to exploit their potential fully.

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SCOPE OF HRM

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 and employee productivity.

HRM in Employee Welfare

- This particular aspect of HRM deals with working conditions and amenities at the workplace.
- This includes a wide array of responsibilities and services such as safety services, health services, welfare funds, social security and medical services.
- It is about determining employees' real needs and fulfilling them with active participation of both the management and the employees.

HRM in Industrial Relations

- Industrial relations is the art and science of understanding the employment (union-management) relations, joint consultations, disciplinary procedures, solving problems with mutual efforts, understanding human behaviour 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 the organisation.

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NATURE OF HRM

- •It is *pervasive* in nature.
- •It is action oriented.
- •It is Individually oriented.
- •It is people oriented.
- •It is Future Oriented.
- •It is development oriented.
- •It has an integrating mechanism.
- •It is a comprehensive function.
- •It exists as an auxiliary function.
- •It is an interdisciplinary function.
- •It is a continuous function.

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OBJECTIVES OF HRM

- •To help the organization reach its goals.
- •To employ the skills and abilities of the workforce efficiently.
- •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 provide well motivated and well trained employees.
- •To develop and maintain a quality of work life.
- •To communicate HR policies to all employees.
- •To be ethically and socially responsive to the needs of the society.

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Importance of HRM

At enterprise level:

- •Good human resources practices can help in attracting and retaining the best people in the organization.
- •It helps in training people for challenging roles, developing the right attitude towards the job and the company, promoting team spirit among employees and developing loyalty and commitment through appropriate reward schemes.

At Individual level:

- •It promotes team work and team spirit among employees,
- •It offers growth opportunities to people who have the potential to rise.
- •It allows the people to work with diligence and commitment.

At the Society Level:

- Employment opportunities' multiply.
- Scare talents are put to best use.

At the National level:

•Help in use of resources in a better way.

FUNCTIONS OF HRM

Procurement:

- Human Resource Planning
- Job Analysis
- •Recruitment
- Selection
- Placement
- Induction
- Internal Mobility/Transfers

Development:

- Training
- Executive Development
- Career Planning
- Succession Planning
- •HRD Strategies.

Motivation and Compensation:

- Job design
- Work scheduling
- Motivation
- Job Evaluation
- Performance Appraisal
- Compensation Administration
- •Incentives, Benefits and Services.

Maintenance:

- •Health
- Safety
- Social Security
- Welfare

Integration:

- Grievances
- Discipline
- Collective Bargaining
- Participation
- Trade Unions
- •Empowerment
- Industrial Relations

Emerging Issues:

Personnel Records

HR Research

HR Accounting

HR Audit

Counseling

Mentoring

International HRM

HR as a STRATEGIC PARTNER

- •Helps in making the workforce strategies integral to business.
- •Makes sure that human resources support the firm's vision.
- •Leverage the HR's role in major organizational initiatives.
- •Help Line managers achieve the goals by playing the staff function.
- Help in gaining a competitive advantage.

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