

Business Studies

4/6/2020

Class - XII

Chap - 1 Introduction to Human  
Resource Management.



# 1

# Introduction to Human Resource Management

## Chapter Outline

- 1.1 Meaning and Definition of Human Resource Management
- 1.2 Characteristics of Human Resource Management

- 1.3 Importance of Human Resource Management
- 1.4 Functions of Human Resource Management

Human resources of an organisation are the aggregate of knowledge, skills, aptitudes of people working in it. The management of these resources is called human resource management.

## 1.1 MEANING AND DEFINITION OF HUMAN RESOURCE MANAGEMENT

Human Resource Management (HRM) is that part of management which is concerned with people at work and with their relationships within the organisation. It seeks to bring together men and women who make up an enterprise, enabling each to make his/her best contribution to its success both as an individual and as a member of a working group.

### Definitions of HRM

Human Resource Management may be defined as that field of management which has to do with planning, organising and controlling the functions of procuring, developing, maintaining and utilising the labour force, such that the

- (a) objectives for which the company is established are attained economically and effectively,
- (b) objectives of all levels of human resources are served to the highest possible degree, and
- (c) objectives of society are duly considered and served"

— Michael J. Jucious.

Human resource management is "the planning, organising, directing and controlling of the procurement, development, compensation, integration, maintenance and reproduction of

human resources to the end that individual, organisational and societal objectives are accomplished.

— Edwin B. Flippo

## 1.2 CHARACTERISTICS OF HUMAN RESOURCE MANAGEMENT

On the basis of the definitions given above, the following *features* of human resource management can be identified :

✓ **1. Comprehensive Function.** Human resource management is concerned with managing people at work. It covers all types of people at all levels in the organisation. It applies to workers, supervisors, officers, managers and other types of personnel.

✓ **2. People-oriented.** Human resource management is concerned with employees as individuals as well as groups. It is the process of achieving the best fit between individuals, jobs, organisations and the environment. It is the process of bringing people and organisations together so that the goals of each are met.

✓ **3. Action-oriented.** Human resource management focuses on action rather than on record-keeping or procedures. It stresses the solution of human resource problem to achieve both organisational objectives and employees' personal goals.

✓ **4. Individual-oriented.** Under human resource management, every employee is considered as an individual so as to provide



services and programmes to facilitate employee satisfaction and growth.

**5. Development-oriented.** Human resource management is concerned with developing potential of employees so that they get maximum satisfaction from their work and give their best efforts to the organisation.

**6. Pervasive Function.** Human resource management is inherent in all organisations and at all levels. It is not confined to industry alone. It is equally useful and necessary in government, armed forces, sports organisations and the like. It permeates all the functional areas, e.g., production, marketing, finance, research, etc. Each and every manager is involved with human resource function. In big organisations, there is generally a human resource department. But this department only provides expert staff, advice and assistance. The authority to take decision about people lies with the operating executives.

Human resource management is not something which can be turned over to a human resource department. It is the responsibility of each and every manager. When a human resource department is created, other managers are not relieved of this responsibility. This department only advises and assists line managers. According to Scott *et al.* "human resource management is a responsibility of all those who manage people as well as being a description of the work of those who are employed as specialists. It is that part of management which is concerned with people at work and with their relationships within an enterprise." Human resource management is a staff function but a line responsibility.

**7. Continuous Function.** Management of human resources is an ongoing or never-ending exercise rather than a 'one shot' function. In the words of Terry, "it cannot be turned on and off like water from a faucet; it cannot be practised only one hour each day or one day a week.

Human resource management requires a constant effort and awareness of human relations and their importance in everyday operations.

**8. Future-oriented.** Human resource management is concerned with helping an organisation achieve its objectives in the future by providing for competent and well-motivated employees.

**9. Challenging Function.** Managing of human resources is a challenging job due to the dynamic nature of people. People have sentiments and emotions so they cannot be treated like machines. It is, therefore, necessary to handle them tactfully. It is not simply managing people but administering a social system.

**10. Science as well as Art.** HRM is a science as it contains an organised body of knowledge consisting of principles and techniques. It is also an art because it involves application of theoretical knowledge to the problems of human resources. In fact, handling people is one of the most creative art.

**11. Staff Function.** The function of human resource management is advisory in nature. Human resource managers do not manufacture or sell goods but they do contribute to the success and growth of an organisation by advising the operating departments on human resource matters. Like the director of a movie, their performance can be judged from the success of the total organisation.

**12. Young Discipline.** Human resource management is of comparatively recent origin. It started in the last part of the 19th century. It is relatively a new specialised area as compared to manufacturing and marketing.

**13. Interdisciplinary.** Human resource management involves application of knowledge drawn from several disciplines like sociology, anthropology, psychology, economics, etc. In order to deal with human problems effectively, a manager must depend upon such knowledge. In modern days, Human Resource Management has become a specialised job.

**14. Nervous System.** Human resource management is similar to the nervous system in the human body. The nervous system is not



an adjunct to the body but is inherent in the whole body and intimately associated with its every movement. Similarly, human resource management is not an extraneous element to the organisation structure. Rather it lies embedded in the structure, is inherent in its functioning and an integral part of the process of management itself. Human resource management cannot be separated from the basic management function.

**15. Integral Part of Management Process.** HRM is an essential element of the process of management.

### 1.3 IMPORTANCE OF HRM

**1. Significance for an Enterprise.** Human resource management can help an enterprise in achieving its goals more efficiently and effectively in the following ways :

- (a) Attracting and retaining the required talent through effective human resource planning, recruitment, selection, placement, orientation, compensation and promotion policies.
- (b) Developing the necessary skills and right attitudes among the employees through training, development, performance appraisal, etc.
- (c) Securing willing cooperation of employees through motivation, participations, grievance handling, etc.
- (d) Utilising effectively the available human resources.
- (e) Ensuring that the enterprise will have in future a team of competent and dedicated employees.

**2. Professional Significance.** Effective management of human resource helps to improve the quality of work life. It permits team work among employees by providing a healthy working environment. It contributes to professional growth in the following ways :

Providing opportunities for personal development of each employee.

(b) Maintaining healthy relationships among individuals, and different work groups.

(e) Allocating work properly.

**3. Social Significance.** Sound human resource management has a great significance for the society. It helps to enhance the dignity of labour in the following ways :

- (a) Providing suitable employment that provides social and psychological satisfaction to people.
- (b) Maintaining a balance between the jobs available and the jobseekers in terms of numbers, qualifications, needs and aptitudes.
- (c) Eliminating waste of human resources through conservation of physical and mental health.

**4. National Significance.** Human resource management plays a vital role in the development of a nation. The effective exploitation and utilisation of a nation's natural, physical and financial resources require an efficient and committed manpower. The level of development in a country depends primarily on the skills, attitudes and values of its human resources. Nations are underdeveloped because their people are underdeveloped. Effective management of human resources helps to speed up the process of economic growth which, in turn, leads to higher standards of living and fuller employment.

Human resource management is the central subsystem of an organisation as can be seen from Fig. 1.1.

As the central subsystem, HRM interacts closely and continuously with all other subsystems of an organisation. The quality of people in all subsystems depends largely upon the policies, programmes and practices of the HRM subsystem. The quality of human resources determines in turn the success of an organisation.



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Questions: Chap 1

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What do you mean by Human Resource Management?

Discuss the characteristics of Human Resource Management.

Discuss the importance of Human Resource Management.