Unit 1: Human Resource Management: Introduction

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Readings:
Dessler, G., (2008). **Human Resource Management.** *Tenth edition* Pearson Education
Snell, S. and Bohlander, G., (2007), **Human Resource Management** *India Edition* Thomson
Adhikari, D.R., (2010). **Fundamentals of Human Resource Management** *Third edition Budhha Academic Enterprises Pvt. Ltd.*
Agrawal. G. R. (2007). **Foundation of Human Reosurce Management in Nepal** *MK Publisher and Distributors*

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Content

- Human Resource Management: Concept, characteristics, objectives, and components
- HRM environment: globalization, technological advances, nature of work, workforce diversity, and legal trends
- Contemporary HR issues
- Challenges and responsibilities of HR managers

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1.1

HRM: CONCEPT, CHARACTERISTICS, OBJECTIVES AND COMPONENTS

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HRM: Concept

- Employees are valuable resource
- are to
  - increase Productivity
  - Provide(produce) quality service (product)
  - compete in the domestic and global market
- Managing people (valuable resources) properly to take many other benefits from them

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HRM: Concept

- Managing People
  - ADUM
- Main function of line managers
- aligning with business strategy
  - Thus, it is Strategic partner

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HRM: Definition

"Personnel and HRM is the **recognition** of the importance of an organization's workforce as **vital HR contributing** to the goals of the organization, and
the **utilization** of several functions and activities
to **ensure** that they are used effectively and fairly for the **benefit** of
the individual, the organization, and the society". – Schuler, 1984

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HRM: Characteristics

- Related to people dimension
- Explicit relation between HRM and Corporate Strategy
- Commitment of employees
- Recognition of the common interests and needs
- Response to influences of social, economic, political and cultural contexts
- Owned by line managers and not by personnel specialist
- Employees are seen as assets or human capital

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Objectives of HRM

- Achieving high productivity
  * Productivity is goal
  * *Effective management* of HR increases productivity
- Increasing the QWL
  * QWL leads to success of organization
  * QWL: physical and psychological well-being at work.
  * providing meaningful, challenging, interesting responsibilities, opportunity to make decisions about their jobs and workplaces…..

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Objectives of HRM

- Increasing workforce commitments
  * Commitments lead organizational efficiency and productivity
  * Desirable HR practices and measures motivate employees to commit toward organization goal
- Management of organizational culture
  * Widely shared beliefs, values, norms of organization's members
  * Understanding culture is essential in course of implementation of HR policies and practices

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Objectives of HRM

- Providing a supportive environment for employee's creativity
  * Teamwork, MBO, Quality circles
- Making organizational system flexible
  * HR policies and practices are essential to cope the changes
- Maximizing social concerns

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Components of HRM

- **A**cquisition
  * HR planning
  * Job Analysis
  * Recruitment
  * Selection
  * Socialization
- **D**evelopment
  * Analyzing Development needs
  * Employee training
  * Management Development

Source: Agrawal, G.R. (2007). *Foundation of HRM* M.K. Publishers and Distributors

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Components of HRM

- **U**tilization
  * Motivation
  * Performance Appraisal
  * Compensation Management
- **M**aintenance
  * Employee discipline
  * Labour Relations
  * Employee Welfare

Source: Agrawal, G.R. (2007). *Foundation of HRM* M.K. Publishers and Distributors

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HRM Environment

- Globalization
  - Globalization --- competition.
  - Employing and retaining qualified people ----- competitive advantage
- Technological advances
  - Production / information Tech --- improvement of on work efficiency, quality--- need of qualified, skilled, innovative and motivated employee.
  - IT ----- way of managing employees

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HRM Environment

- Nature of work
  - Rapid changes in information technology ---gradual demise of blue collar jobs ----- increasing demand of knowledgeable worker.
  - Increasing contingent worker
- Workforce Diversity
  - Age, gender, race, religion, values and culture, education and training
  - Need to manage properly

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HRM Environment

- Legal trends
  - Constitution, labour and union laws and regulation, and other legal documents have a great bearing upon the selection and implementation of HR policies and practices.
  - American and European

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Contemporary HR Issues & Challenges

- Globalization
  - Selection of, attract and retain qualified employees. (different countries)
  - Requirement of special training for international standard.
  - Need to support working managers of different countries.
  - Global financial crisis and employment security.

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Contemporary HR Issues & Challenges

- Technology Advances
  - Knowledgeable worker replacing blue – collar worker. (enhancing required job skills).
  - Selecting, developing, rewarding and retaining highly skilled manpower – computer programmer. {comp engineer in Nepal}

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Contemporary HR Issues & Challenges

- Changing Nature of work
  - Danger of increasing skill deficiencies.
  - Different types of Selecting, developing, rewarding and retaining policies for highly knowledgeable worker.

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Contemporary HR Issues & Challenges

- Workforce Diversity
  * Requirement of family-friendly work environment
  * Increasing racial, gender and ethnic complexities at work places
  * Arrangement of diversity-awareness programmes
  * Organizing diversity management programme to minimize the effect of cultural and demographic diversity.

Contemporary HR Issues & Challenges

- Legal Trends
  * Labour Law, Child labour law, Equal employment opportunity law, Trade union Act.
  * Laws are changing due to change in the government.
  * Need to be familiar
  * It is subject to punishment for HR managers and even to the organization.

Responsibilities of HR Managers

- Meeting challenges and grabbing opportunities.
- **Some important responsibilities** are:
- Management of Strategic HR
- Management of administration of the organization
- Management of employee
- Becoming a change agent

1. Management of Strategic HR

- Defining an *organizational architecture*
  * To define culture, reward system, governing style, work process and leadership to work in *a given business model or framework*.
- Conducting an *organizational audit*
  * Assessment of strong and weak components of organization that hinder and support business strategy implementation.

1. Management of Strategic HR

- Working as *a strategic partner*
  * Working with senior and line managers to manage valuable asset (HR) strategically.
  * Involvement in improvement of current HR practices

2. Management of Administration of the organization

- Administration: R&S, Performance evaluation, payroll management, and health and safety environment.
- Need to use changed technology to make HR functions more cost-effective.

3. Management of employees

- Ensuring that employees are engaged-that they feel committed to the organization and contribute fully.
- Curtailing the effort and contribution by employees leads organizational failure in future.
- Increased competition continually asked to do more with less overhead, however employees are demanding more than before.

4. Becoming a change agent

- Able to adapt, learn and act quickly.
- Avoiding the resistance to change by employees.
  * By informing the benefits from change to employees.

Further

- Human Resource Management System
- Personnel Management and Human Resource Management
- Roots of HRM
  * Early SM Era, SM, HR Movement, New HRM Era: Human capital concept, concept of corporate culture and HRM, The New HRM
- Human Resource Outcomes/Outputs
  * QWL
  * Productivity
  * Readiness for change

DISCUSSION SESSION

Brief Answer Questions

- Write any four components of HRM. (2010)
- Write any three objectives of human resource management. (2009)
- List any four emerging issues of HRM. (2008)

Short Answer Questions

- Define human resource management. Explain the contemporary human resource issues. (2010)
- "Managing human resource job in organization is becoming stressful day by day due to emerging human resource issues". Discuss (2009)
- Describe emerging issues of managing human resources in organizations. (2008)