



Introduction to Human Resource Management

Objective



Explain What is Human Resource Management (HRM)

Define Human Resource Management

Explain the Scope of Human Resource Management

Describe the Processes in Human Resource Management

Explain the Skills of HR Professionals

Explain Role of HRM in Performance Management

Explain the Hiring Strategies followed by Organizations

Describe the Various Retention Strategies

Explain Human Resource Planning

Explain How HRM Manages Employee's Performance

Explain the Management of Contractors

Explain What is Strategic Human Resource Management

Explain What is Global Human Resource Management

Explain What is Human Resource Information System

List the Tips for Effective HRM

Introduction

Look at the questions given below and try answering them.

- Whom do you send your resume to when you see a job opening that interests you?
- Who gives you the job offer and discusses your pay package with you?
- Who inducts you into the organization when you are a new employee?
- Whom do you contact when you have any doubts regarding your pay package, perks, benefits, conveyance, leave management etc.?
- Who helps you in the final exit formalities when you leave an organization?
- Who takes care of your training and development needs?

Introduction

You must have guessed correctly. It is the Human Resource Managers and people from the HR Department who take care of you right from the time when you apply to a company, you get the job, you join the company, are working with the company till the time you leave the company.



Hence, in your entire lifecycle of involvement with the company, the HR always stands by you and supports you during your tenure with the company. Hence, HR managers are also known as 'People Managers', 'People Enablers' and the practice as 'Human Resource or People Management'.



Introduction

Human Resource Management is an important function of any organization. It encompasses the management of people in organizations from a macro perspective i.e. managing people in the form of a collective relationship between management and employees.



Thus, the HR function is concerned with the notions of people enabling, people development and a focus on making the 'employment relationship' fulfilling for both the management and employees. Let us learn about Human Resource Management in detail.

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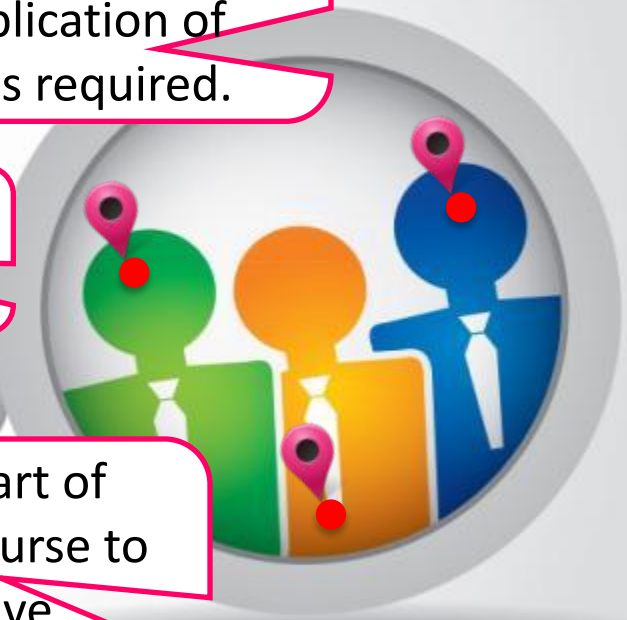
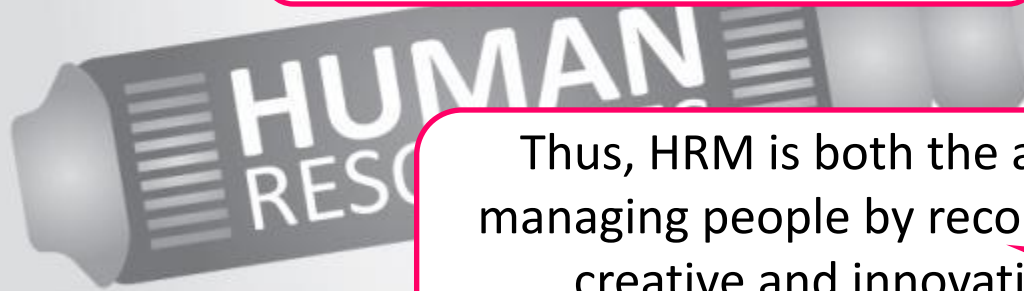
List the Tips for Effective HRM

What is Human Resource Management (HRM)?

It is a science as well because of the precision and rigorous application of theory that is required.

Human Resource Management (HRM) is an 'art and science'.

Thus, HRM is both the art of managing people by recourse to creative and innovative approaches.



What is Human Resource Management (HRM)?



HRM is all about people in organizations. No wonder that some MNC's (Multinationals) call the HR managers as People Managers, People Enablers and the practice as People Management. In the 21st century organizations, the HR manager or the people manager is no longer seen as someone who takes care of the activities described in the traditional way. In fact, most organizations have different departments dealing with Staffing, Payroll, and Retention etc. Instead, the HR manager is responsible for managing employee expectations vis-à-vis the management objectives and reconciling both to ensure employee fulfillment and realization of management objectives.

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Human Resource Management - Definition

The process of defining HRM leads us to two different definitions. They are:

- Traditional Definition
- Contemporary Definition

Traditional Definition:

The first definition of HRM is that it 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 to round off the activities. This is the traditional definition of HRM which leads some experts to define it as a modern version of the Personnel Management function that was used earlier.

Contemporary Definition:

The second definition of HRM encompasses the management of people in organizations from a macro perspective i.e. managing people in the form of a collective relationship between management and employees. This approach focuses on the objectives and outcomes of the HRM function. What this means is that the HR function in contemporary organizations is concerned with the notions of people enabling, people development and a focus on making the 'employment relationship' fulfilling for both the management and employees.

Let us look at each definition.

HRM - Traditional Definition

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Importance of HRM for Organizational Success



There are various reasons for organizations to have a HRM strategy as well as the business drivers that make the strategy imperative for organizational success.

It is a fact that to thrive in the chaotic and turbulent business environment, firms need to constantly innovate and be 'ahead of the curve' in terms of business practices and strategies.

It is from this motivation to be at the top of the pack that HRM becomes a valuable tool for management to ensure success.

Importance of HRM for Organizational Success



The following are the various reasons that organizations need to give importance to HRM:

- **The Evolving Business Paradigm**
- **Strategic Management and HRM**
- **Need for Adopting a Holistic Approach**

Let us look at each in detail.

Importance of HRM for Organizational Success


- **The Evolving Business Paradigm**



One of the factors behind organizations giving a lot of attention to their people is the nature of the firms in the current business environment. There has been a steady movement towards an economy based on services; hence, it becomes important for firms engaged in the service sector to keep their employees motivated and productive. Even in the manufacturing and the traditional sectors, the need to remain competitive has meant that firms in these sectors deploy strategies that make effective use of their resources. This changed business landscape resulted due to a paradigm shift in the way businesses and firms view their employees as more than just resources and instead adopt a 'people first' approach.

Importance of HRM for Organizational Success

- **Strategic Management and HRM**



Moreover, there is a need to align organizational goals with that of the HR strategy to ensure that there is alignment of the people policies with that of the management objectives. This means that the HR department can no longer be viewed as an appendage of the firm but instead is a vital organ in ensuring organizational success. The aims of strategic management are to provide the organization with a sense of direction and a feeling of purpose. The current HRM practices in many industries are taken as seriously as the marketing and production functions.

Importance of HRM for Organizational Success

- **Need for Adopting a Holistic Approach**

The practice of HRM must be applied to the overall strategic goals for the organization instead of a standalone tint that takes a unit based or a micro approach. The idea here is to adopt a holistic perspective towards HRM that ensures that there are no piecemeal strategies and the HRM policy enmeshes itself fully with those of the organizational goals. The practice of HRM needs to be integrated with the overall strategy to ensure effective use of people and provide better returns to the organizations in terms of ROI (Return on Investment) for every rupee or dollar spent on them. Unless the HRM practice is designed in this way, the firms stand to lose from not utilizing people fully and this does not bode well for the success of the organization.

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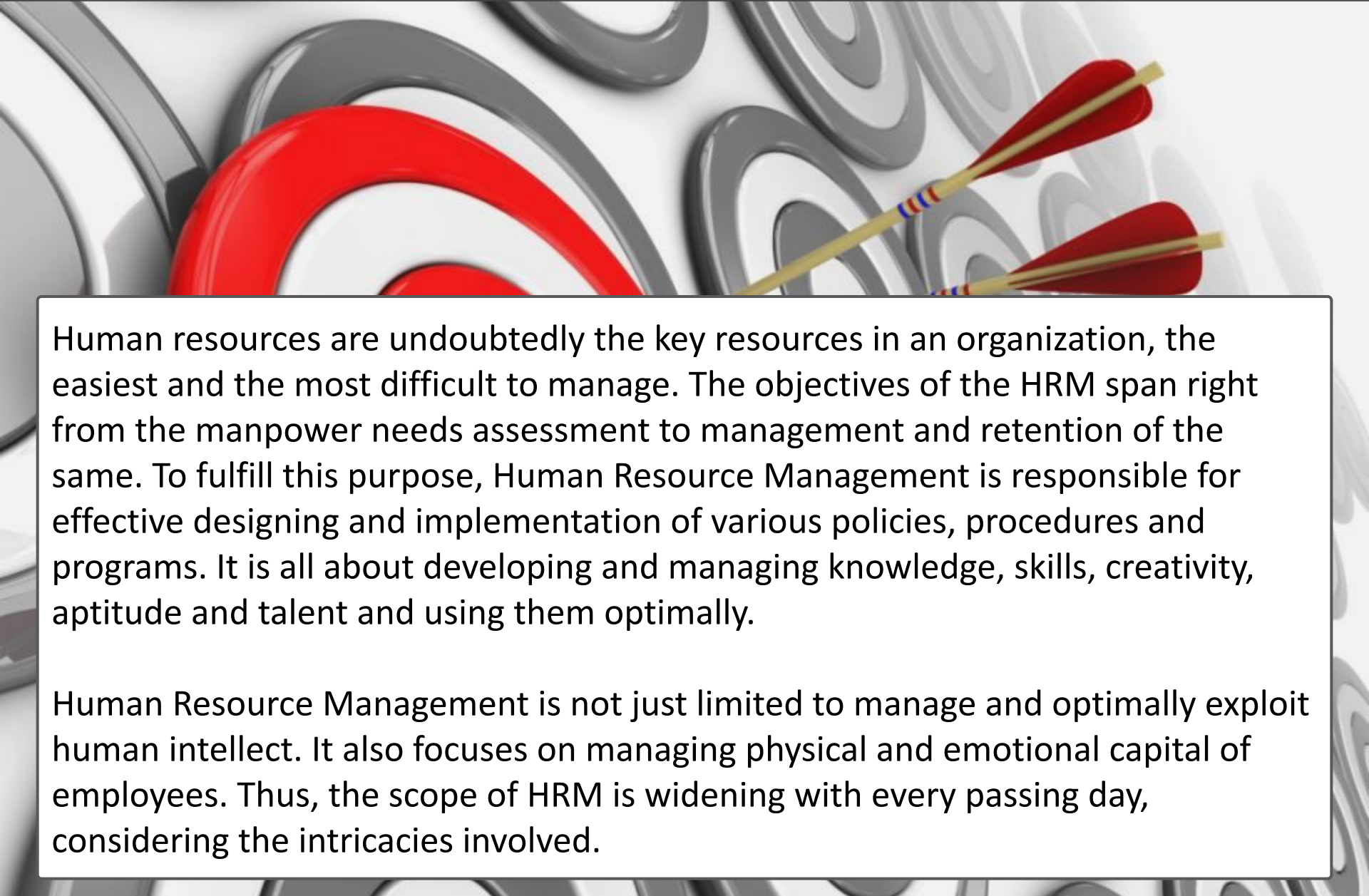
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List the Tips for Effective HRM

Scope of Human Resource Management



Human resources are undoubtedly the key resources in an organization, the easiest and the most difficult to manage. The objectives of the HRM span right from the manpower needs assessment to management and retention of the same. To fulfill this purpose, Human Resource Management is responsible for effective designing and implementation of various policies, procedures and programs. It is all about developing and managing knowledge, skills, creativity, aptitude and talent and using them optimally.

Human Resource Management is not just limited to manage and optimally exploit human intellect. It also focuses on managing physical and emotional capital of employees. Thus, the scope of HRM is widening with every passing day, considering the intricacies involved.

Scope of Human Resource Management

The scope of HRM covers but is not limited to the following functions:

Training and Development

Industrial Relations

Grievance Handling

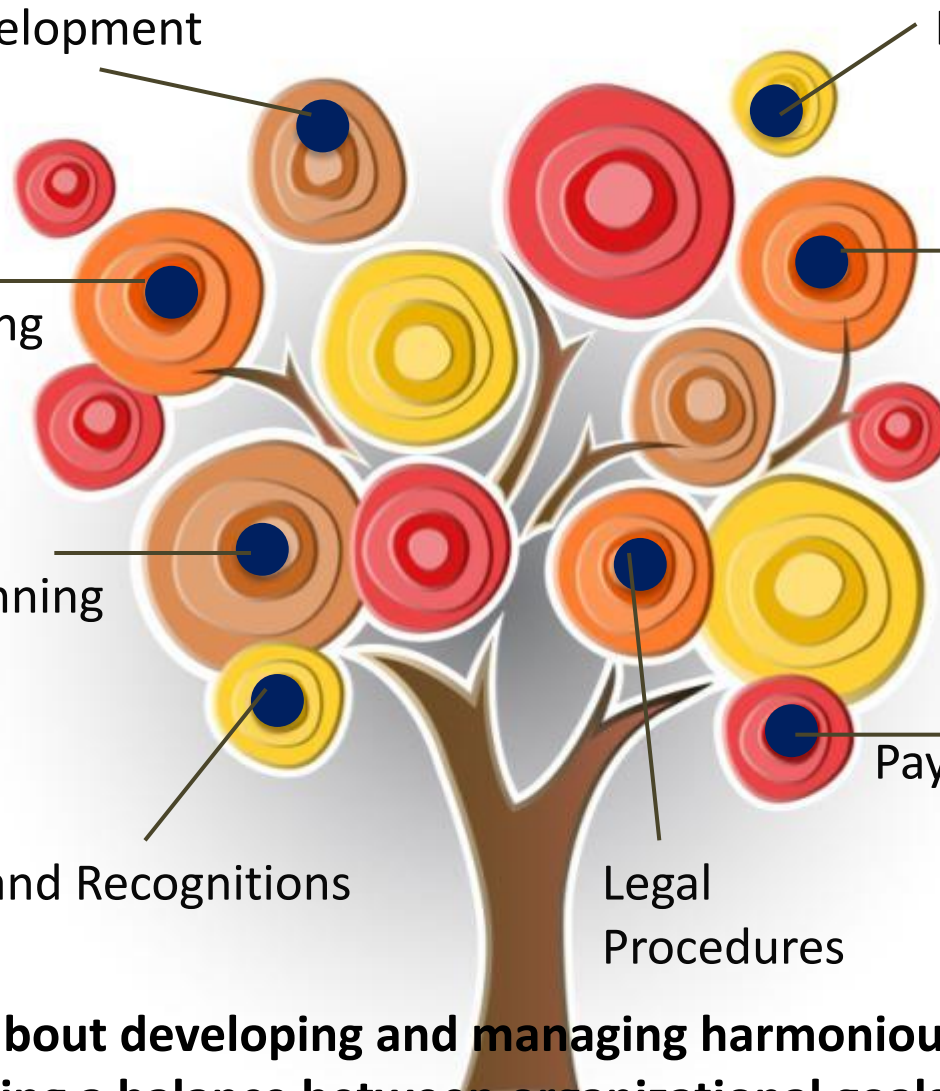
Hiring (Recruitment and Selection)

HR planning

Payroll Management

Rewards and Recognitions

Legal Procedures



Therefore, HRM is about developing and managing harmonious relationships at workplace and striking a balance between organizational goals and individual goals.

Scope of Human Resource Management

The scope of HRM is extensive and far-reaching. Therefore, it is very difficult to define it concisely. However, we can classify the scope of HRM under the following three categories:



**HRM in
Personnel
Management**

**HRM in
Employee
Welfare**

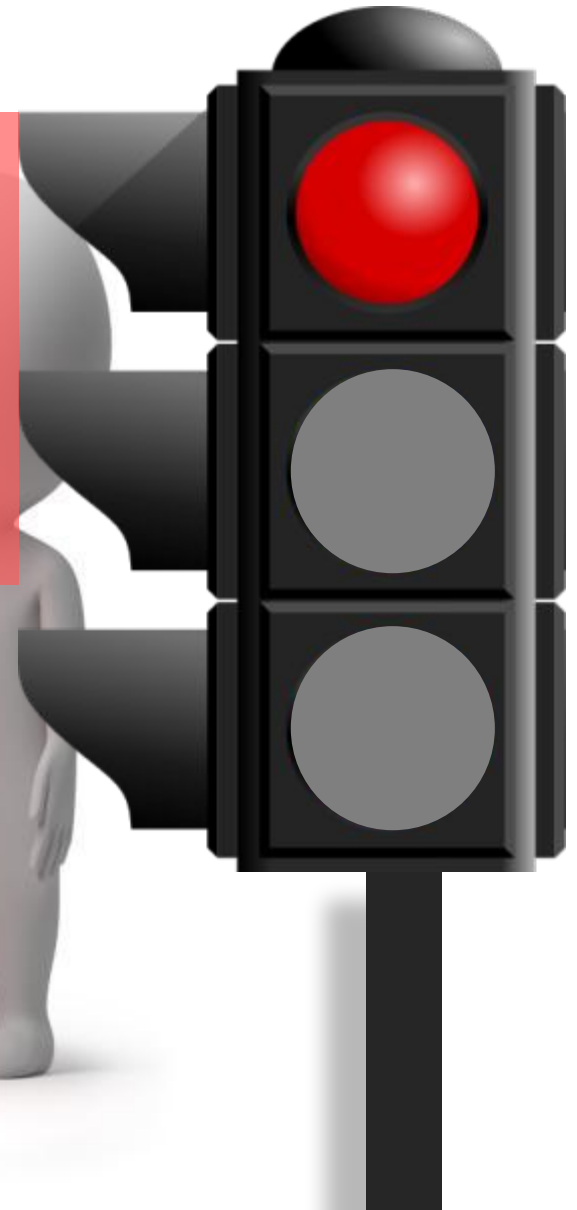
**HRM in
Industrial
Relations**

Let's look at each in detail.

Scope of Human Resource Management

HRM in Personnel Management:

HRM in Personnel Management is typically direct manpower management that involves manpower planning, hiring (recruitment and selection), training and development, induction and orientation, transfer, promotion, employee productivity, compensation, layoff and retrenchment.



Scope of Human Resource Management



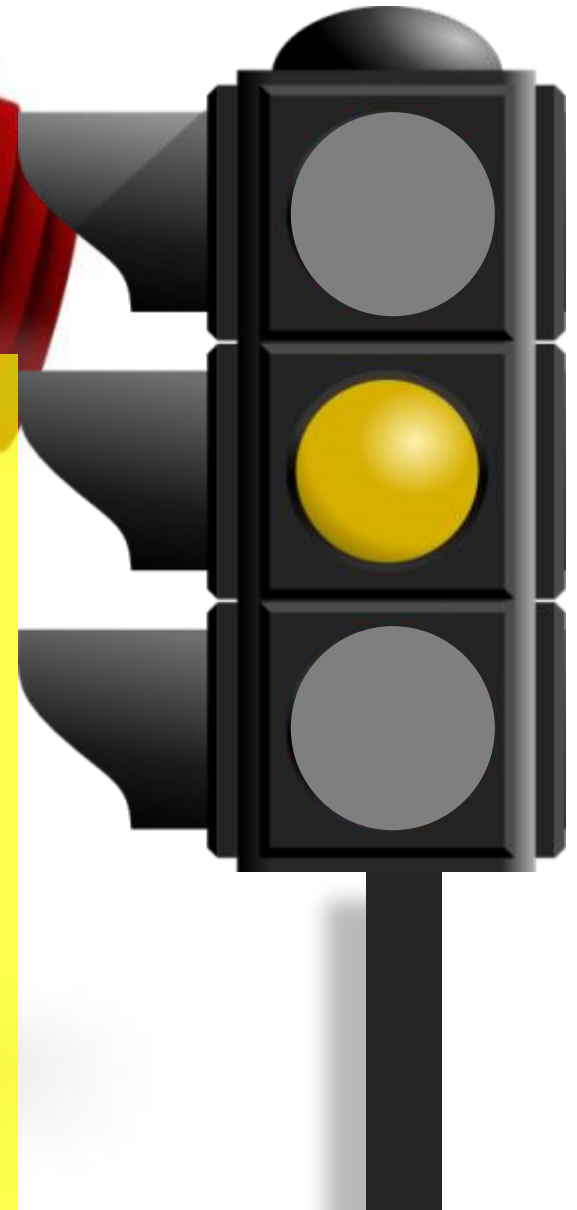
The overall objective here is to ascertain individual growth, development and effectiveness which indirectly contribute to organizational development.

It also includes performance appraisal, developing new skills, disbursement of wages, incentives, allowances, travelling policies and procedures and other related courses of actions.

Scope of Human Resource Management

HRM in Employee Welfare

HRM in Employee Welfare is a particular aspect of HRM which deals with working conditions and amenities at workplace. This includes a wide array of responsibilities and services such as safety services, health services, welfare funds, social security and medical services. It also covers appointment of safety officers, making the environment worth working, eliminating workplace hazards, support by top management, job safety, safeguarding machinery, cleanliness, proper ventilation and lighting, medical care, sickness benefits, employee injury benefits, personal injury benefits, maternity benefits, unemployment benefits and family benefits.



Scope of Human Resource Management

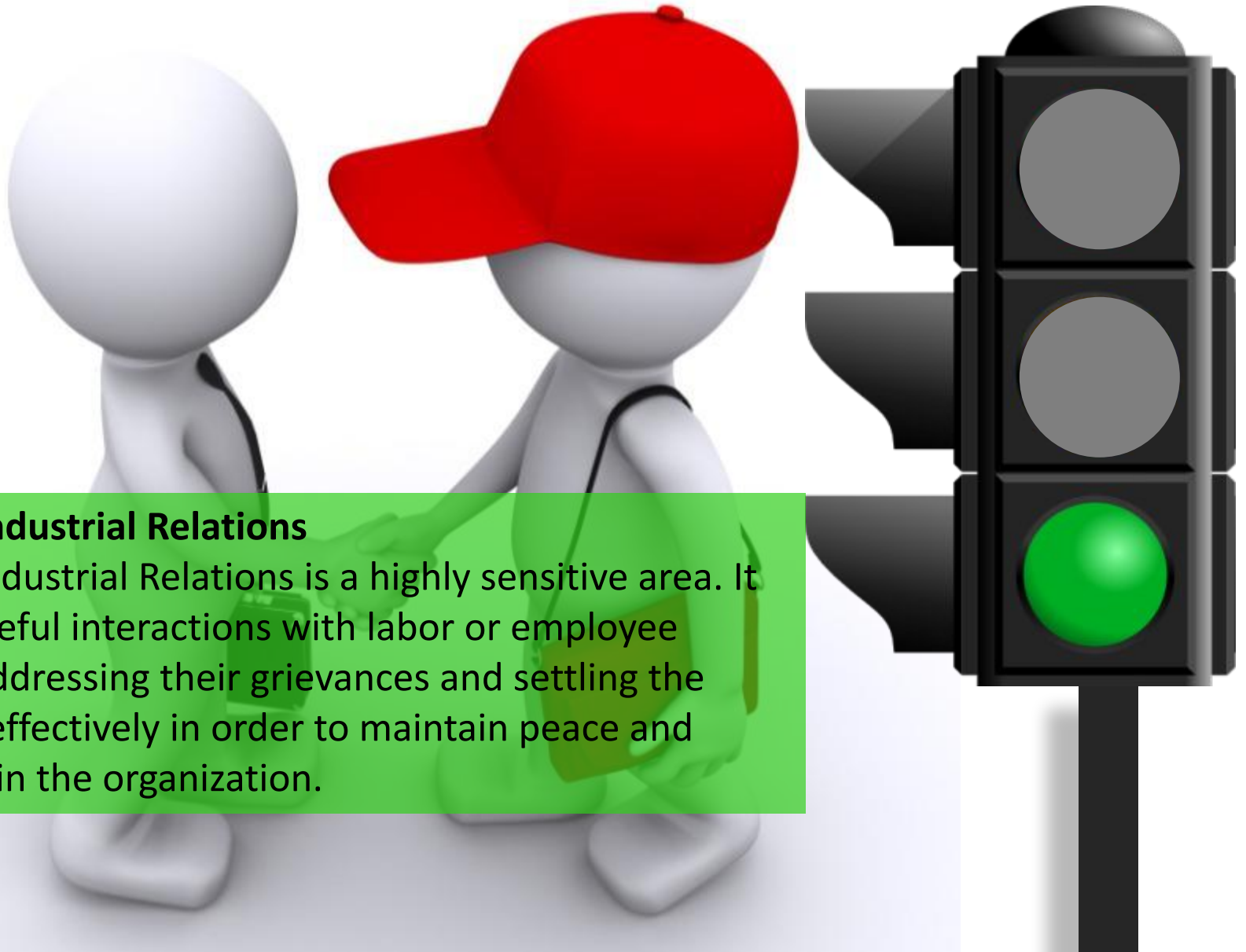


It also relates to supervision, employee counseling, establishing harmonious relationships with employees, education and training. Employee welfare is about determining employees' real needs and fulfilling them with active participation of both management and employees. In addition to this, it also takes care of canteen facilities, crèches, rest and lunch rooms, housing, transport, medical assistance, education, health and safety, recreation facilities, etc.

Scope of Human Resource Management

HRM in Industrial Relations

HRM in Industrial Relations is a highly sensitive area. It needs careful interactions with labor or employee unions, addressing their grievances and settling the disputes effectively in order to maintain peace and harmony in the organization.



Scope of Human Resource Management

Did you know?

Roll your mouse over the icon, to learn more.

It is the art and science of understanding the employment (union-management) relations, joint consultation, disciplinary procedures, solving problems with mutual efforts, understanding human behavior 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 organization. It is about establishing, growing and promoting industrial democracy to safeguard the interests of both employees and management.

Did You Know?

Another vital part of the HR planning process is 'Succession Planning'. Succession Planning refers to the way in which a company forms policies for replacing key members of its organization, shifting transfer of authority and responsibility carefully from a leaving member to a new member. This often entails ensuring that an arriving employee has the necessary training and experience to fulfill their functions.



MCQ



Q. Which of the following is NOT a scope of HRM?

- Training and Development
- Payroll Management
- Grievance Handling
- Quality Management

Click on the radio button to select the correct answer!



MCQ

Q. Which of the following is NOT a scope of HRM?

Good! That's Right!

Correct Answer:

Quality Management is NOT a scope of HRM.



Click here to
continue!



MCQ

Q. Which of the following is NOT a scope of HRM?

That's Not Quite Right!

Correct Answer:

Quality Management is NOT a scope of HRM.



Click here to
continue!



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Processes in Human Resource Management

Each organization works towards the realization of one vision.

The same is achieved by formulation of certain strategies and execution of the same, which is done by the HR department.

At the base of this strategy formulation lie various processes and the effectiveness of the strategy formulation lies in the meticulous design of these processes.



Processes in Human Resource Management

The following are the various HR processes:



1

2

3

4

The efficient designing of these processes apart from other things depends upon the degree of correspondence of each of these. This means that each process is subservient to other. You start from Human Resource Planning and there is a continual value addition at each step. All processes are integral to the survival and success of HR strategies and no single process can work in isolation; there has to be a high level of conformity and cohesiveness between the same.

Let us look at each process in detail.

Processes in Human Resource Management

1

Human Resource Planning is generally considered as the process of people forecasting. This is right but does not completely define what Human Resource Planning encompasses. It also involves the processes of Evaluation, Promotion and Layoff. Human Resource Planning involves the following functions:

- Recruitment: It aims at attracting applicants that match a certain Job Criteria.
- Selection: The next level of filtration. This aims at short listing candidates who are the closest match in terms qualifications, expertise and potential for a certain job.
- Hiring: This involves deciding upon the final candidate who gets the job.
- Training and Development: These processes work on an onboard employee for up gradation of his skills and abilities.



Processes in Human Resource Management

2

Employee Remuneration and Benefits Administration is the process that involves deciding upon salaries and wages, Incentives, Fringe Benefits and Perquisites etc.

This process is very important because money is the prime motivator in any job. Performing employees seek raises, better salaries and bonuses.



Processes in Human Resource Management

3

Performance Management helps the organization to train, motivate and reward workers. It is also meant to ensure that the organizational goals are met with efficiency. The process can be conducted for not only the employees but can also be conducted for a department, product, service or customer process; all towards enhancing or adding value to them.

Nowadays, there is an automated Performance Management System (PMS) that gathers and provides all the information to help managers evaluate the performance of the employees and assess them accordingly on their training and development needs.



Processes in Human Resource Management

4

Employee relations include Labor Law and Relations, working environment, employee health and safety, employee- employee conflict management, employee- employer conflict management, quality of work life, workers compensation, employee wellness and assistance programs, counseling for occupational stress. All these are critical to employee retention apart from the money or remuneration which is only a hygiene factor. Employee retention is a nuisance in organizations, especially in industries that are hugely competitive in nature. Though there are myriad factors that motivate an individual to stick to or leave an organization, but few such as stated above are certainly under our control.



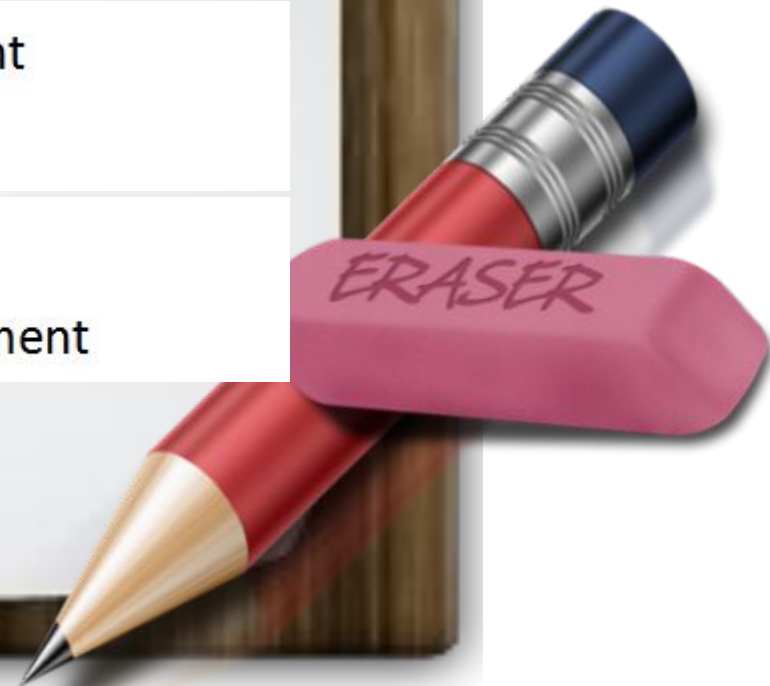
MCQ



Q. Which of the following is an aspect of HRM which deals with working conditions and amenities at workplace?

- Personnel Management
- Employee Welfare
- Industrial Relations
- Performance Management

Click on the radio button to select the correct answer!



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Click here to
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Skills of HR Professionals

The various skills of HR professionals are as follows:



Let us look at each in detail.

Skills of HR Professionals



HR Skills:

HR managers are required to know how people play a role in the organization, an advantage against the competition as well as the policies, programs etc. Today's HR professional must be skilled at communicating, negotiating and team development.

Skills of HR Professionals



Decision Making Skills:

HR managers should take a variety of decisions that affect whether employees are qualified and motivated and whether the organization is operating efficiently and complying with the law. This requires knowledge of the organization's line of business and decisions must take into account social and ethical implication of the alternatives.

Skills of HR Professionals



Technical Skills:

These skills are specialized skills. In HRM, professionals need knowledge of state-of-the-art practices in such areas as staffing, development, rewards, organizational design etc.

Skills of HR Professionals



Leadership Skills:

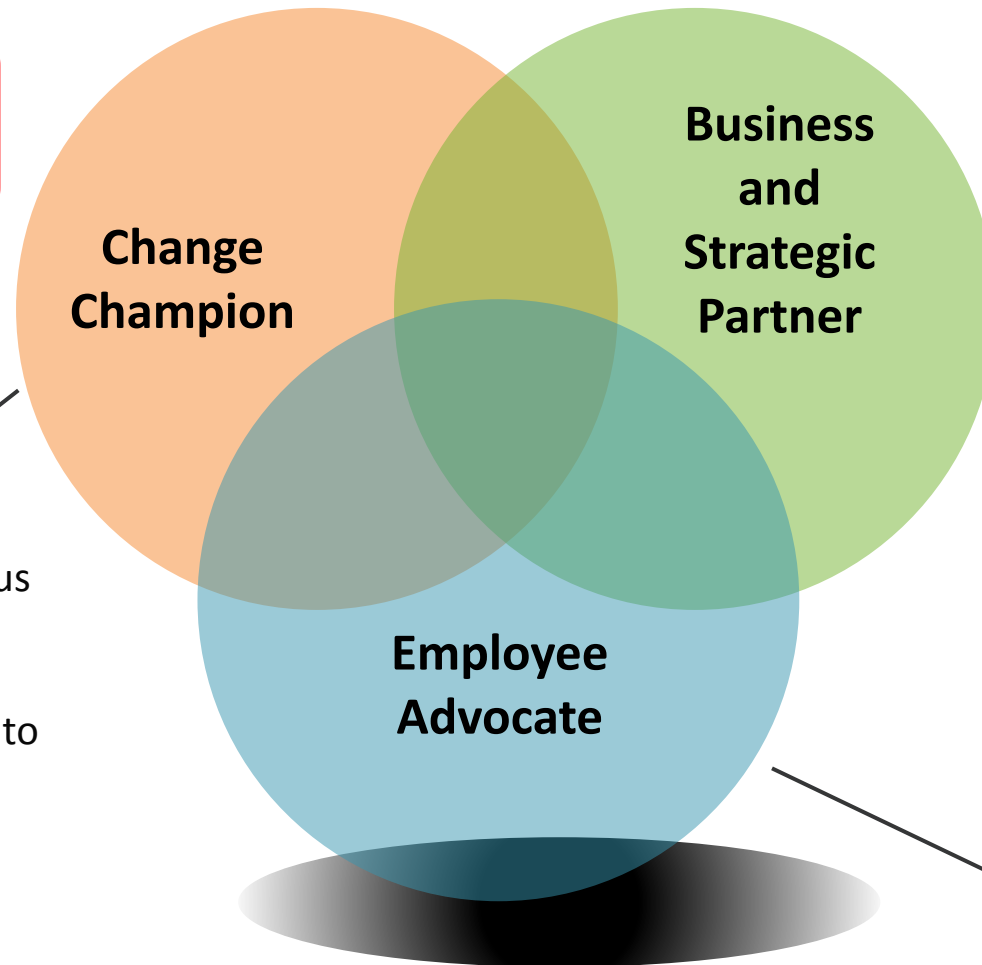
HR managers need to play a leadership role with regard to the organization's HR. In today's environment, leadership often requires helping the organization manage change. HR professional must oversee the changes taking place to make it a success.

Emerging HRM Functions

The following are some of the emerging HRM functions:



Roll your mouse over the icon, to learn more.

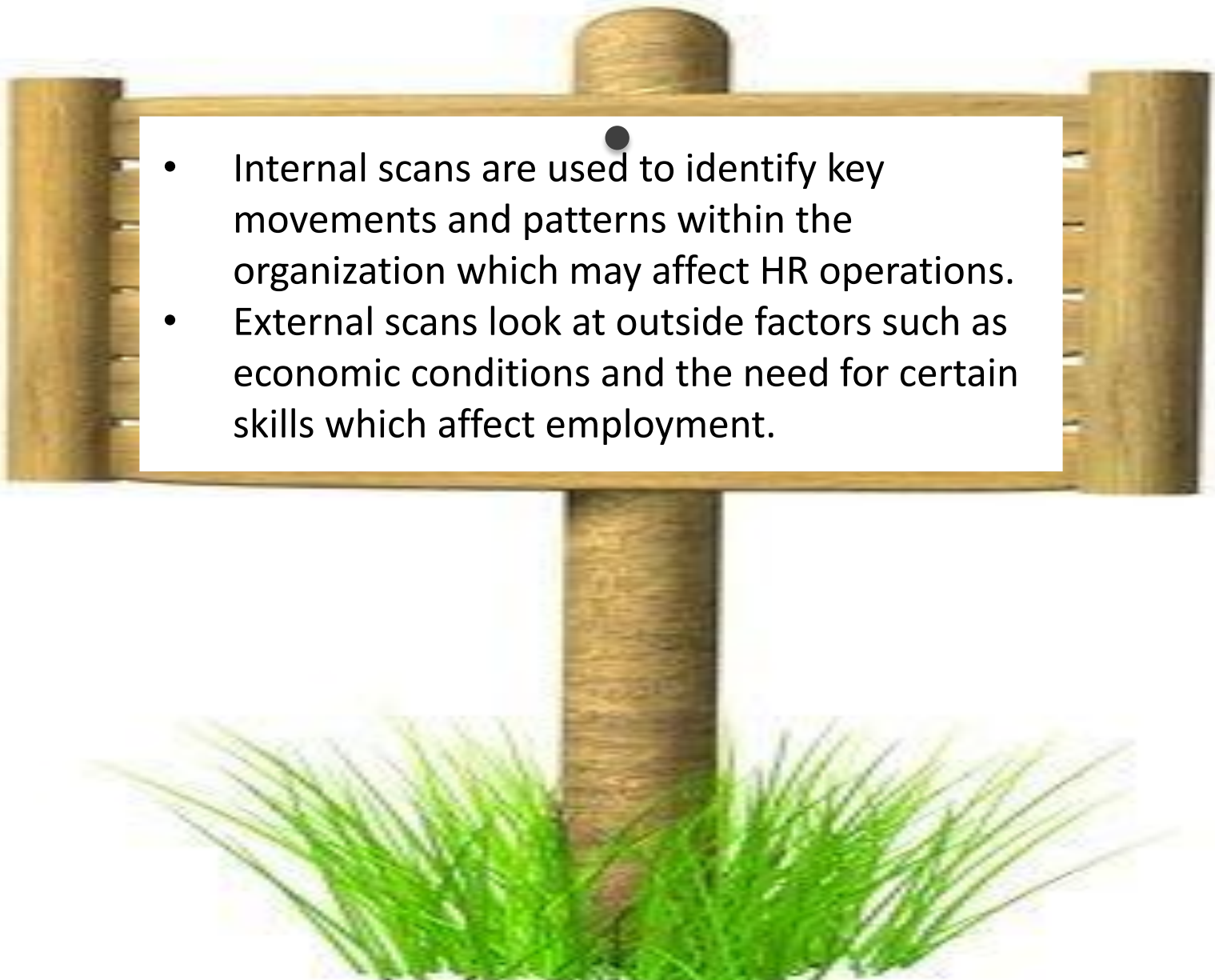


HR managers have to be change agents, thus requiring them to acquire knowledge about and the ability to execute successful change strategies in the organization.

HR managers contribute to the development of the organization, realization of business plans and achievement of objectives.

HR managers have to serve as advocates of the employees. It means that they have to create a work environment in which the employees are motivated, contributing and happy.

Tip 1

- 
- A wooden signpost with a sign containing text. The signpost is made of light-colored wood and has a sign attached to it. The sign is white with black text. The signpost is set against a background of green grass.
- Internal scans are used to identify key movements and patterns within the organization which may affect HR operations.
 - External scans look at outside factors such as economic conditions and the need for certain skills which affect employment.

Difference between Personnel Management & HRM

Personnel Management is essentially 'workforce' centered whereas Human Resource Management is 'resource' centered.

**Personnel
Management**



**Human Resource
Management**

Let us understand the various differences between Personnel Management and Human Resource Management.

Difference between Personnel Management & HRM

Personnel Management:

Traditionally the term personnel management was used to refer to the set of activities concerning the workforce which included staffing, payroll, contractual obligations and other administrative tasks. In this respect, personnel management encompasses the range of activities that are to do with managing the workforce rather than resources. Personnel Management is more administrative in nature. The Personnel Manager's main job is to ensure that the needs of the workforce as they pertain to their immediate concerns are taken care of. Further, personnel managers typically played the role of mediators between the management and the employees and hence there was always the feeling that personnel management was not in tune with the objectives of the management.



Difference between Personnel Management & HRM



Human Resource Management:

With the advent of resource centric organizations in recent decades, it has become imperative to put 'people first' as well as secure management objectives of maximizing the ROI (Return on Investment) on the resources. This has led to the development of the modern HRM function which is primarily concerned with ensuring the fulfillment of management objectives and at the same time ensuring that the needs of the resources are taken care of. In this way, HRM differs from personnel management not only in its broader scope but also in the way in which its mission is defined. HRM goes beyond the administrative tasks of personnel management and encompasses a broad vision of how management would like the resources to contribute to the success of the organization.

HRM Practices – Job Analysis & Job Design

There are a few key concepts involved in defining a job, which is a key role of HRM, such as follows:



Let us look at each in detail.

HRM Practices – Job Analysis & Job Design

Job Analysis:

Job Analysis is a systematic exploration, study and recording the responsibilities, duties, skills, accountabilities, work environment and ability requirements of a specific job.

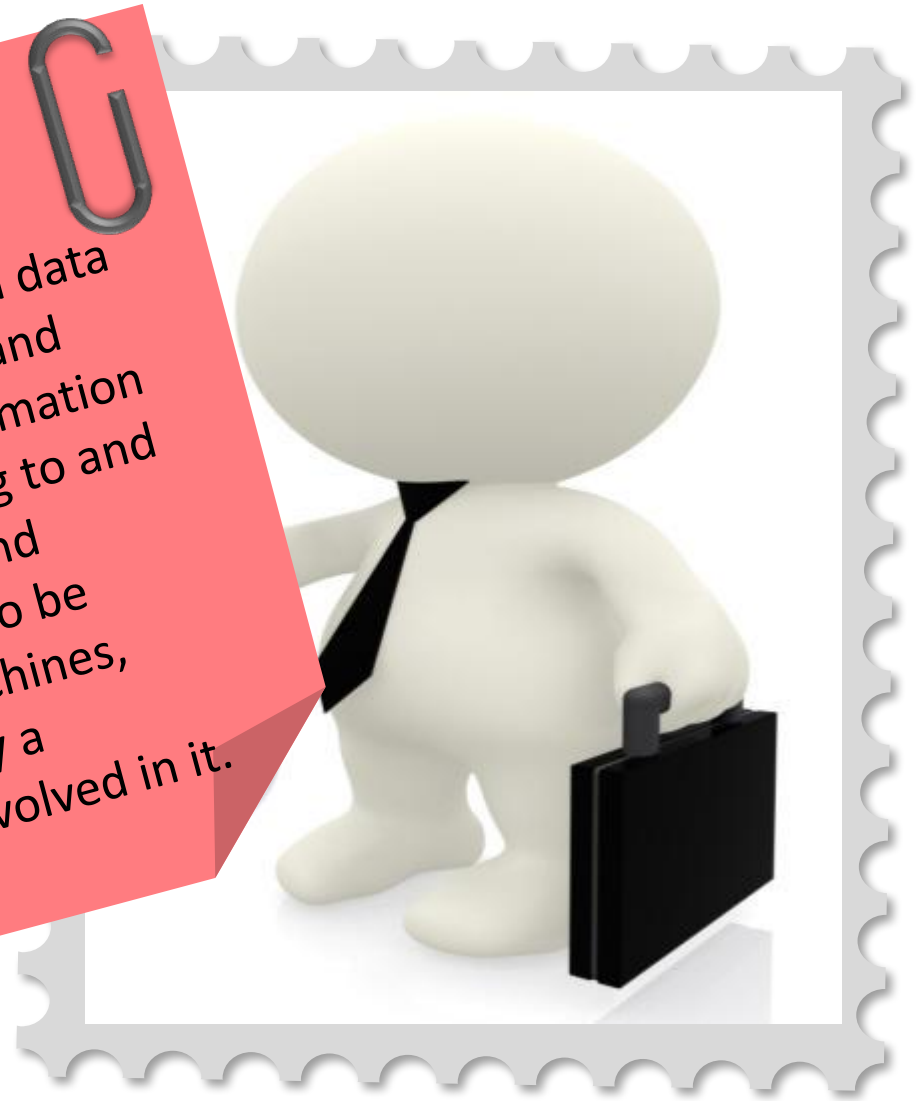
It also involves determining the relative importance of the duties, responsibilities, physical and emotional skills for a given job. All these factors identify what a job demands and what an employee must possess to perform a job productively.



HRM Practices – Job Analysis & Job Design

Job Description:

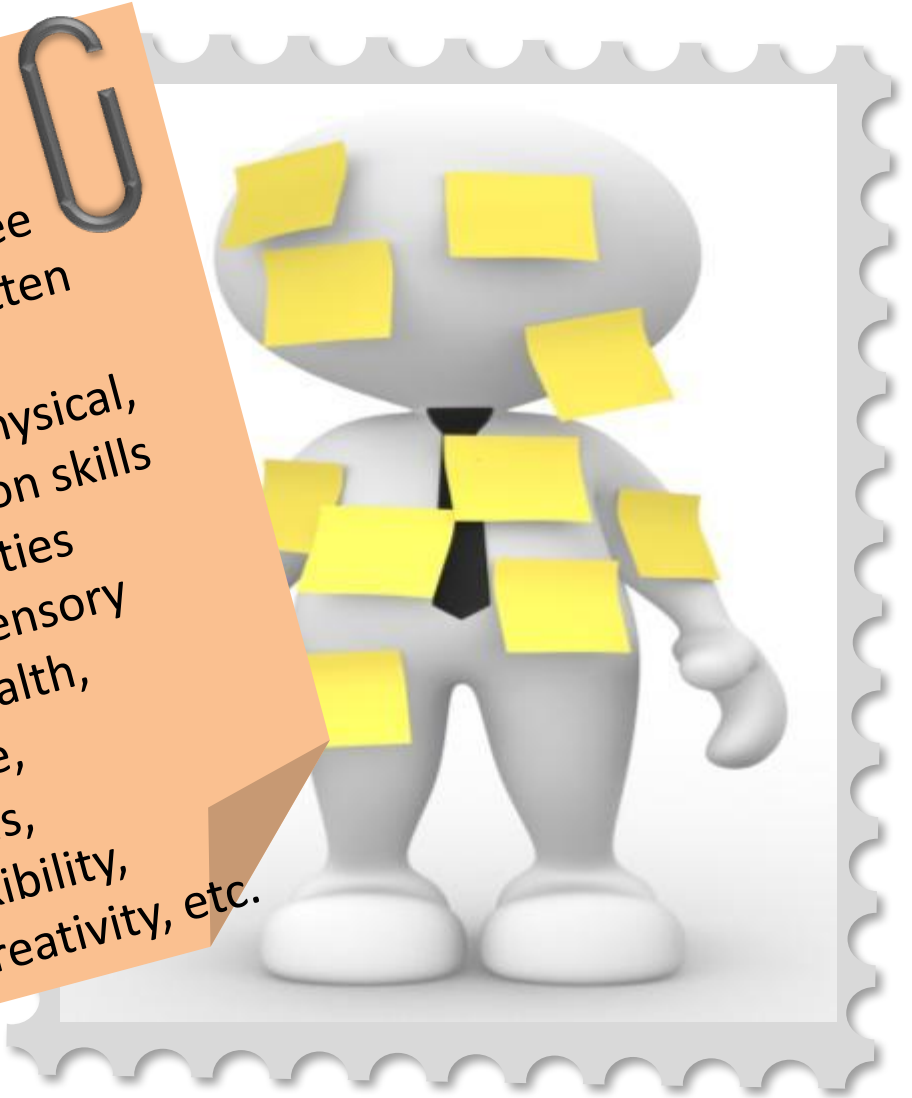
Job description includes basic job-related data that is useful to advertise a specific job and attract a pool of talent. It includes information such as job title, job location, reporting to and objectives of a job, tasks and duties to be performed, working conditions, machines, tools and equipments to be used by a prospective worker and hazards involved in it.



HRM Practices – Job Analysis & Job Design

Job Specification:

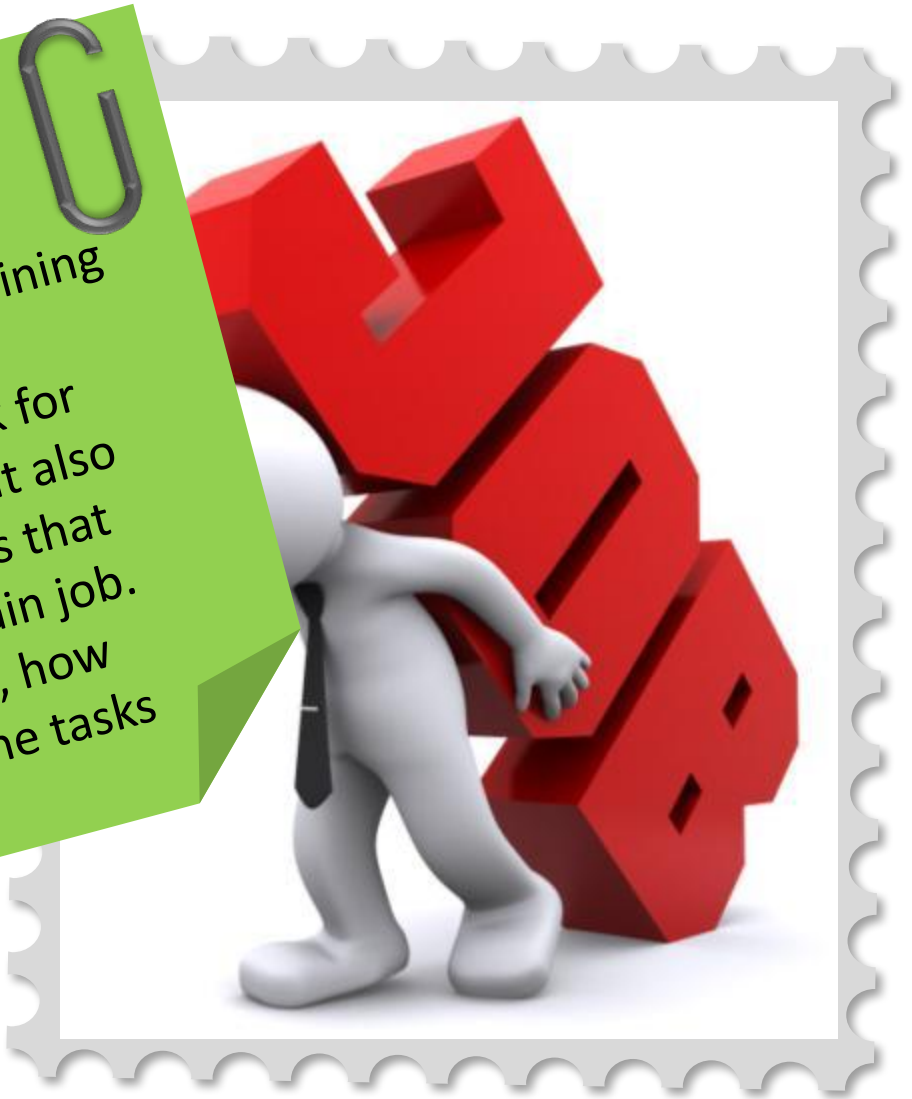
Job specification is also known as employee specifications. A job specification is a written statement of educational qualifications, specific qualities, level of experience, physical, emotional, technical and communication skills required to perform a job, responsibilities involved in a job and other unusual sensory demands. It also includes general health, mental health, intelligence, aptitude, memory, judgment, leadership skills, emotional ability, adaptability, flexibility, values and ethics, manners and creativity, etc.



HRM Practices – Job Analysis & Job Design

Job Design:

Job design follows job analysis and is the next step after job analysis. It aims at outlining and organizing tasks, duties and responsibilities into a single unit of work for the achievement of certain objectives. It also outlines the methods and relationships that are essential for the success of a certain job. In simpler terms it refers to the what, how much, how many and the order of the tasks for a job/s.



HRM Practices – Training and Development

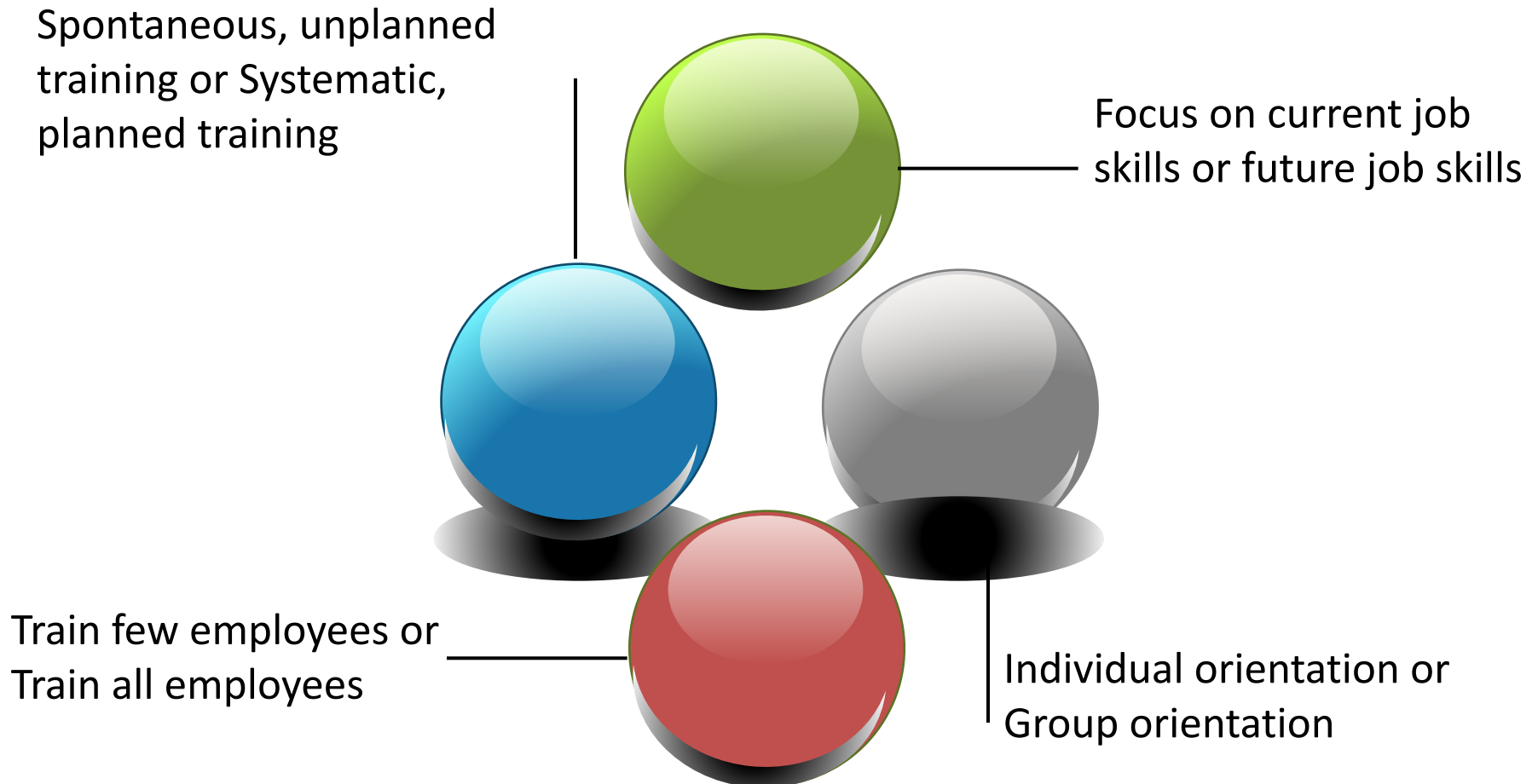
Training is a planned effort to facilitate the learning of job-related skills, knowledge and behavior by employees.

Development is the acquisition of knowledge, skills and behaviors that improve an employee's ability to meet changes in job requirements.



HRM Practices – Training and Development

The following considerations need to be taken into account when an HR professional tries to assess the training and development needs of the employees of an organization:



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HRM and Performance Management



- Performance Management is the process of reviewing an employee's performance during the preceding year or cycle and deciding where he or she stands as far as their peers in the same band are concerned.

HRM and Performance Management

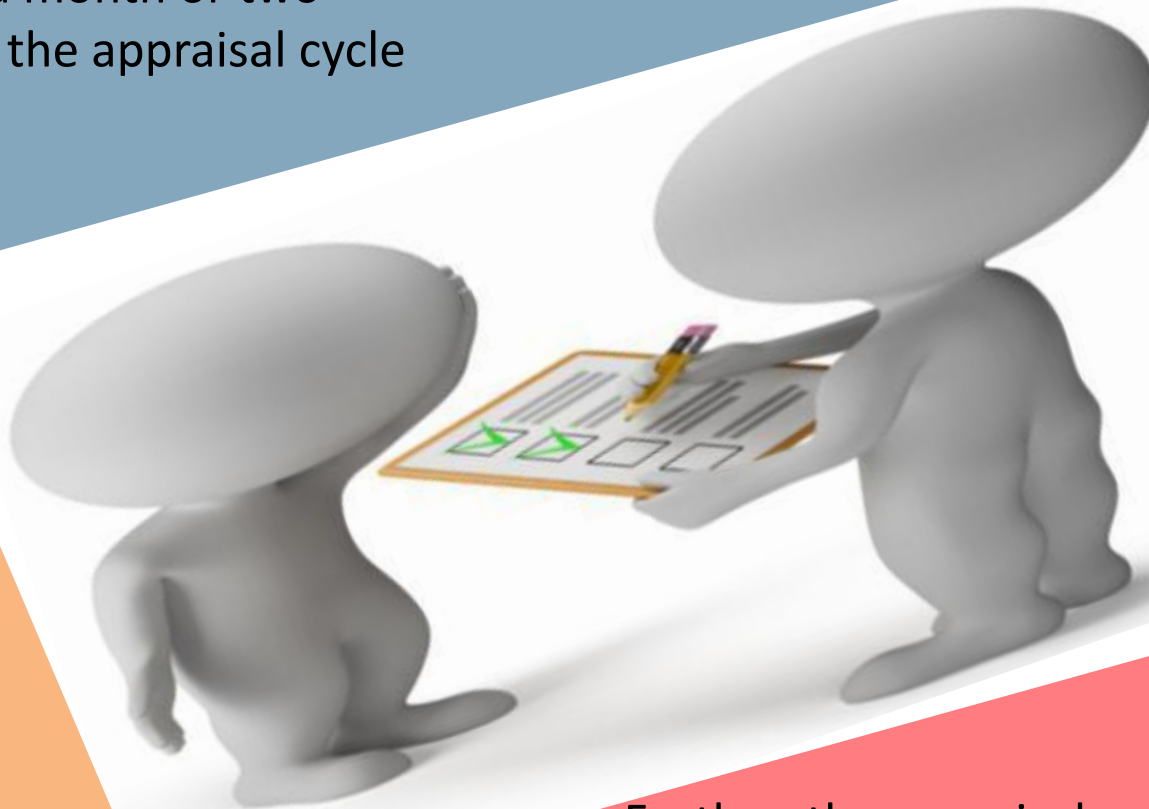
- Hence, Performance Management is all about the process of reviewing results, arriving at a rating and then deciding upon the bonus or salary hike.



HRM and Performance Management

Typically, the process of performance management starts a month or two before the appraisal cycle ends.

The appraisal cycle can be half-yearly or yearly depending upon the policies of the organization.



In the same vein, it can be half-yearly as well.

Further, the appraisal cycle can be based on the calendar year or the financial year i.e. it can run from January to December of the same year or April to March of the following year.

Appraisal Process

There are different rounds to the appraisal process.



Let us look at each round in detail.


Appraisal Process

In the first round, the people who participate in an employee's appraisal are the employee and his manager. In this round, the manager gives a frank assessment of the employee's performance after giving a chance to the employee to self-assess himself.

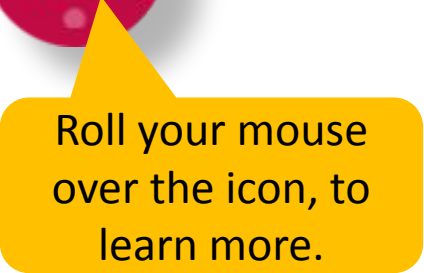
Appraisal Process

The second round consists of the ratings from the manager and the manager's manager. This round is mostly about deciding the band in which the employee falls post the rating and in comparison with his or her peers. This process of rationalizing the employee's performance with others is called 'normalization'.

Appraisal Process



Did you know?



Roll your mouse over the icon, to learn more.

In some organizations, this takes place in the third round where the HR manager is involved as well. In any case, the ratings cannot be decided without the HR manager's assent to the same. Once these rounds are over, the bonus level or the salary hike are decided.

Did You Know?

It has been found that the performance management process as it exists in many organizations leaves a lot to be desired. In fact, surveys and studies have found that the majority of employee's who quit organizations do so because of differences over their ratings. In other words, attrition is in many cases a direct consequence of the way in which the performance management process is managed.

This happens because personal biases and prejudices affect the process, in many cases, if the manager and the employee do not see eye to eye on many issues, the appraisal and the ratings are the place where this difference of opinion comes out into the open.



Objective



Explain What is Human Resource Management (HRM)

Define Human Resource Management

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Describe the Processes in Human Resource Management

Explain the Skills of HR Professionals

Explain Role of HRM in Performance Management

Explain the Hiring Strategies followed by Organizations

Describe the Various Retention Strategies

Explain Human Resource Planning

Explain How HRM Manages Employee's Performance

Explain the Management of Contractors

Explain What is Strategic Human Resource Management

Explain What is Global Human Resource Management

Explain What is Human Resource Information System

List the Tips for Effective HRM


Hiring Strategies followed by Organizations

People are the lifeblood of any organization. Every organization needs to be staffed with people of caliber and mettle. Hence, the kind of people that an organization hires is critical to its success. In this respect, the hiring strategies followed by organizations take on prominence in today's competitive business environment.




Hiring Strategies followed by Organizations


Hiring can take place in many ways and at many levels such as follows:




Hiring can be for entry level positions or 'lateral' hiring where people with experience are taken on board.




Further, hiring people can be based on competitive exams (entry level) and the personal approach favored by HR managers for senior level positions.



In recent times, hiring for the entry level has taken on an entirely new dimension with the campus recruitment procedures that rely on getting the best talent available from the campuses.



The other way of hiring is through selective approach where the Staffing department entrusts the placement consultants with the task of identifying potential employees by picking 'profiles' from employee databases and the consultants own database as well.



The most niche hiring takes place at senior levels where the essence is discreetness and hence dedicated consultants or HR professionals approach people at higher levels on a one-one basis.

Hence, different hiring strategies are used for different levels in the organization.

Components of Hiring Process

INTERVIEW

W



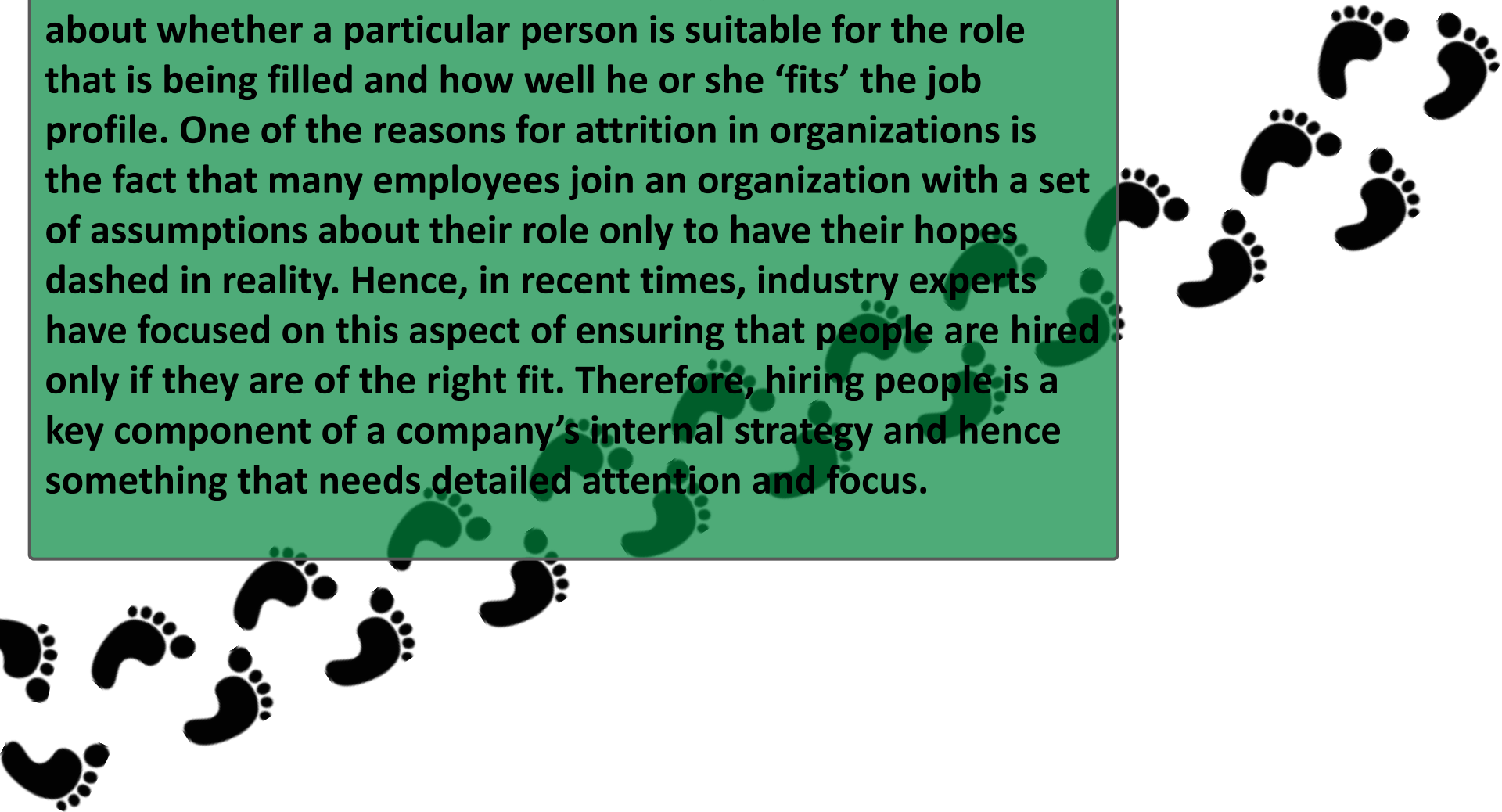
Whatever is the hiring strategy deployed, the essential components of the process remain more or less the same. These include choosing from the available candidates, taking a decision as to the pay and perks, making an offer and finally, getting them 'on board'. The hiring process ranges from less than a month or so to drawn out affairs for niche placement. The strategic imperatives that underpin hiring depend on the ability of the organization to effectively leverage its reputation, flexibility in the roles that are available, availability of skilled resources and finally, the package that the organization is willing to offer.



Components of Hiring Process

The term 'fitment' is often used as HR jargon which is all about whether a particular person is suitable for the role that is being filled and how well he or she 'fits' the job profile. One of the reasons for attrition in organizations is the fact that many employees join an organization with a set of assumptions about their role only to have their hopes dashed in reality. Hence, in recent times, industry experts have focused on this aspect of ensuring that people are hired only if they are of the right fit. Therefore, hiring people is a key component of a company's internal strategy and hence something that needs detailed attention and focus.

HIRED



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Retention Strategies



Any employee retention strategy would necessarily include a plan for redressing employee grievances and ways and means to address employee issues. This would mean that the employees are able to convey their issues regarding pay, their work, their role etc. to the HR manager for each division and expect to get a fair hearing in the process. There should be a plan where the HR manager works in conjunction with the grieved employee's manager towards resolving the issue.

Components of a Retention Strategy

There are various components that make up a retention strategy such as follows:



Let us look at each element.

Components of a Retention Strategy

Job Rotation

Grievance Redressal

Mitigating Job
Dissatisfaction

One of the most common retention strategies is 'job rotation'. Job rotation is the practice of moving the employees around different functions of the organization with a clear emphasis on making sure that they operate in domains other than the ones assigned to them initially. This ensures that the employees get trained on competencies beyond that of their assigned role and this would lead to greater motivation to pick up additional skills and motivate them to perform better.

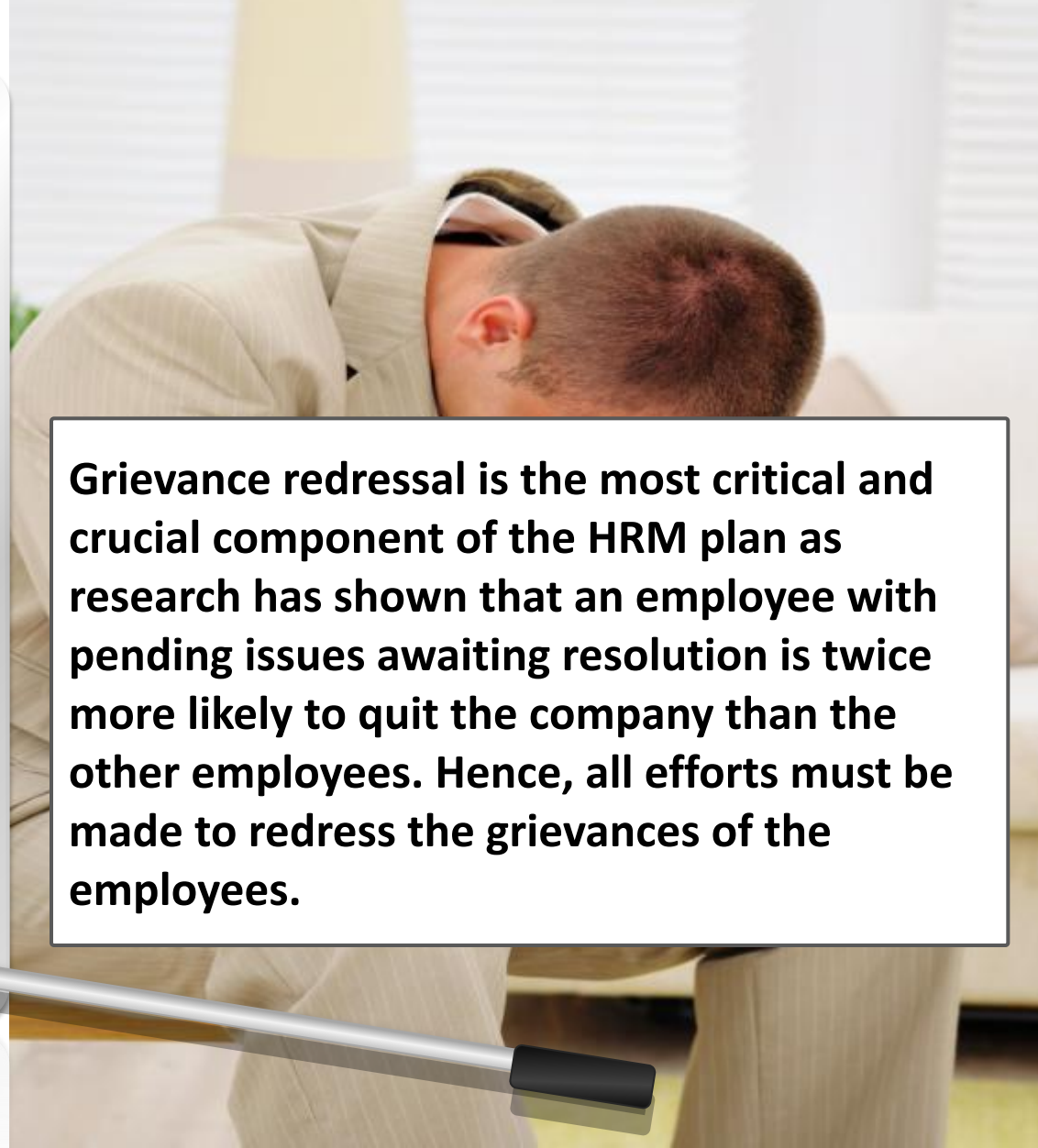
Components of a Retention Strategy

Job Rotation

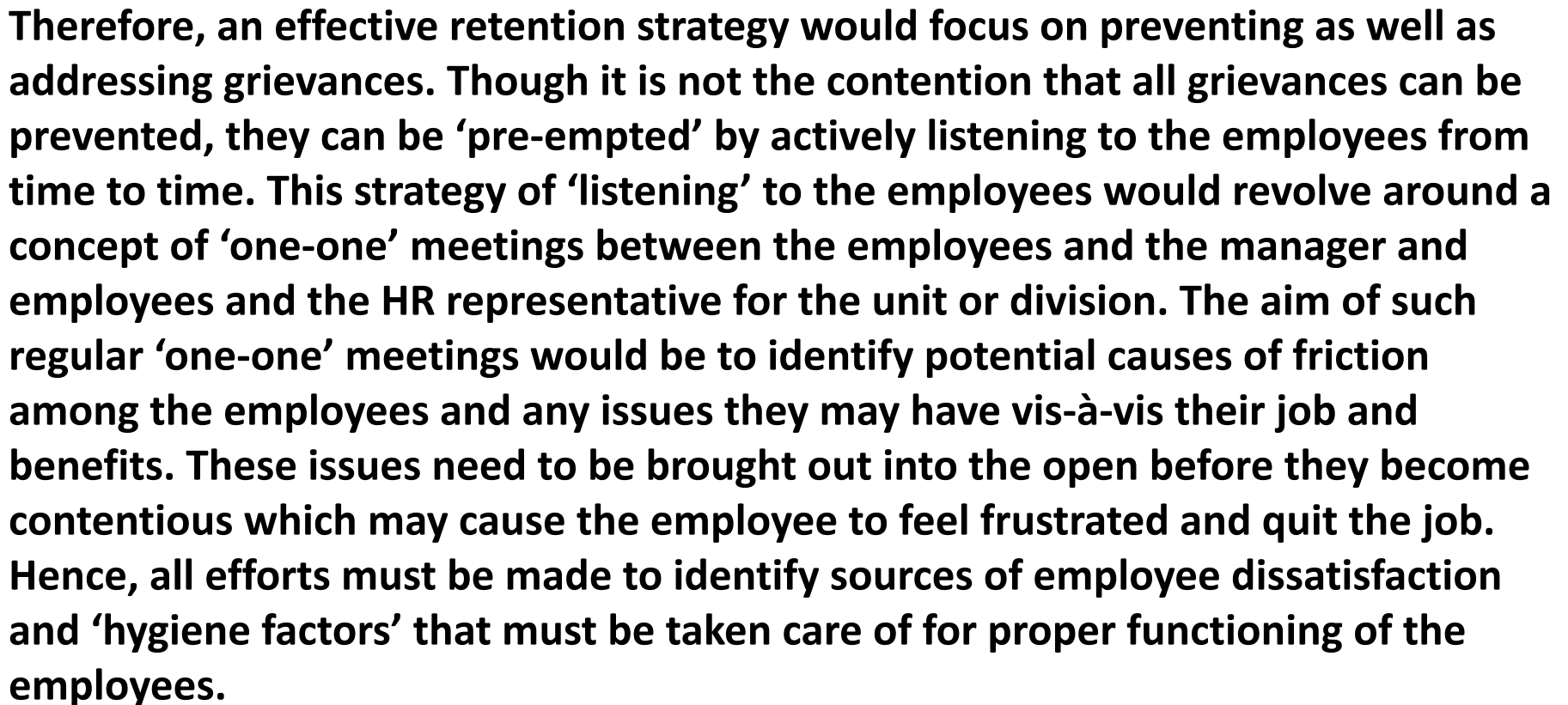
Grievance Redressal

Mitigating Job
Dissatisfaction

Grievance redressal is the most critical and crucial component of the HRM plan as research has shown that an employee with pending issues awaiting resolution is twice more likely to quit the company than the other employees. Hence, all efforts must be made to redress the grievances of the employees.



Components of a Retention Strategy

A photograph of a person, likely a healthcare professional, wearing a white lab coat. They are sitting at a desk with their head resting on their hand, looking down with a stressed or tired expression. The background is a blurred office setting with a window and some papers.

Therefore, an effective retention strategy would focus on preventing as well as addressing grievances. Though it is not the contention that all grievances can be prevented, they can be 'pre-empted' by actively listening to the employees from time to time. This strategy of 'listening' to the employees would revolve around a concept of 'one-one' meetings between the employees and the manager and employees and the HR representative for the unit or division. The aim of such regular 'one-one' meetings would be to identify potential causes of friction among the employees and any issues they may have vis-à-vis their job and benefits. These issues need to be brought out into the open before they become contentious which may cause the employee to feel frustrated and quit the job. Hence, all efforts must be made to identify sources of employee dissatisfaction and 'hygiene factors' that must be taken care of for proper functioning of the employees.

Components of a Retention Strategy

Job Rotation

Grievance Redressal

Mitigating Job
Dissatisfaction

Management theorists often emphasize the fact that one of the reasons for low employee morale in organizations is the fact that employees often feel alienated and cut off from the larger purpose. Employees feel that they are a part of an impersonal setup and perceive themselves to be unable to make a difference to the whole unit. Hence, there is a need to involve the employees in the larger picture and provide them with perspective on the bigger picture. Hence, there should be effective strategies like job rotation, interaction with other units, timely promotions and cross functional teams wherein the employees would feel themselves to be contributing to the larger goal of the company.

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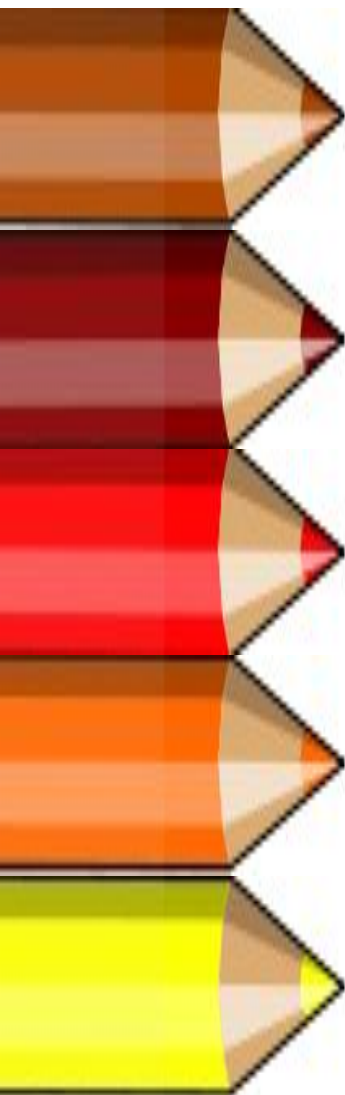
Explain What is Strategic Human Resource Management

Explain What is Global Human Resource Management

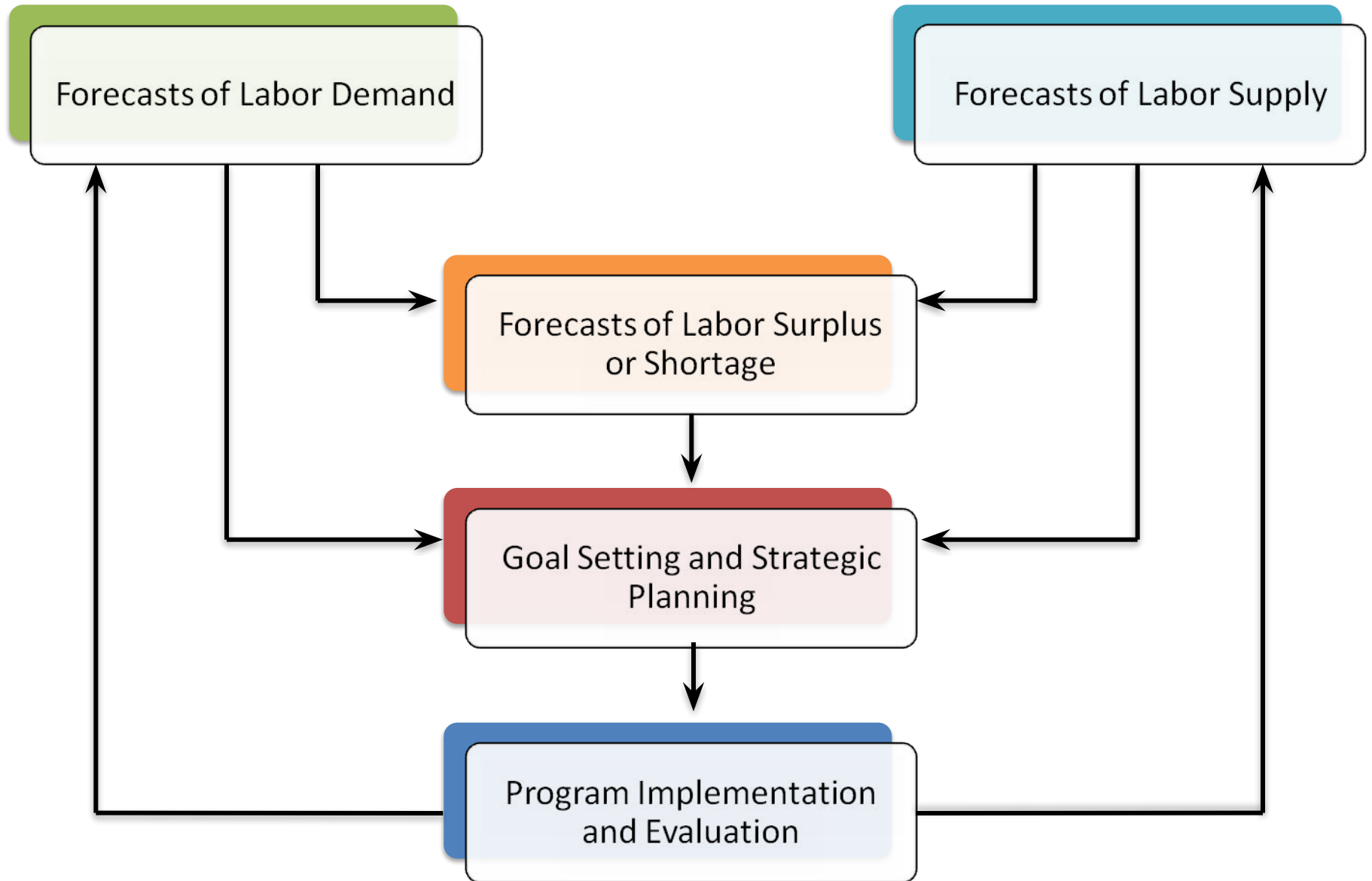
Explain What is Human Resource Information System

List the Tips for Effective HRM

Human Resource Planning

- 
- **Human Resource Planning is the process including forecasting, developing and controlling by which a firm ensures that it has the right number of people, at the right place, at the right time doing work for which they are economically most useful.**
 - **Forecasting future workforce requirements, either in terms of mathematical projections of economic trends and industrial development or through judgmental estimates based upon specific future plans of the company.**
 - **Making an inventory of the existing man power resources and analyzing the degree to which these resources are employed.**
 - **Anticipating workforce problems by projecting present resources into the future and comparing them with the forecast of requirements, to determine their adequacy, both quantitatively and qualitatively**
 - **Planning the necessary programs of recruitment, selection, training, deployment, utilization, transfer, promotion, development, motivation and compensation so that future workforce requirements will be met.**

HR Planning Process



MCQ



Q. Which of the following is NOT a part of 'Human Resource Planning'?

- Remuneration and Benefits
- Recruitment and Hiring
- Training and Development
- Promotion and Layoff

Click on the radio button to select the correct answer!



MCQ

Q. Which of the following is NOT a part of 'Human Resource Planning'?

Good! That's Right!

Correct Answer:

Remuneration and Benefits Administration is NOT a part of 'Human Resource Planning'.



Click here to
continue!



MCQ

Q. Which of the following is NOT a part of 'Human Resource Planning'?

That's Not Quite Right!

Correct Answer:

Remuneration and Benefits Administration is NOT a part of 'Human Resource Planning'.



Click here to
continue!



Training Administration

The following are the various kinds of training provided to employees:

①

Induction Training

②

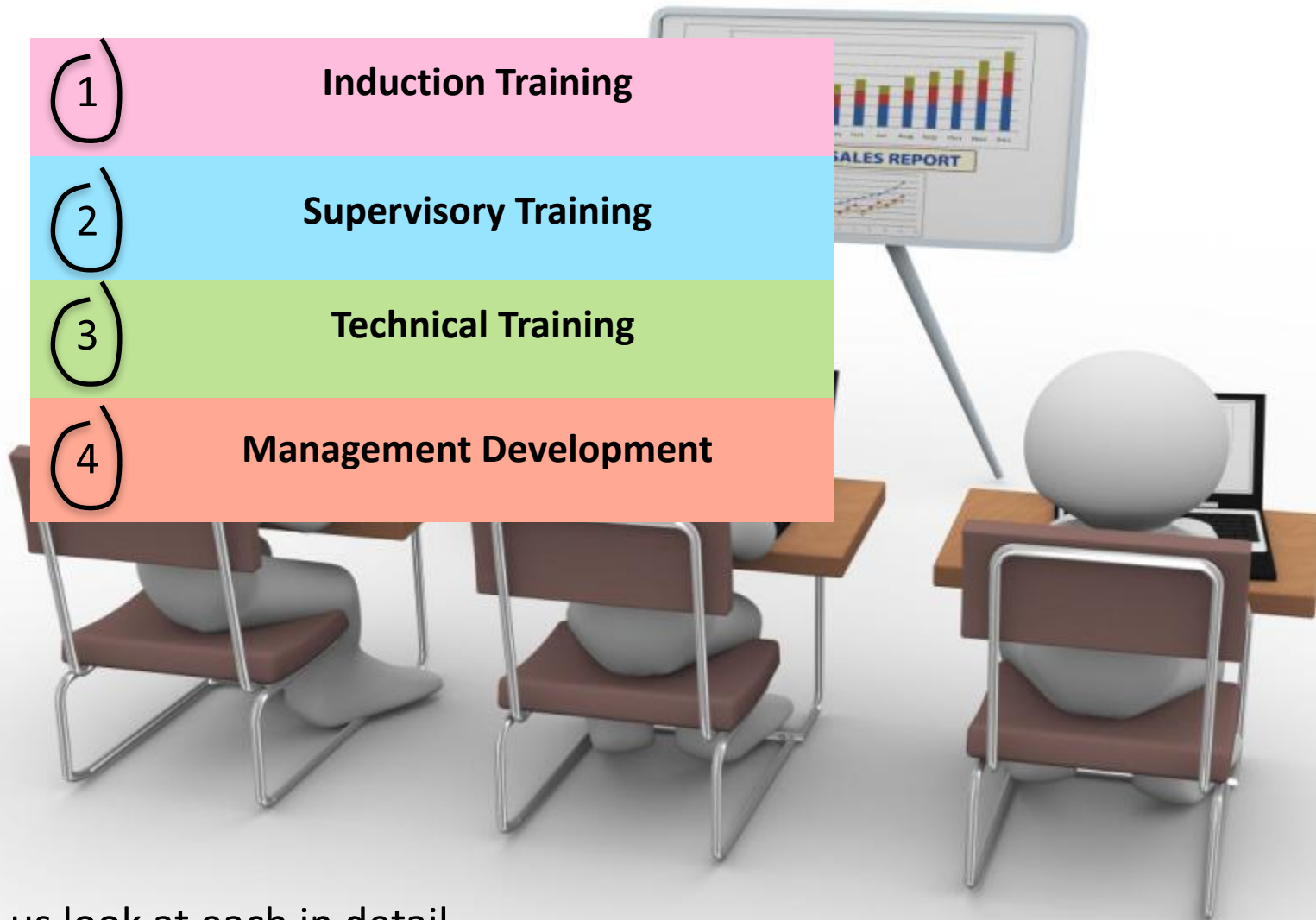
Supervisory Training

③

Technical Training

④

Management Development



Let us look at each in detail.

Training Administration

The following are the various kinds of training provided to employees:

①

Induction Training

②

Supervisory Training

③

Technical Training

④

Management Development

Induction Training is where the new recruit is introduced to the organization, condition of services, rules of behavior etc. In addition, it is also given to familiarize a new entrant with the job.

Let us look at each in detail.

Training Administration

The following are the various kinds of training provided to employees:

(1)

Induction Training

(2)

Supervisory Training

(3)

Technical Training

(4)

Management Development

In Supervisory Training, supervisors are trained for technical skills, leadership qualities, for handling machines and men.

Let us look at each in detail.

Training Administration

The following are the various kinds of training provided to employees:

(1)

Induction Training

(2)

Supervisory Training

(3)

Technical Training

(4)

Management Development

This type of training program helps in inducting new entrants to the operational requirements of the unit and in improving the skills of existing employees for promotions etc.

Let us look at each in detail.

Training Administration

The following are the various kinds of training provided to employees:

①

Induction Training

②

Supervisory Training

③

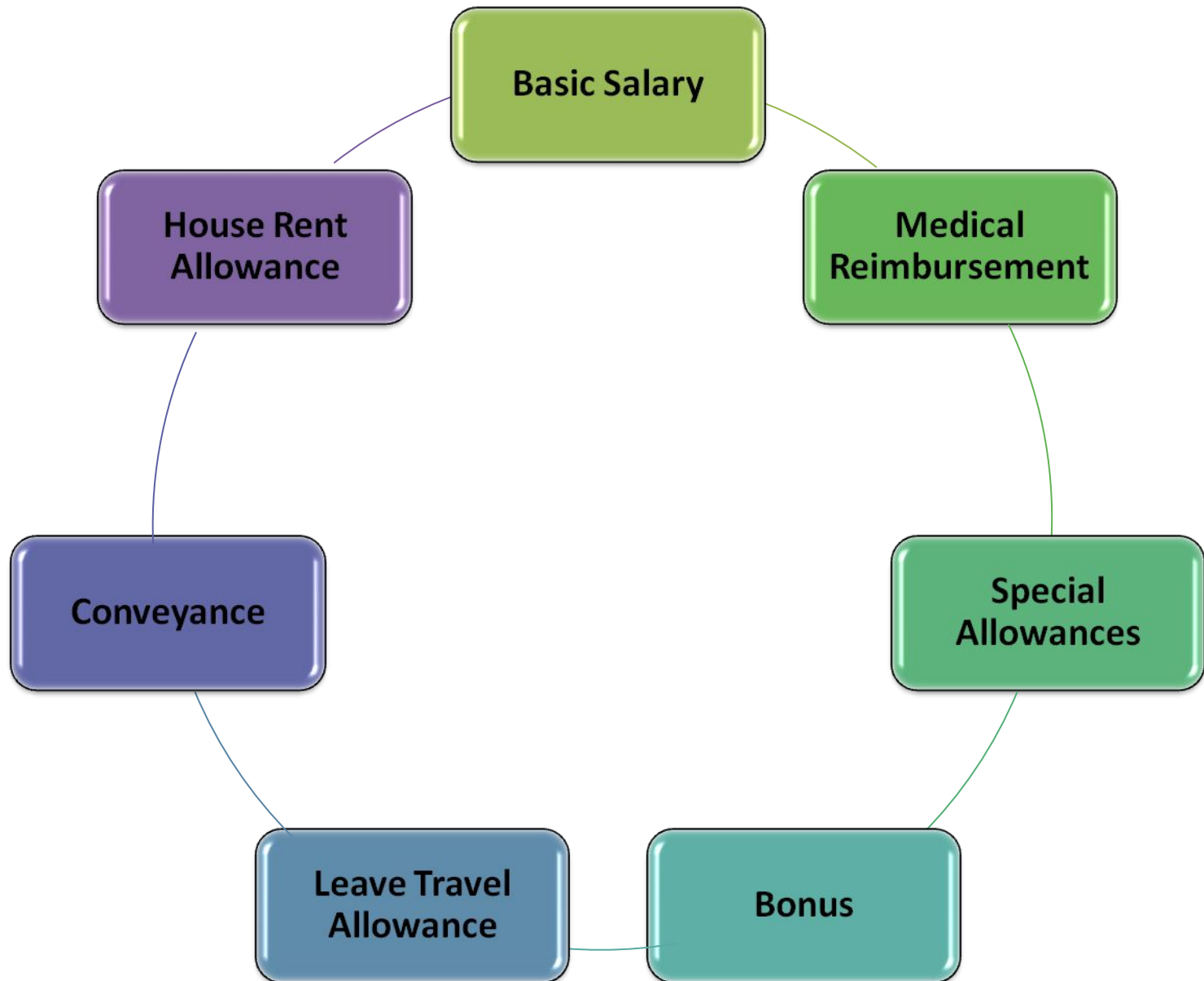
Technical Training

④

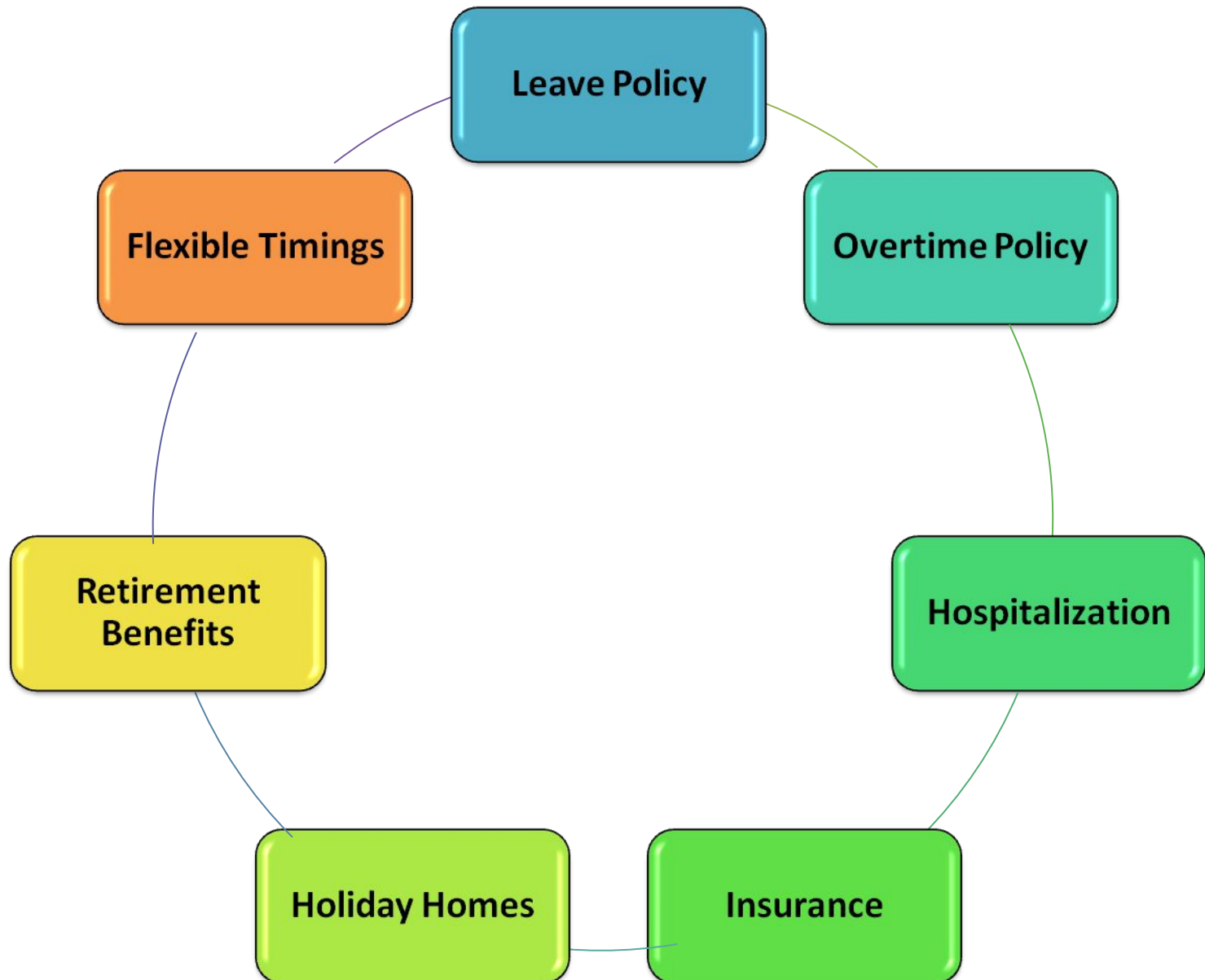
Management Development

This type of training is for existing and future managers. These training programs emphasize attitude and values, conceptual knowledge, analytical abilities and decision-making skills. The purpose is to equip personnel for management roles.

Direct Compensation

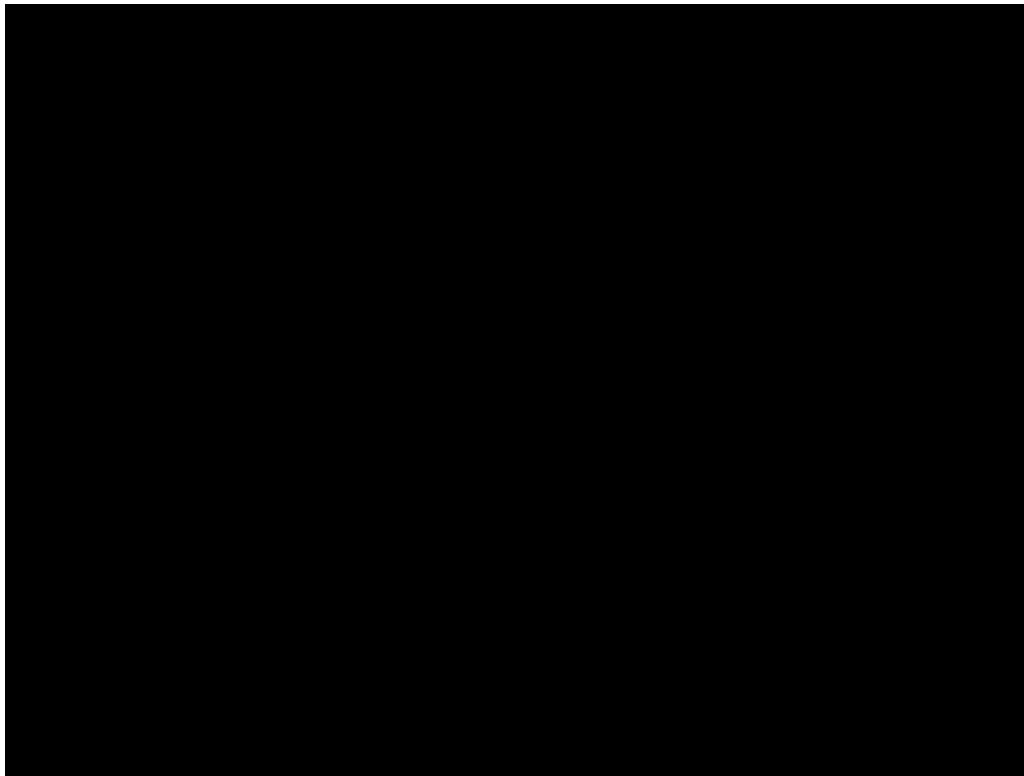


Indirect Compensation



Video

Look at the video given below to understand the importance of human resource management in an organization.



Click on the
video to play it!

Objective



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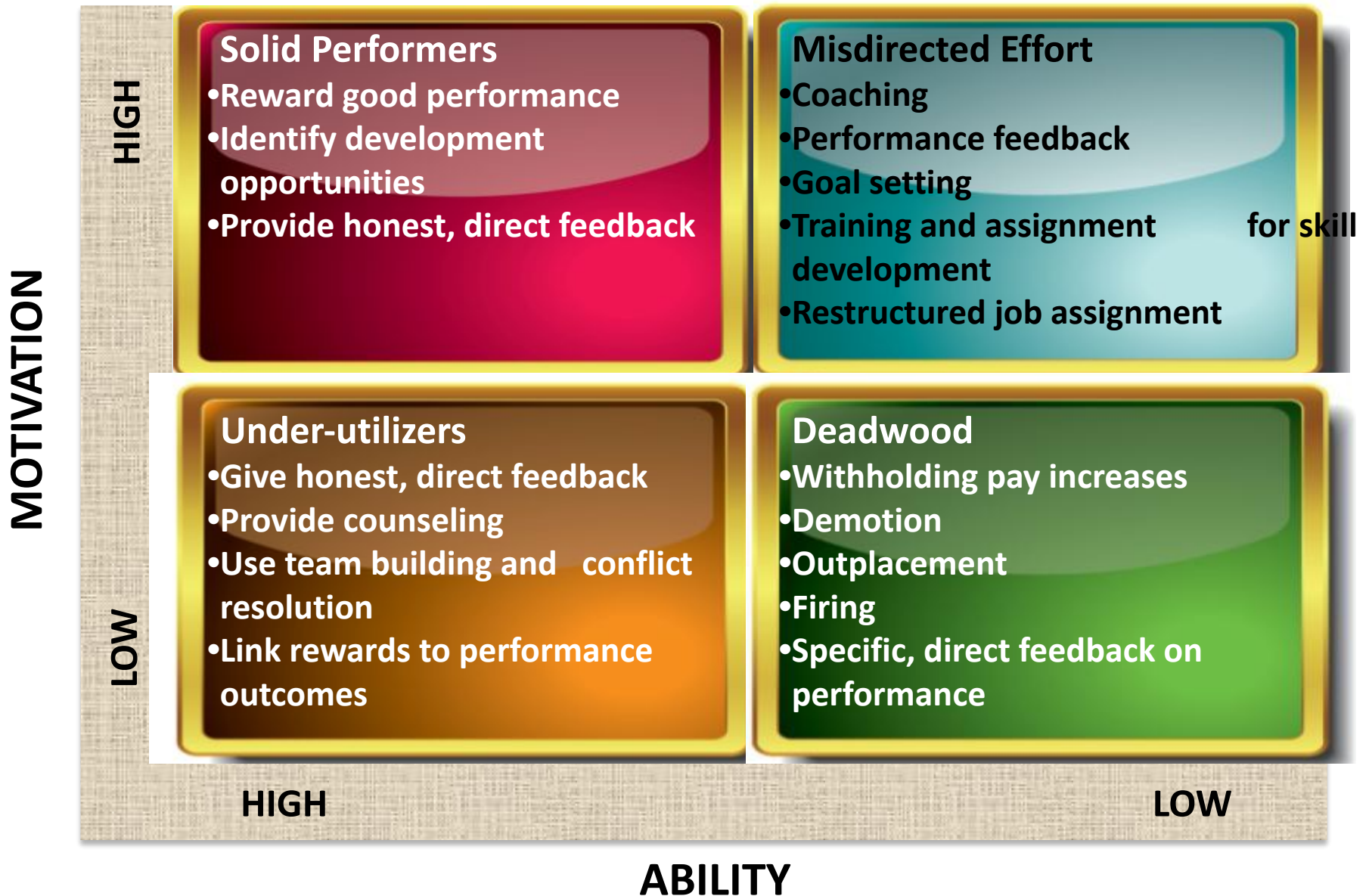
Explain What is Strategic Human Resource Management

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Explain What is Human Resource Information System

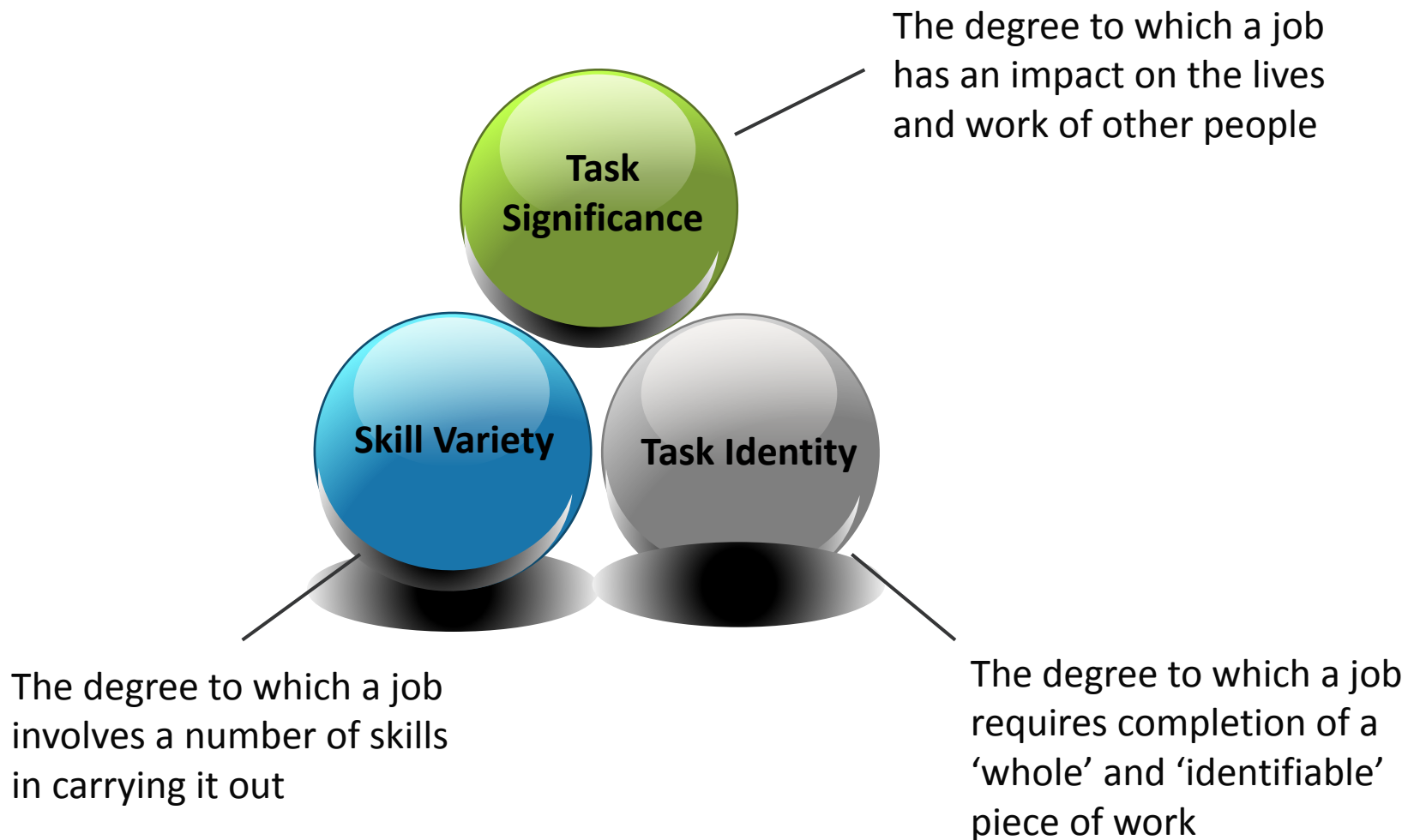
List the Tips for Effective HRM

Managing Employee's Performance



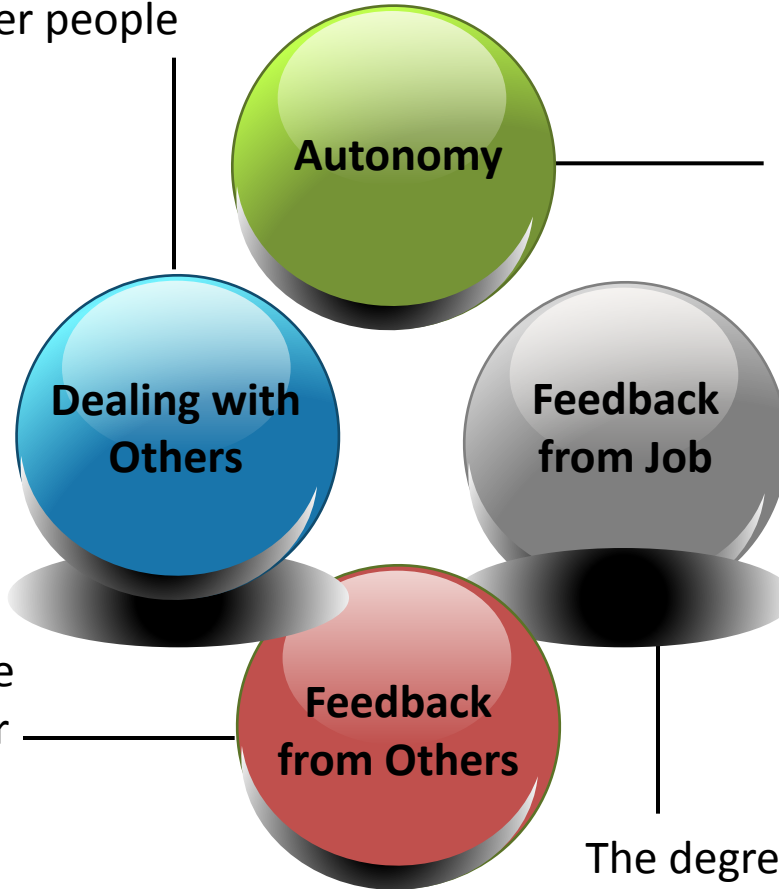
Job Enrichment

Work is often seen as a means to gratify the inner desires of actualization and satisfaction. Job Enrichment (JE) is an attempt in this direction. The characteristics identified as constituting Job Enrichment are:



Job Enrichment

The degree to which a work requires working closely with other people



The degree to which a job provides freedom, independence and discretion to the employees in scheduling and determining the work

The degree to which the employee receives clear feedback from supervisors and co-workers

The degree to which the job itself provides direct information of how effective the performance is

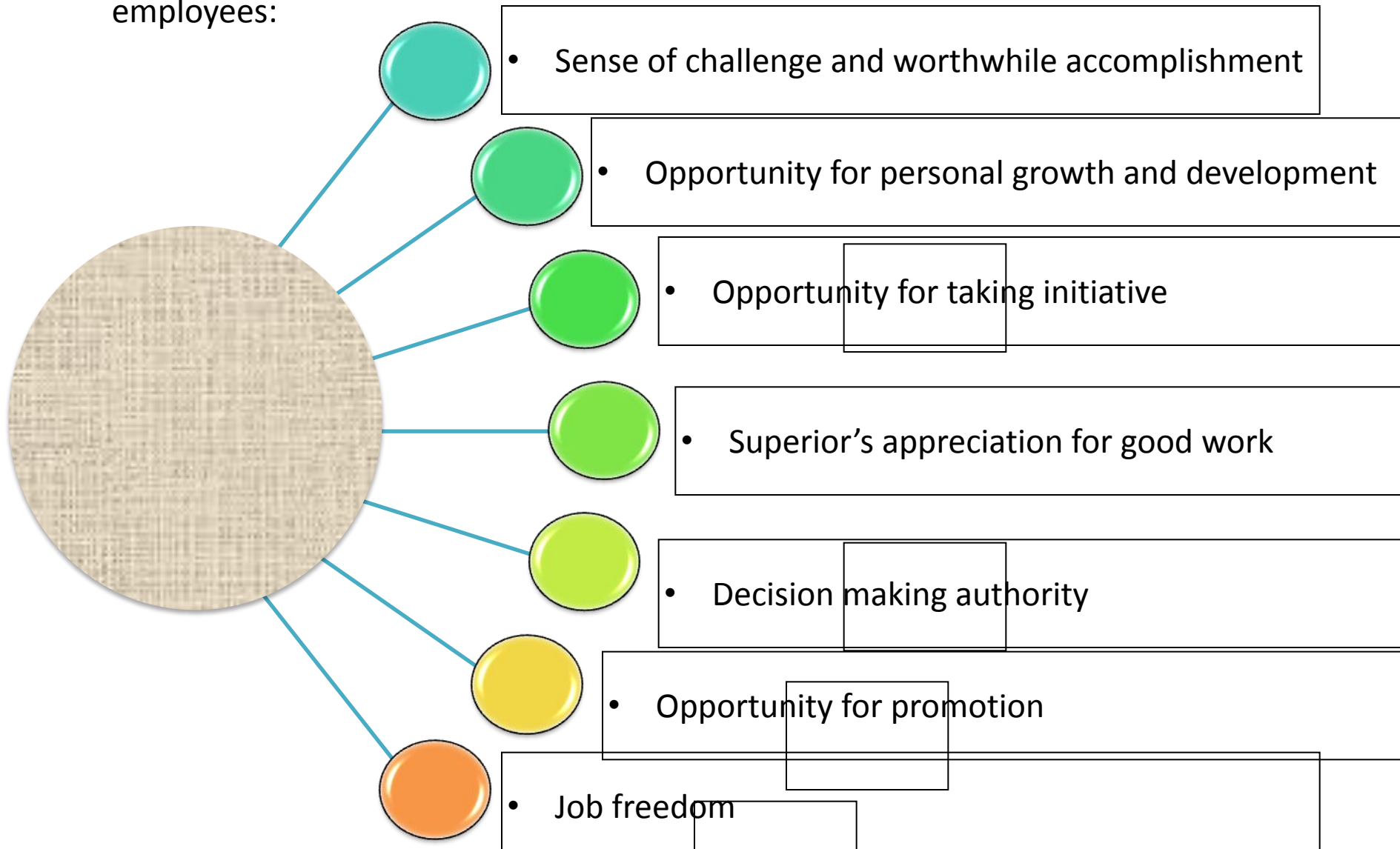
Inputs Required for HRM

HRM requires large amounts of detailed information and much of the efforts of human resource professionals are devoted to obtaining this information. This information includes the following:

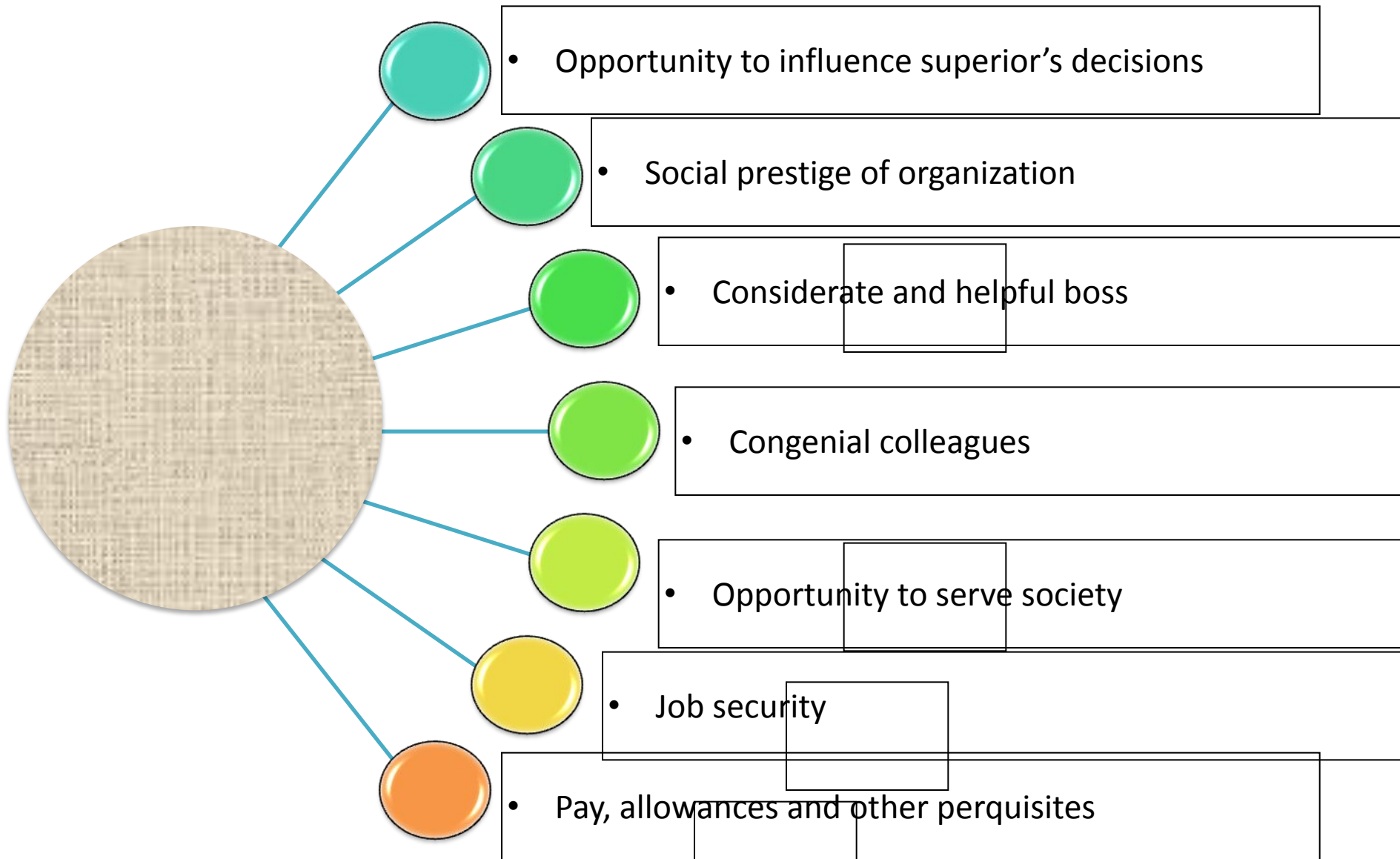


Job Satisfaction and Organizational Objectives

The following are the job factors that result in successful performance of jobs by employees:



Job Satisfaction and Organizational Objectives



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Management of Contractors

- In recent times, there has been a marked movement towards outsourcing positions within the organization to vendors who would supply resources for the required jobs.
- These positions and roles are deemed to be those that can be performed by external resources.
- The contractors step in to do the job that has been outsourced.
- The phenomenon of using contractors for regular positions is becoming popular and it is common to see many of these temporary workers doing the work that would have otherwise been done by full time employees of the organization.



Managing the Vendors

A person in a grey suit is shown from the chest down, reaching out with their right hand towards a series of blue 3D human figures and gears. The figures are arranged in a line, and the gears are positioned behind them, suggesting a process of management or interaction. The background is a blurred grey.

Some issues that need to be considered before hiring contractors pertain to the way in which the liability arising out of non-performance of the contractors is handled, the extent of control that the managers have over vendors and the payment terms and conditions that organizations have with the vendors. It has been found in studies and surveys that contractors and vendors operate in the 'grey' areas of the employer-employee relationship and hence managers need to be on their guard when dealing with vendors. Liabilities and punitive actions aimed at vendors usually end up being unresolved because of the way in which the contracts are worded. Hence, it becomes imperative for the organizations to be diligent before hiring vendors.

Managing the Vendors

The practice of hiring vendors has greatly increased and hence there is a need for both sides to sit down and discuss the modalities of the contractual relationship before committing themselves to the same.

In this way, disputes over responsibility and accountability can be amicably resolved if the contracts are worded in such a way that there is little room for ambiguity.



Benefits of Hiring Contractors


- Till recently, the practice of hiring contractors or 'temps' was restricted to the administrative and support functions like HR and infrastructure management.

- However, due to its various benefits, it now encompasses the areas of regular work like project delivery and execution.



Benefits of Hiring Contractors

There are various benefits of using contractors such as follows:



Less overheads to filling a temporary demand that does not need hiring permanent employees

The organization need not provide health benefits and pension benefits to the contractors and hence these costs can be saved.

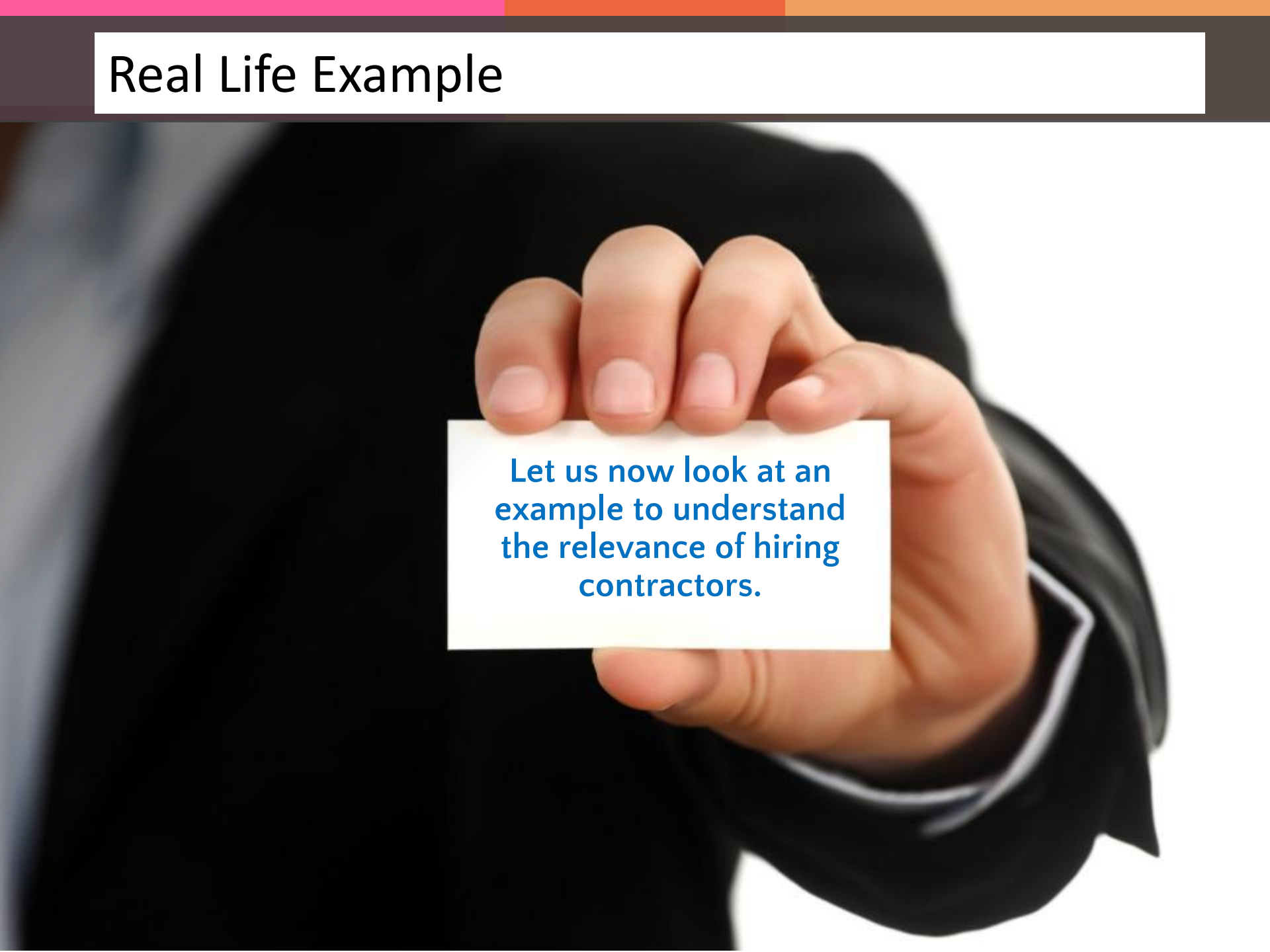
On completion of the project, the contractors can be reverted to their parent organization or the vendor or relieved in case of independent contractors.

The organization hiring the contractor is not burdened with excess staff once the project is completed

Issues with Hiring Contractors

- There are several issues that pertain to hiring and management of contractors.
- Many IT companies hold significant 'bench' strength as a means of having a buffer when new projects come their way.
- These 'bench' employees are reserve employees who have been hired for upcoming projects and are kept on 'bench' or kept idle till they can be placed in a project.
- However, for many mid-sized and small-sized organizations, maintaining bench strength is often a luxury.
- So, if they anticipate new projects coming their way, they immediately ask the vendor to supply them with the resources that are needed for the new projects.
- Of course, in reality, there is often a lag between the request for new resources and the resources actually coming on board because of the time taken to screen the contractors and time taken to bring them up to speed regarding the work that needs to be done.

Real Life Example

A close-up photograph of a person's hand holding a small white rectangular sign. The hand is wearing a dark suit jacket. The background is a blurred white wall. The sign contains blue text.

Let us now look at an example to understand the relevance of hiring contractors.

Real Life Example

Globus Inc. is a leading software giant.



It handles several projects in a year while catering to its numerous clients spread across the globe.



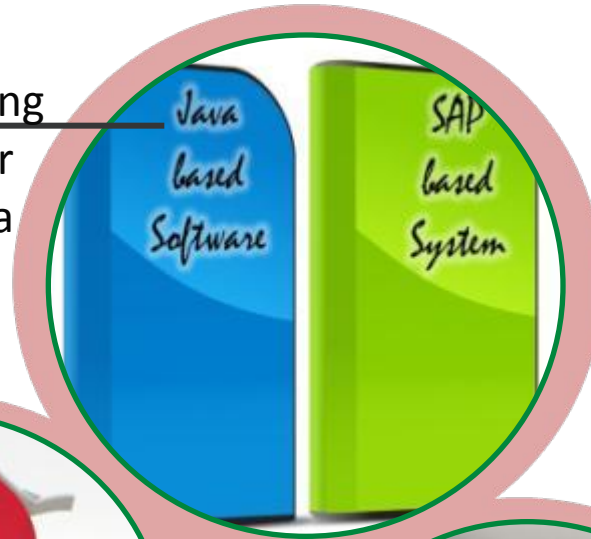
The Human Resource department has noticed that majority of its projects are about two to three months long.



Also, they receive projects which require resources of different skills from one project to another.

Real Life Example

Globus has recently acquired two different projects, one for developing a Java based software and another for developing and installation of a SAP based system.



How can the HR cater to the varying needs of different projects while keeping the recruitment and overhead costs low?



Let us see how the HR department handles such staffing pressures.



The HR department has used a policy of hiring independent contractors to fulfill such short term projects.

Real Life Example

Such independent contractors are chosen as per the skill sets required for each project.



By using contractors instead of full-time employees, the HR is able to cater to the requirement of different skilled resources for each project.



The cost of recruitment and overhead costs such as, conveyance, perks, PF, Gratuity etc. are saved by using contractors to complete the projects.



Also, when the project is completed, the contract with the contractor is terminated.

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Strategic Human Resource Management

Strategic Human Resource Management is the practice of aligning business strategy with that of HR practices to achieve the strategic goals of the organization.

The aim of Strategic Human Resource Management (SHRM) is to ensure that HR strategy is not a means but an end in itself as far as business objectives are concerned.

The idea behind SHRM is that companies must 'fit' their HR strategy within the framework of overall business objectives and hence ensure that there is alignment between the HR practices and the strategic objectives of the organization.

Strategic Human Resource Management

- With the advent of new economy industries like IT and the mushrooming of the service sector, organizations all over the world realized that human resources must be viewed as a source of competitive advantage as opposed to treating it much the same way in access to technology or capital is concerned.
- What this means is that the practice of HRM is being viewed as something that promotes the business objectives of the firms and not merely another factor in the way the firm is managed.
- The fact that organizations derive their strategy from employees instead of imposing strategy upon them is the essence of SHRM.



Strategic Human Resource Management



With the advent of today's economy where services account for a major share of the GDP and the fact that the service sector is essentially people centric, it is imperative that the people first approach be embraced by the organizations for sustainable business strategy. The practice of SHRM demands a proactive and hands on approach by the management as well as the HR department with regards to the entire gamut of activities ranging from staffing and training and development to mentoring and pay and performance management.

How SHRM Works?

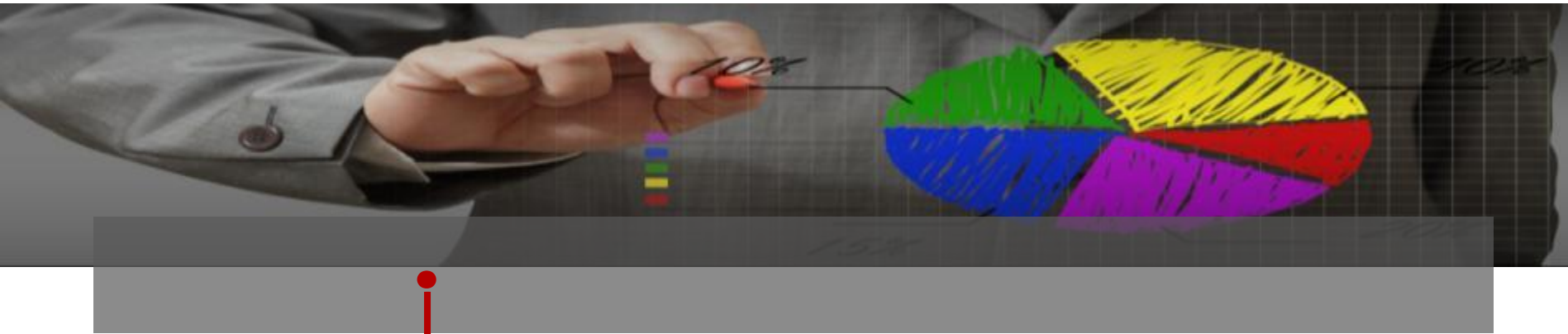
Many organizations in recent times have 'dedicated people managers' whose sole function is to look after the enabling and fulfilling of the needs of the resources.



For instance, Infosys states that people are its assets and the famous statement by Mr. Narayana Murthy, one of the founders of the company that the capital of Infosys walks in every morning and walks out every evening has to be taken in this context.

This is a marked change from treating people as just resources to treating people as assets.

How SHRM Works?



Hence, it is crucial that an organization should leverage upon the capabilities of its employed people and ensure that the 'human capital' is nourished and nurtured as a source of competitive advantage.

This translates into a dedicated HR department and people managers in every group dealing exclusively with employee issues as opposed to treating this as a line management function.

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What is Global Human Resource Management?

With the advent of globalization, organizations - big or small have ceased to be local; they have become global. This has increased the workforce diversity and given rise to cultural sensitivities. This globalization of organizations and its workforce led to the development of Global Human Resource Management.



What is Global Human Resource Management?

Even those organizations who consider themselves immune to transactions across geographical boundaries are connected to the wider network globally. There is interdependence between organizations in various areas and functions.

The preliminary function of 'Global Human Resource Management' is that the organization carries a local appeal in the host country despite maintaining an international feel. To exemplify, any multinational / international company would not like to be called as local, however, the same wants to have a domestic touch for the people in the host country and therein lays the challenge.



Objectives of Global Human Resource Management

The objectives of global HRM are as follows:

Generating awareness of cross cultural sensitivities among managers globally and hiring of staff across geographic boundaries.

Create a local appeal without compromising upon the global identity.

Training upon cultures and sensitivities of the host country.



Global Human Resource Management



The strategic role of Human Resources Management in a global scenario is to ensure that HRM policies are in tandem with and in support of the firm's strategy, structure and controls. Specifically, when we talk of structures and controls the following become worth mentioning in the context of Global HRM.

Global Human Resource Management

Many integrating mechanisms operate simultaneously.

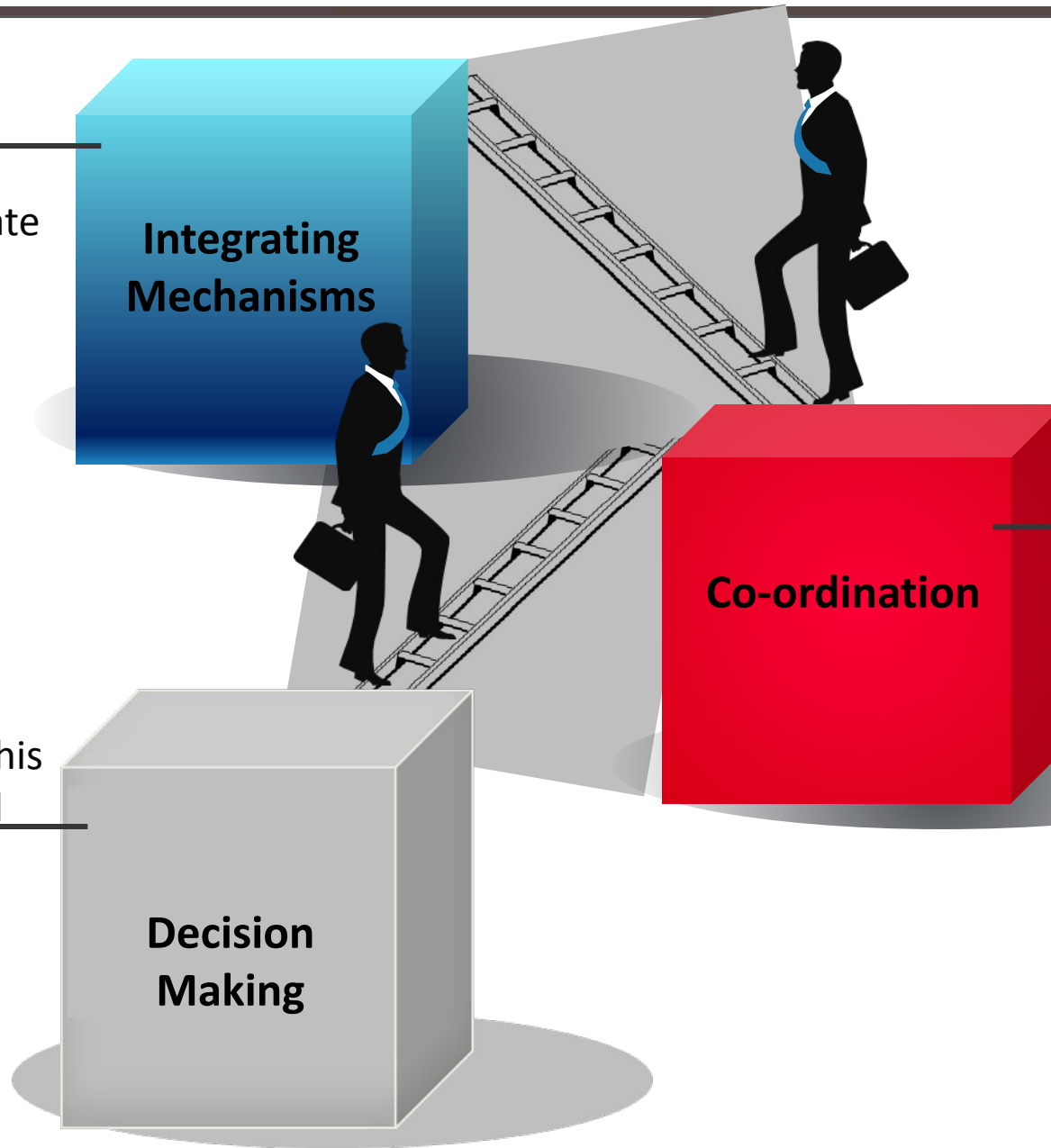
Integrating Mechanisms

There is a certain degree of centralization of operating decision making. Compare this to the International strategy, the core competencies are centralized and the rest are decentralized.

Decision Making

Co-ordination

A high degree of coordination is required in wake of the cross cultural sensitivities. In addition, there is also a high need for cultural control.



Real Life Example

A close-up photograph of a person's hand holding a small white rectangular card. The hand is wearing a dark suit jacket. The card has blue text on it. The background is a plain, light color.

Let us now look at an example to understand global human resource management.

Real Life Example

- Burger giant McDonald's Corp. is one of the largest restaurant chains in the world.



- It has a widespread presence across the globe including India.

- McDonald's is well-known for its hamburgers made with ground beef, French fries, and milk shakes.



Real Life Example

- However, in markets across the world, McDonald's respects local cultures and has adopted its menu and dining experience to local preferences.



- So, McDonald's has varied its menu to accommodate the tastes and cultural sensibilities of residents in countries around the world.

- In India, McDonald's restaurants have dropped beef and pork from their menu in keeping with the sentiments and religious practices of Hindus and Muslims.



- Also, the kitchens of McDonald's in India are divided into separate sections for cooking vegetarian and non-vegetarian food.

Real Life Example

- McDonald's has always maintained a strong localization policy while at the same time maintaining its international brand image and flavor across the globe.



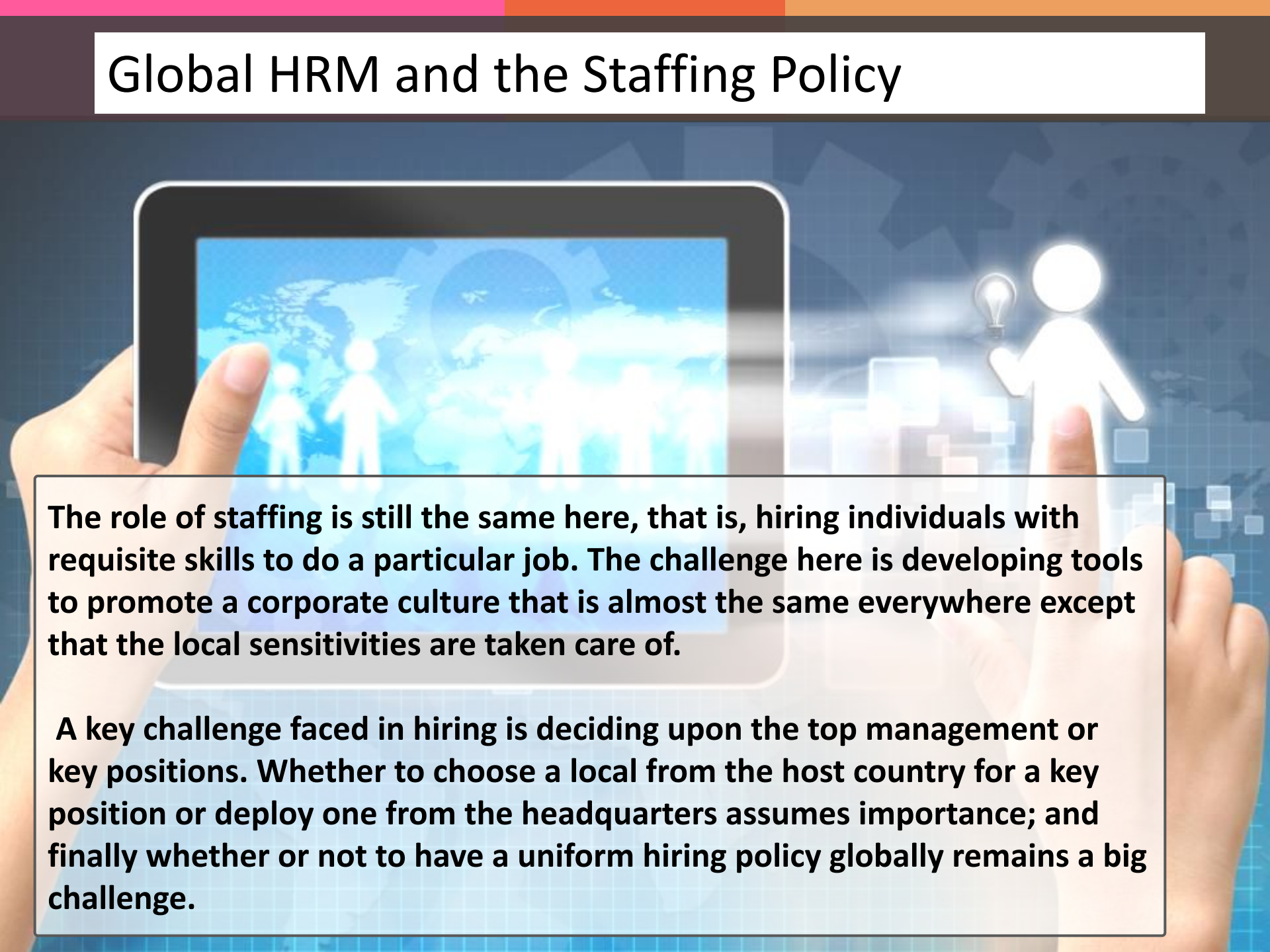
- McDonald's has also embraced a policy of hiring local talent at various levels to promote localization of its presence.

- The large success of McDonald's is attributed to its ability to cater to local tastes without losing its brand image.



- In India, some of its American classics have been introduced in numerous vegetarian versions like the McVeggie burger and McSpicy Paneer, as well as chicken offerings.

Global HRM and the Staffing Policy



The role of staffing is still the same here, that is, hiring individuals with requisite skills to do a particular job. The challenge here is developing tools to promote a corporate culture that is almost the same everywhere except that the local sensitivities are taken care of.

A key challenge faced in hiring is deciding upon the top management or key positions. Whether to choose a local from the host country for a key position or deploy one from the headquarters assumes importance; and finally whether or not to have a uniform hiring policy globally remains a big challenge.

Global HRM and the Staffing Policy

An organization can choose to hire according to any of the staffing policies mentioned below:

Roll your mouse over the icon, to learn more.



Ethnocentric:

In ethnocentric staffing policy, the 'Key' management positions are filled by the parent country individuals.




Polycentric:

In polycentric staffing policy, the host country nationals manage subsidiaries whereas the headquarter positions are held by the parent company nationals.



Geocentric:

In this staffing policy, the best and the most competent individuals hold key positions irrespective of the nationalities.



Geocentric staffing policy seems to be the best when it comes to Global HRM. The human resources are deployed productively and it also helps build a strong cultural and informal management network. The flip side is that human resources become a bit expensive when hired on a geocentric basis. Besides the national immigration policies may limit implementation.

MCQ



Q. In which of the following staffing policies do the host country nationals manage subsidiaries whereas the headquarter positions are held by the parent company nationals?

- Ethnocentric
- Polycentric
- Geocentric
- Endocentric

Click on the radio button to select the correct answer!



MCQ



Q. In which of the following staffing policies do the host country nationals manage subsidiaries

Good! That's Right!

Correct Answer:



In polycentric staffing policy, the host country nationals manage subsidiaries whereas the headquarter positions are held by the parent company nationals.

Click here to
continue!

ethnocentric

MCQ



Q. In which of the following staffing policies do the host country nationals manage subsidiaries

That's Not Quite Right!

Correct Answer:



In polycentric staffing policy, the host country nationals manage subsidiaries whereas the headquarter positions are held by the parent company nationals.

Click here to
continue!

ethnocentric

Issues affecting HRM

The following are some of the key issues faced during HRM:




Mergers
&
Acquisitions



Reengineering



International
Expansion



Down-sizing



Outsourcing



Total Quality
Management

Improving HRM

Once a strategic decision has been established and HRM's effectiveness evaluated, leaders of HRM function can explore how to improve its effectiveness in contributing to the firm's competitiveness

Transformational (5-15%)

- Strategic Redirection and Renewal
- Cultural Change
- Management Development

Traditional (15-30%)

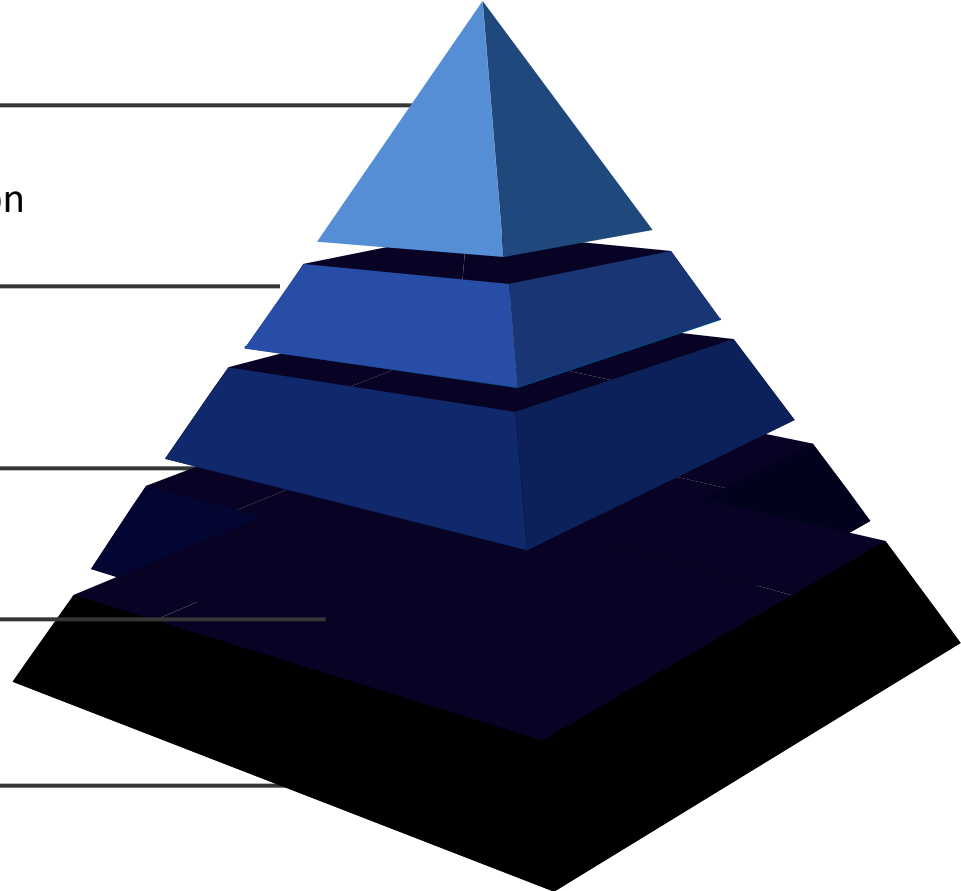
- Recruitment, Selection, Training & Employee Relation
- Performance Management and Compensation

Transactional (65-75%)

- Benefits Administration & Employee Services
- Record Keeping

Process Redesign, Information Technology

Outsourcing



Objective



Explain What is Human Resource Management (HRM)

Define Human Resource Management

Explain the Scope of Human Resource Management

Describe the Processes in Human Resource Management

Explain the Skills of HR Professionals

Explain Role of HRM in Performance Management

Explain the Hiring Strategies followed by Organizations

Describe the Various Retention Strategies

Explain Human Resource Planning

Explain How HRM Manages Employee's Performance

Explain the Management of Contractors

Explain What is Strategic Human Resource Management

Explain What is Global Human Resource Management

Explain What is Human Resource Information System

List the Tips for Effective HRM

Human Resource Information System (HRIS)

One of the significant and emerging areas in Human Resource Management is the Human Resource Information System (HRIS). Today, organizations need accurate and timely information to take human resource decisions. The speed, with which information is retrieved, procured and analyzed for decision making accounts for the efficiency of an organization. HRIS is a systematic way of sorting data and information for each individual employee, to aid in planning, decision making and submitting reports to other departments. HRIS is defined as composite database, computer applications and hardware and software that are used to collect, record, store, manage, deliver and manipulate data for Human Resource Management.



Objective



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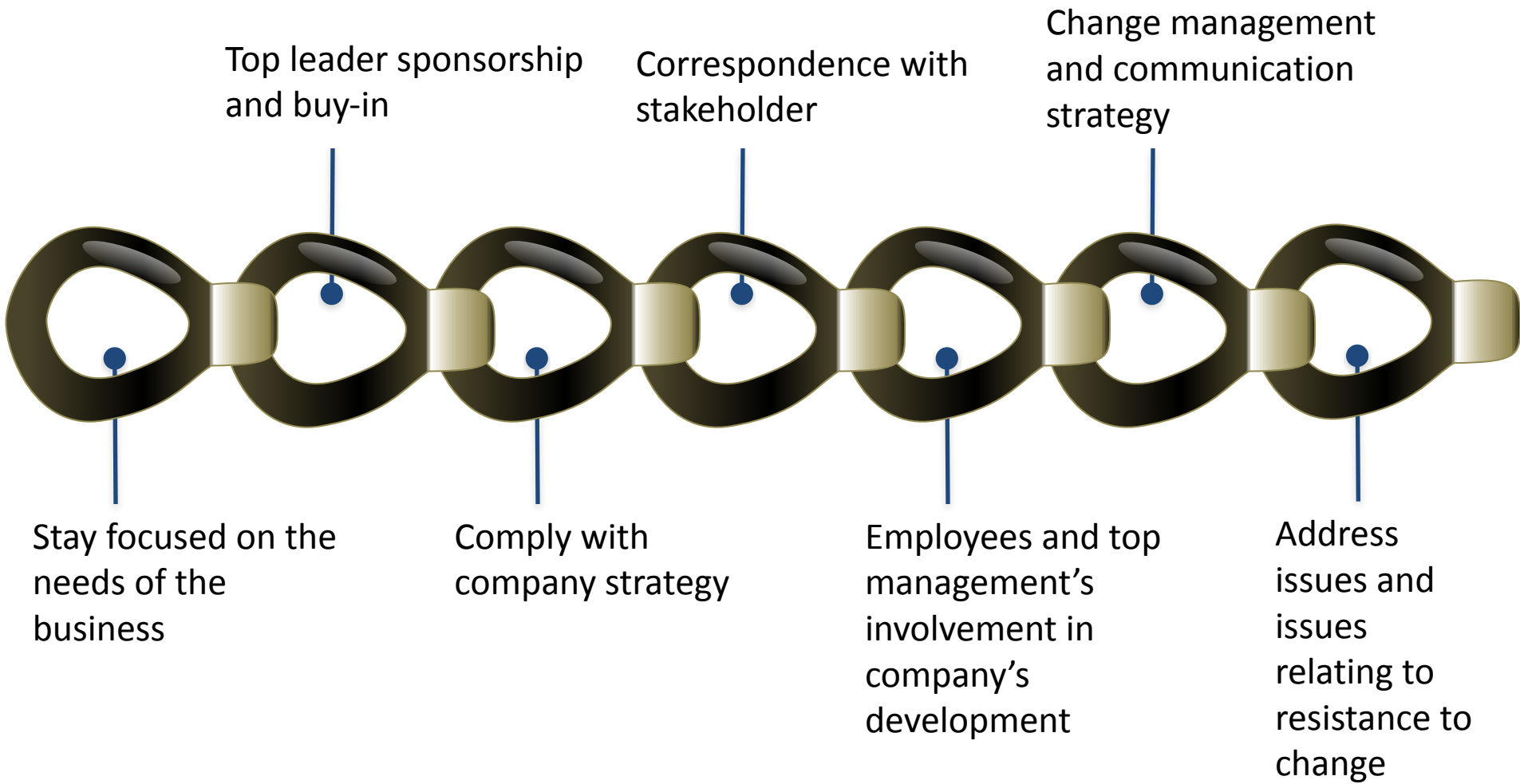
Explain What is Strategic Human Resource Management

Explain What is Global Human Resource Management

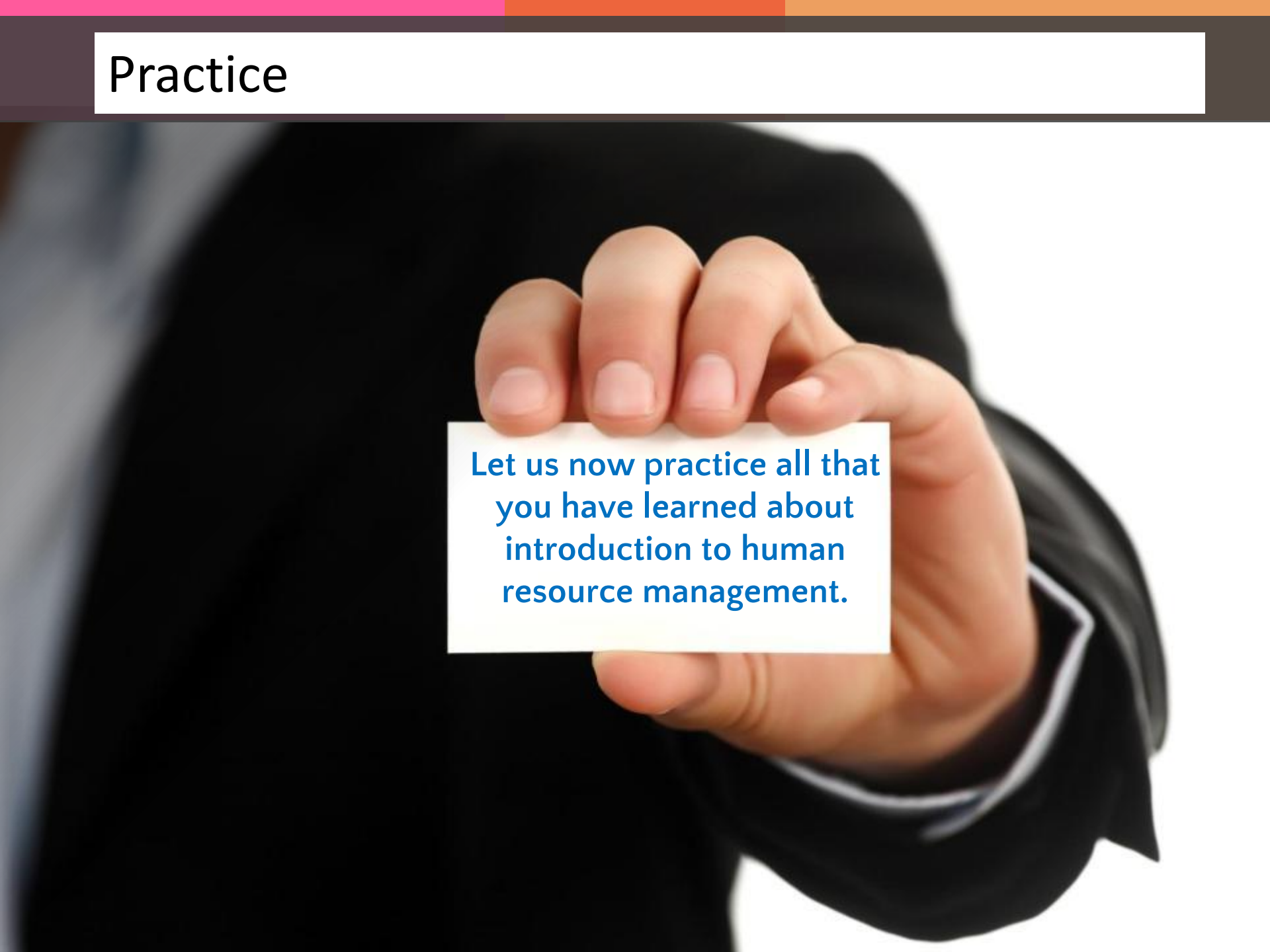
Explain What is Human Resource Information System

List the Tips for Effective HRM

Tips for Effective HRM



Practice

A close-up photograph of a person's hand holding a small white rectangular sign. The hand is wearing a dark suit jacket. The background is a blurred white and grey. The sign contains blue text.

Let us now practice all that
you have learned about
introduction to human
resource management.

Practice

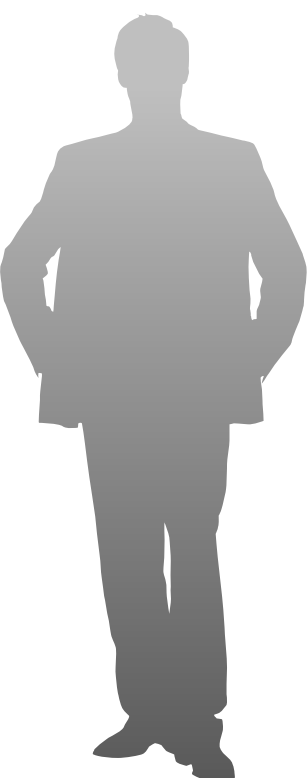


Observe the Human Resource people of your organization. Note down the following observations:

- **What are the different roles that the HR people of your organization perform?**
- **What are the characteristics of HR people that make them effective in their jobs?**
- **How has the presence of an HR department helped you in your employment?**



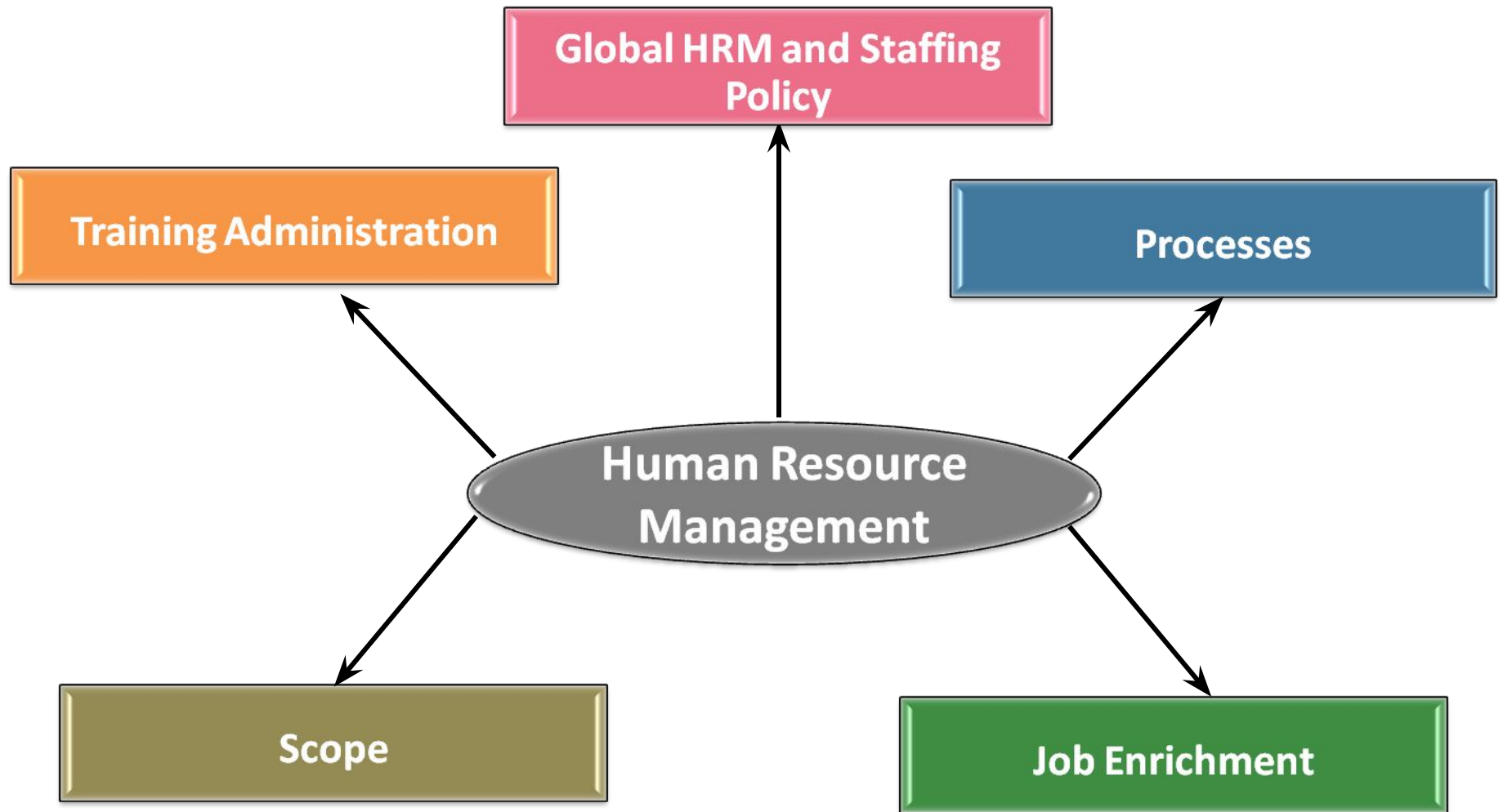
Case Study



Keith Jones is a Human Resource Manager. He has noticed that many team members under the leadership of David Schindler are facing problems regarding his dominant attitude, rudeness and authoritarian approach. Some of David's team members have even approached Keith with a request to change their teams.

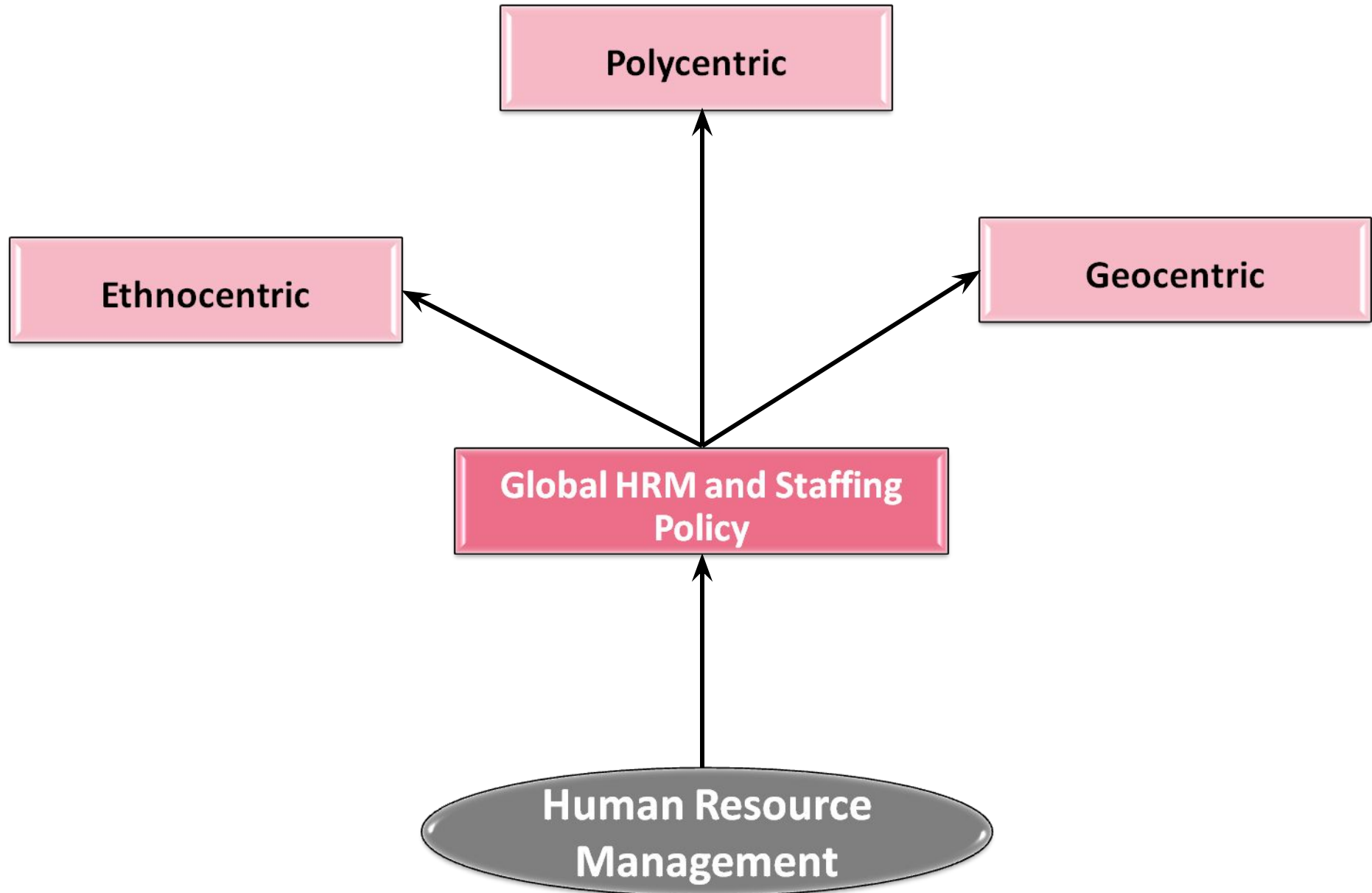
1. What do you think Keith should do to help David's team members?
2. How can Keith help David get close with his team and resolve the issue?

Summary

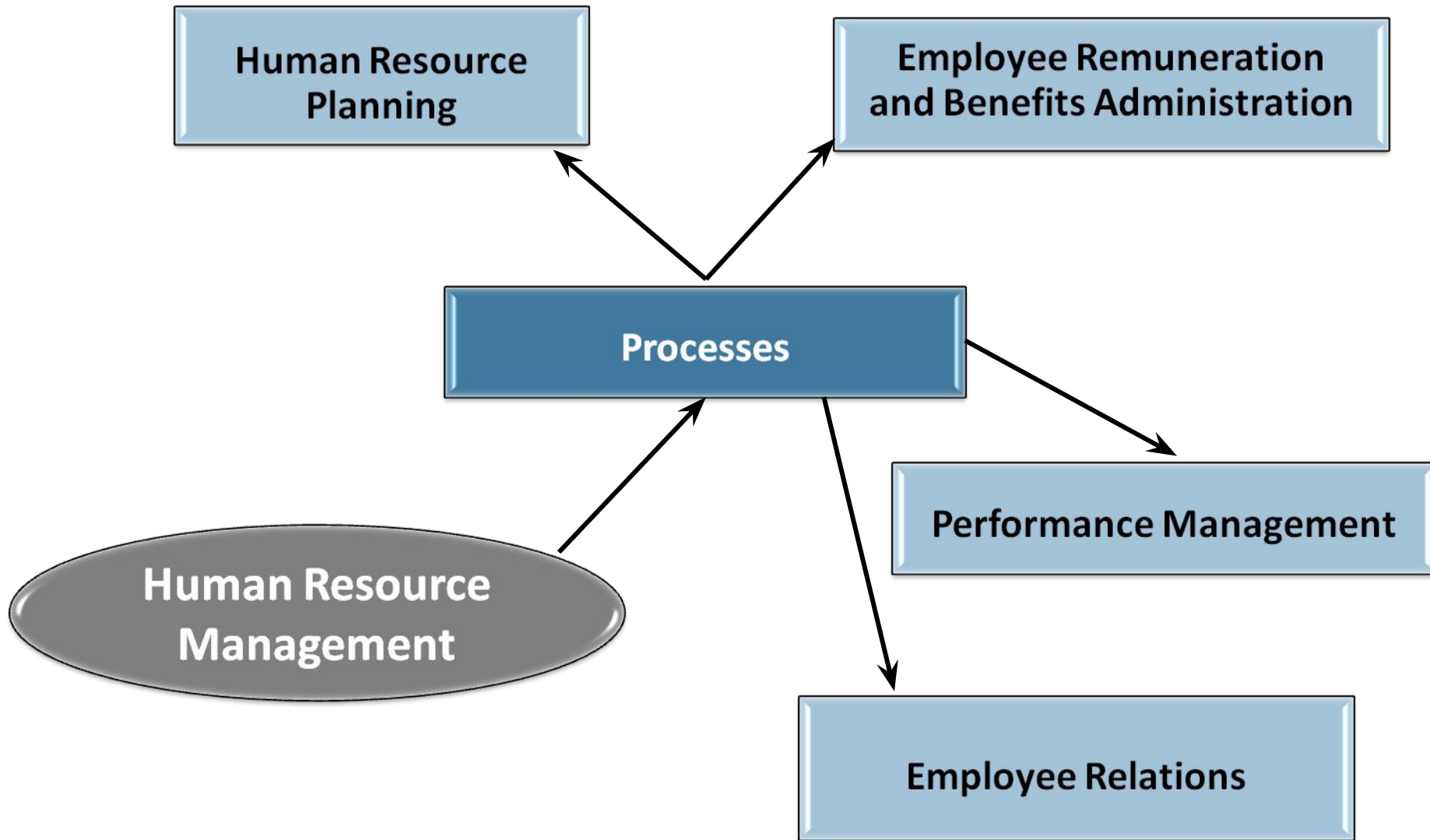


Let's look at each in detail.

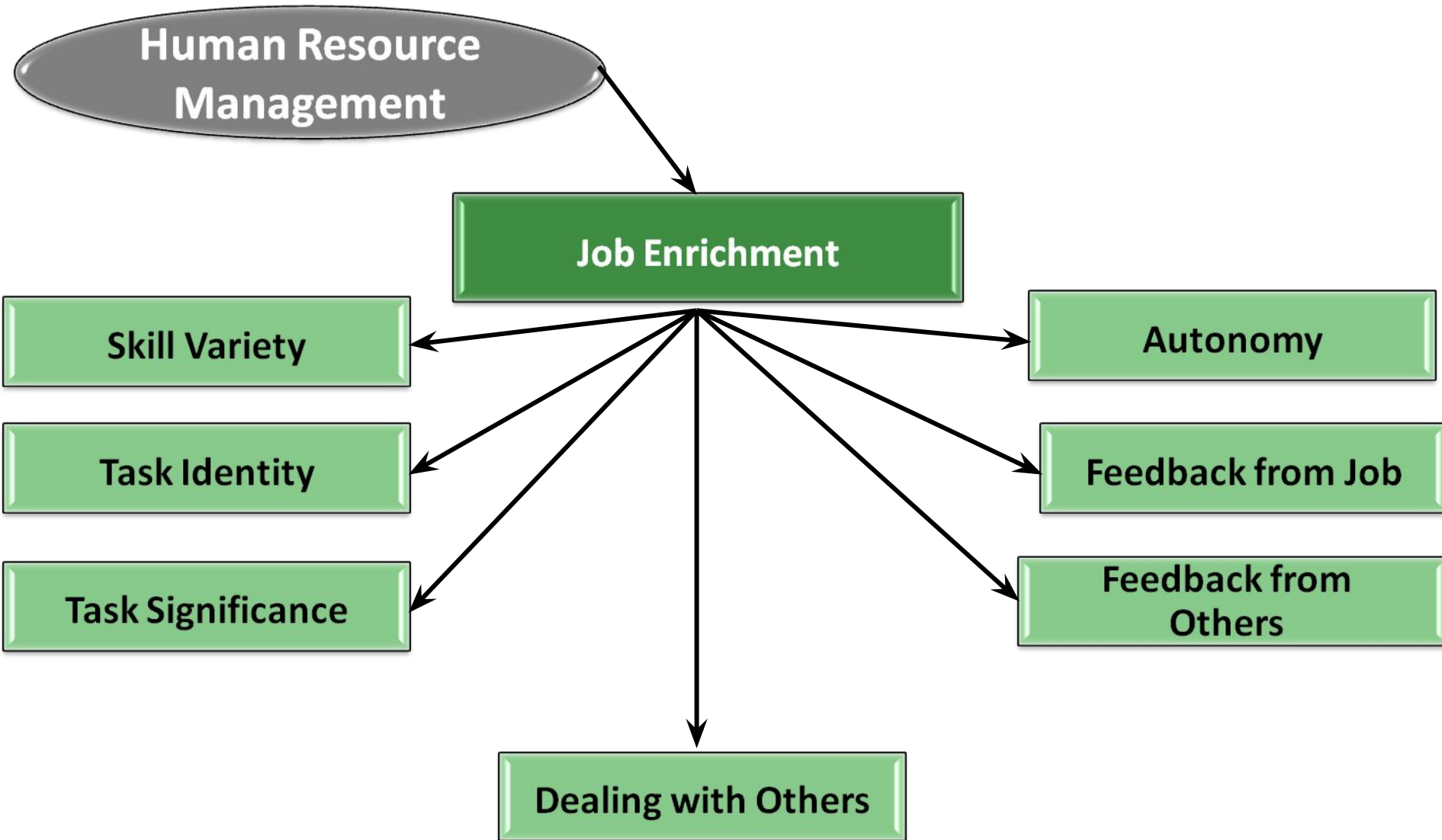
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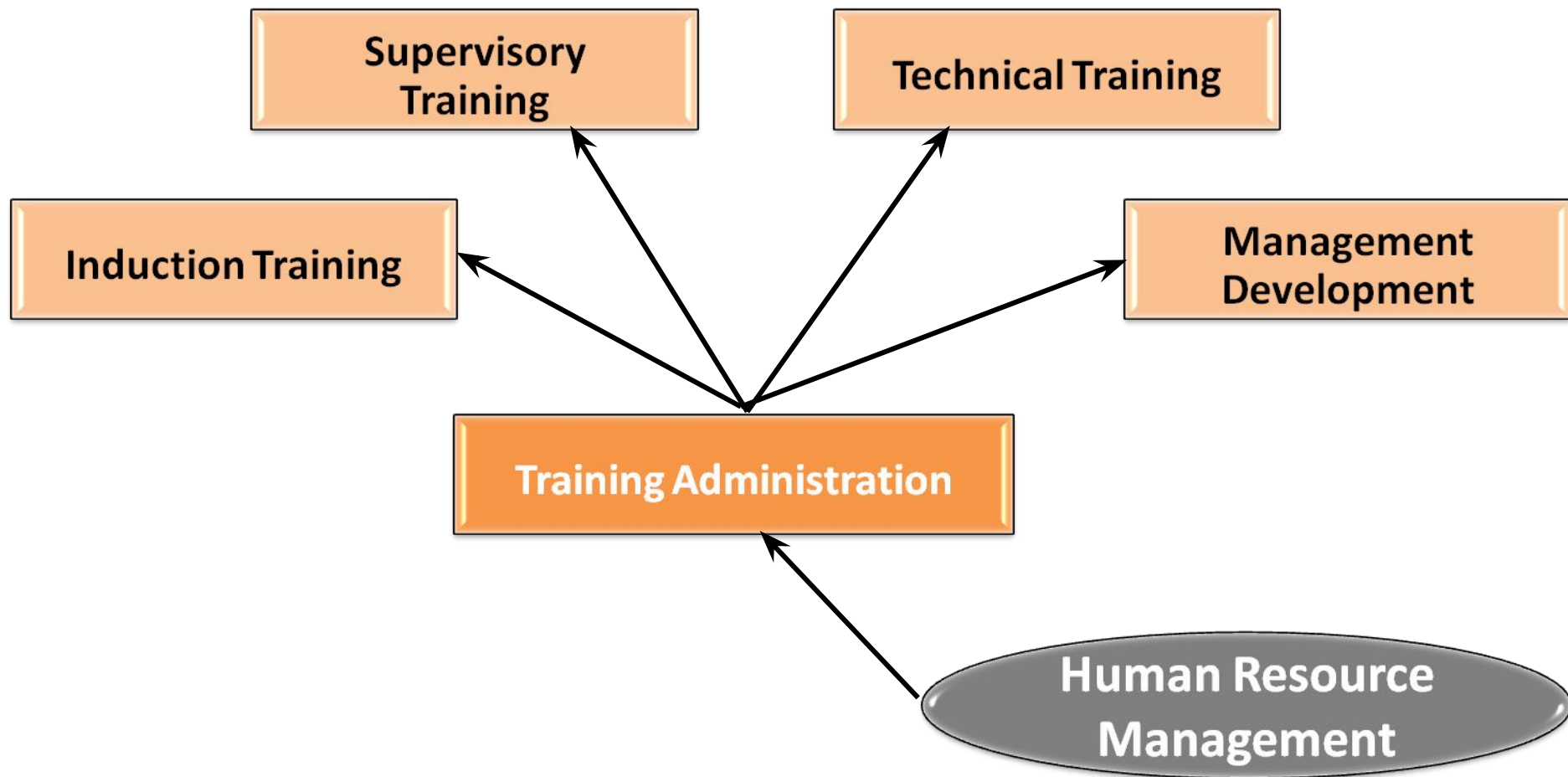
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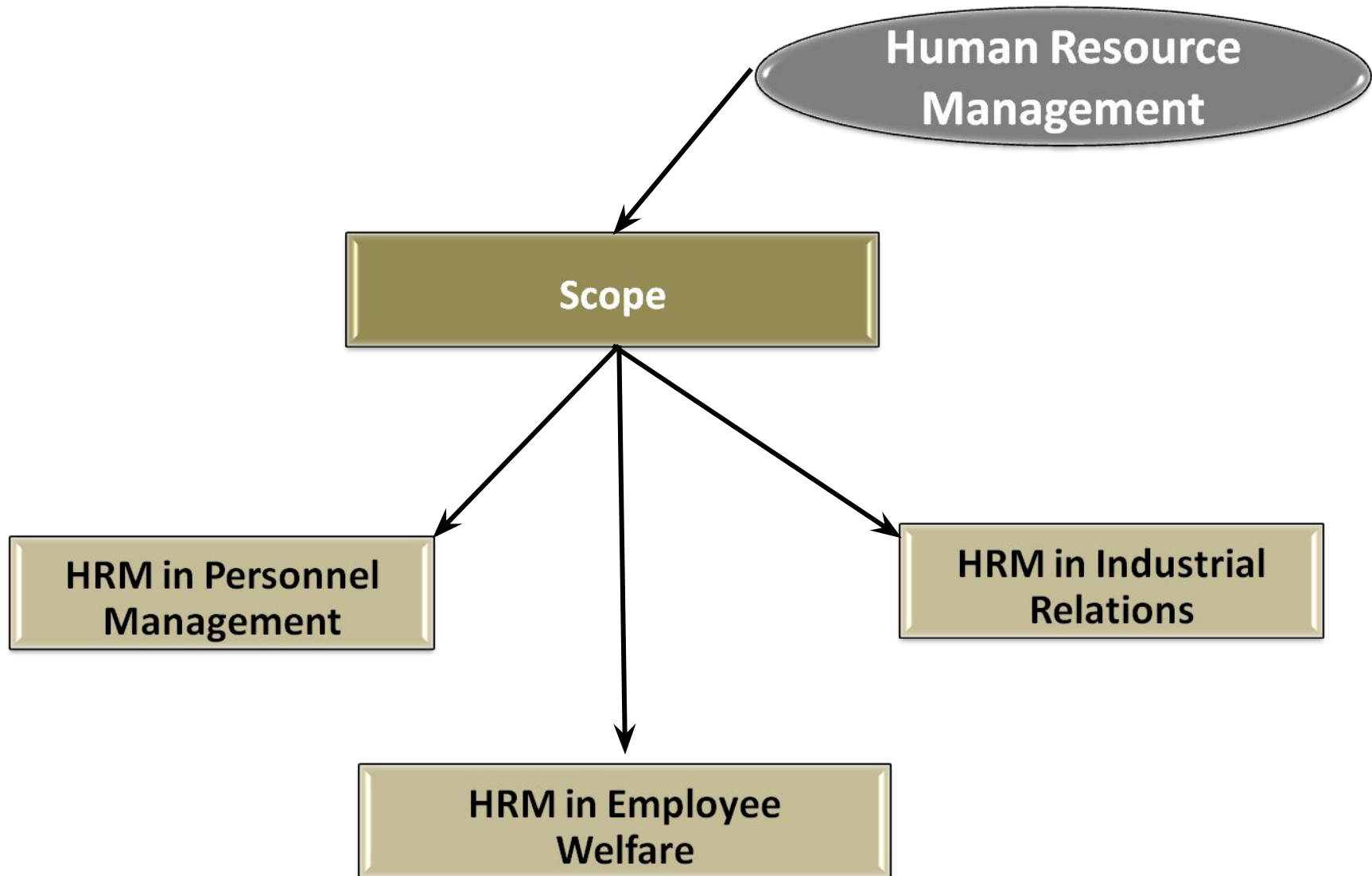
Summary



Summary

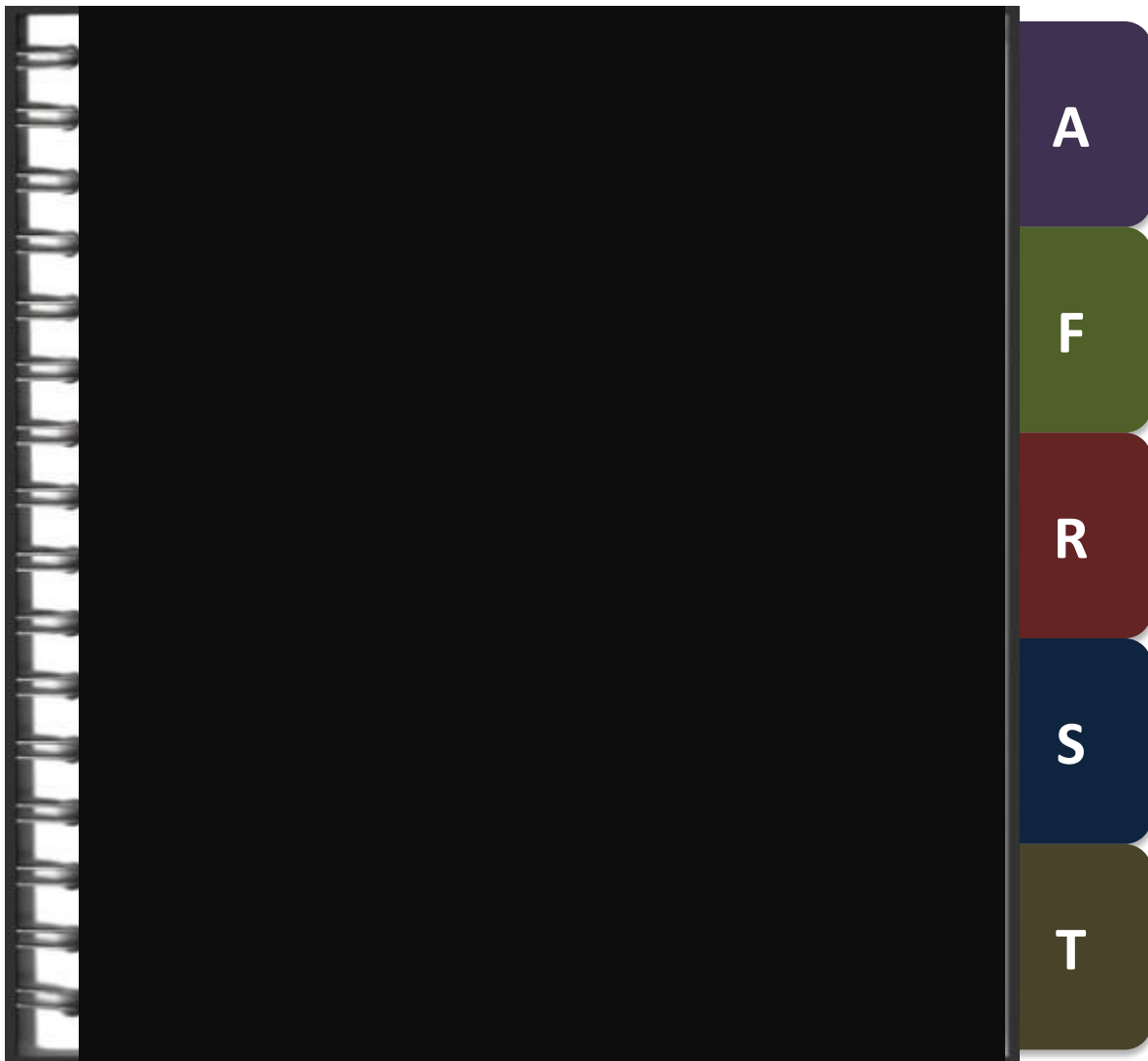


Summary



Glossary

Click each alphabet to learn more.



Glossary

Click each alphabet to learn more.

- **Autonomy** - Autonomy is the capacity of a system or individual to make its own decisions about its actions
- **Administration** - Administration is a method of tending to or managing the affairs of some group of people, especially the group's business affairs

Glossary

Click each alphabet to learn more.

- **Feedback** - Feedback is the critical assessment or suggestions to improve performance
- **Formulation** - Formulation is inventing or contriving an idea or explanation and formulating it mentally

A

F

R

S

T

Glossary

Click each alphabet to learn more.

- **Remuneration** - Remuneration is the money that is paid regularly for doing work
- **Resource** - Resource is a source of aid or support that may be drawn upon when needed

A

F

R

S

T

Glossary

Click each alphabet to learn more.

- **Skill** - Skill is an ability that has been acquired by training
- **Staffing** - Staffing means provide with staff

A

F

R

S

T

Glossary

Click each alphabet to learn more.

- **Training** - Training is an activity leading to skilled behavior
- **Traditional** - Traditional means pertaining to time-honored orthodox doctrines

A

F

R

S

T

You have Successfully
Completed the Module

on Introduction to
Human Resource
Management!

Congratulati

ons