HUMAN RESOURCE MANAGEMENT
- INTRODUCTION -

Saliya De Silva PhD
Dept. of Agricultural Extension
Faculty of Agriculture
University of Peradeniya
References


Intended Learning Outcomes

- To explain what human resource management (HRM) is
- To explain the nature, scope and objectives of HRM
- To explain what HR managers do
The Future Organization

“The organization of the future will be so technologically advanced that it will be run by just one person and a dog. The person will be there to feed the dog, and the dog will be there to make sure that the person doesn’t touch anything.”

Human RESOURCE: people have the capabilities that drive organizational performance
Manager’s HR Function

- Management Functions
  - Planning: establishing goals and standards; developing rules and procedures; developing plans and forecasting
  - Organizing: giving each subordinate a specific task; establishing departments; delegating authority to subordinates; etc.
  - Staffing: determining what type of people should be hired, recruiting prospective employees; selecting employees; setting performance standards; compensating employees; evaluating performance; counseling employees; training and developing employees
  - Leading: getting others to get the job done; maintaining morale; motivating subordinates
  - Controlling: setting standards (sales, quality, production); checking to see how actual performance compares with these standards; taking corrective action as needed
Human Resource Management (HRM)

The process of acquiring, training, appraising, and compensating employees, and attending to their labor relations, heath and safety, and fairness concerns.

- All major activities in the working life of a worker – from the time of his/her entry into an organization until he/she leaves – come under the purview of HRM
Why study HRM?

- It is them who are capable of deciding, implementing, and controlling activities.
- Organizations are established not by gods, but by human beings.
- No computer can substitute human brain, no machine can run without human intervention, and no organization has the mandate to exist if it cannot serve people’s needs.

“You can get capital and erect buildings, but it takes people to build a business”

– Thomas J. Watson (founder of IBM)
Why study HRM?

- It is people who possess skills, abilities and aptitudes that offer competitive advantage to a firm
  - Core competencies – integrated knowledge sets within an organization that distinguish it from its competitors and deliver value to customers (e.g. McDonald’s – mgt efficiency & training; FedEx – package routing, delivery, and employee relations).

- Sustainable Competitive Advantage through people
  - The resources must be of value
  - The resources must be rare
  - The resources must be difficult to imitate
  - The resources must be organized
Why study HRM?

HRM is a study about people in organizations – how they are hired, trained, compensated, motivated and maintained.

- HRM – a strategic investment rather than simply a cost to be minimized

HRM Challenges for Postgraduates
- SL organizations facing global competition
  - However, presently most of them are facing with low productivity, low quality and high cost of production thus low competitiveness
- Globalization has increased the number and significance of MNCs. Cross Cultural management and international HRM has become increasingly important.
Objectives of HRM
Objectives of HRM

To ensure the availability of a competent and willing workforce to an organization

- **Societal** – to ensure that the organization becomes ethically and socially responsible to the needs and challenges of the society

- **Organizational** – to assist organization to achieve efficiency and effectiveness

- **Functional** – to maintain the department’s contribution at a level appropriate to the organization's needs.

- **Personal** – to assist employees in achieving their personal goals, as these goals enhance the individuals contribution to the organization
HRM Functions

HRM provides the concepts and techniques needed to carry out the people/personnel aspects of management job including;

- Conducting job analyses (determining the nature of each employee’s job)
- Planning labour needs and recruiting job candidates
- Selecting job candidates
- Orienting and training new employees
- Managing wages and salaries (compensating employees)
- Providing incentives and benefits
- Appraising performance
- Motivation
- Communication (interviewing, counseling, disciplining)
- Training and developing managers
- Building employee commitment

And attending to

- Equal opportunity and affirmative action
- Employee welfare
- Employee health and safety
- Handling grievances and industrial/labor relations
# Functions of HRM

<table>
<thead>
<tr>
<th>HRM Objective</th>
<th>Supporting Function</th>
</tr>
</thead>
</table>
Organization of HR Department

HRM in a Small-scale Unit/Organization
Organization of HR Department

HRM in a Large-scale organization
Composition of a HR/Personnel Department
HRM, Personnel Management (PM) and Human Resource Development

- The term HRM emerged during the 1970s. PM and PA are older traditional terms.
- HRM is a broad concept. PM and human resource development (HRD) are a part of HRM.
- HRM will yield both better economic performance and greater HRD.
- In the evolution of the subject, PM preceded HRM. HRM gradually replaced the term PM starting from 1990 [when American Society for Personnel Administration (ASPA) changed its name to the Society of Human Resource Management (SHRM)].
- PM viewed labour as a tool, the behaviour of which could be manipulated for the benefit of the organization and replaced when it was worn-out.
- Personnel department was not treated with respect (not-very-productive operations). It was never considered a part of the strategic management of business.
- HRD is a function more concerned with training and development, career planning and development, and organization development. HRD is a part of HRM.
# Difference between HRM & PM

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Personnel Management</th>
<th>HRM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evolution</td>
<td>Precedes HRM</td>
<td>Latest in the evolution of the subject</td>
</tr>
<tr>
<td>Respect for employees</td>
<td>Treated as a tool which is expendable and replaceable</td>
<td>Treated as assets to be used for the benefit of the organization, its employees and the society as a whole</td>
</tr>
<tr>
<td>Shared interests</td>
<td>Interests of the organization are uppermost</td>
<td>Mutuality of interests</td>
</tr>
<tr>
<td>Guide to management action</td>
<td>Procedures</td>
<td>Business needs</td>
</tr>
<tr>
<td>Key relations</td>
<td>Labour management</td>
<td>Customer</td>
</tr>
<tr>
<td>Job design</td>
<td>Division of labour</td>
<td>Team work</td>
</tr>
</tbody>
</table>
HRM MODEL

1. Nature of HRM
   Environment of HRM
   Strategic HRM

2. HR Planning
   Job Analysis & Design
   Employee Hiring
   Orientation & Placement

3. Training & Development
   Appraisal
   Remuneration
   Incentives & Benefits

4. Motivation
   Participative Management
   Employee Communication

5. Employee Welfare
   Safety & Health
   Promotions & Transfers

6. Industrial Relations
   Trade Unions
   Disputes & Resolution

7. Ethical issues
   HR Audit
   Challenges of HRM

ENVIRONMENT
- Economic
- Technological
- Political
- Legal, etc.

Competent & Willing Workforce
Organizational Goals
Principles of HRM

- Fundamental truths of HRM. Examples
  - **Individual development**: To offer full and equal opportunities to every employee to realize his/her full potential
  - **Scientific selection**: to select the right person for the right job
  - **Free flow of communication**: to keep all channels of communication open and encourage upward, downward, horizontal, formal and informal communication
  - **Participation**: to associate employee representatives at every level of decision making
  - **Fair remuneration**: to pay fair and equitable wages and salaries commensurate with jobs
  - **Incentive**: to recognize and reward good performance
  - **Dignity of labour**: to treat every job holder with dignity and respect
  - **Labour management cooperation**: to promote cordial industrial/labour relations
  - **Team spirit**: to promote cooperation and team spirit among employees
  - **Contribution to national prosperity**: to provide a higher purpose of work to all employees and to contribute to national prosperity
Importance of HRM to all managers

Examples:
- Hire the right person for the job
- Maintain low absenteeism and turnover
- Have people doing their best
- Not to waste time with useless interviews
- Prevent the company taken to court for unsafe practices, discrimination, etc.
- Provide training to increase efficiency and effectiveness of the department