**UNIT- 1**

**HRM-MBAT202**

**SYLLABUS**

Human Resource Management: Introduction, Definition, Importance of HRM and Evolution of the concept of HRM , Major functions of HRM, Objectives of HRM, Difference between HRM and Personal Management, Factors Influencing HRM, HR Manager as a Strategic partner. Four facets of HR practices are: Managing The Human Resource Environment, Acquisition and Preparation of Human Resources, Assessment and Development of Human Resources, and Compensation of Human Resources.

## INTRODUCTION

### HUMAN RESOURCE MANAGEMENT (HRM)

Human Resource Management (HRM) is one of the greatest important sources in the field of productivity. —Development of any sector mainly depends upon proper utilization of human resources. HRM is useful to achieve long-range objectives and for solving problems. This statement can be corroborated by tracing the evolution and growth in prestige of finance, production, engineering, sales, research, and other management functions.

## Meaning:

- **HRM is the effective management of people at work.**
- HRM is process of making the efficient and effective use of human resources so that the set goals are achieved.

- In simple sense, human resource management means employing people, developing their resources, utilizing, maintaining their services in tune with the job and organizational requirements with a view to contribute to the goals of the organization, individual & the society.

## Different terms were used to denote Human Resource Management.
## They are:

1. Labour management,
2. labour administration,
3. labour-management relations, employee- employer relations,
4. industrial relations,
5. personnel administration, personnel management,
6. human capital management
7. human asset management.

## DEFINITION OF HRM:

1. According to **Flippo,** "Human resource management is the planning, organizing, directing and controlling, procurement, development, compensation, integration, maintenance and reproduction of human resources to the end that individual, organizational, and societal objectives are accomplished.
2. **Acc to Leon C. Megginson** "Human resources can be defined as a process of total Knowledge, skills , creative abilities, talents of an organization's workforce, as well as the value, attitudes and beliefs of the individual in the organization"

3. According to **Invancevich and Glueck " HRM is concerned with the most effective use of people to achieve organization and individual goals**
4. According to **Gary Dessler** – "Human Resource Management is the process of acquiring, training, appraising, and compensating employees, and attending to their labour relations, health, safety and fairness concerns."
5. HRM refers to acquisition, retention, motivation and maintenance of Human Resources in an organization.

## PERSONNEL MANAGEMENT

**Personnel management** can be defined as obtaining, using and maintaining a satisfied workforce. It is a significant part of management concerned with employees at work and with their relationship within the organization.

**According to Flippo**, "Personnel management is the planning, organizing, compensation, integration and maintenance of people for the purpose of contributing to organizational, individual and societal goals."

## Nature of HRM

- ❑ Integral part of the process of management
- ❑ Comprehensive function
- ❑ Persuasive function
- ❑ People oriented
- ❑ Based on human relations
- ❑ Continuous process
- ❑ Science as well as art

- Recent origin
- Interdisciplinary
- Basic to all functional areas

- **Integral part of the process of mgmt**: HRM cannot be separated from basic mgt function. The HRM is performed by all the managers through out the organization.
- **Comprehensive function:** The main function of HRM is to manage people at all levels. It covers all types of people at all levels in the organization. It means it applies to workers, supervisors, officers, managers.
- **Persuasive function:** It is inherent in all organizations and at all levels. It is not confined to industry alone. It is equally required in government, armed forces, sports, cultural organizations. It applies to all functional areas also like production, marketing, finance, research.
- **People oriented:** HRM is people-oriented function & is concerned with employees, individuals, as well as groups. It deals with human relationships within the organization.
- **Based on human relations:** Attempts to obtain willing cooperation of the employees, considers the emotions & sentiments of the employees. People have different needs, perceptions & expectations. Personnel skills are required to deal with the people at work.

- **Continuous process:** It is never ending. It is not one shot function. HRM requires constant alertness and awareness of human relations & its importance in everyday operations.
- **Science as well as art:** It contains organized body of knowledge and application of theoretical knowledge to HR problems.
- **Recent origin:** HRM is comparatively a young discipline. It started in the later part of the nineteenth century.
- **Interdisciplinary:** It involves application of knowledge derives from many disciplines sociology, anthropology, psychology, economics etc.
- **Basic to all functional areas:** It is basic to all other functions areas of mgt like production mgt, marketing mgt, financial mgt etc. every manager working in any department has to perform HR function.

## IMPORTANCE OF HRM

People have always been central organizations, but their strategic importance is growing in today‘s knowledge-based industries. An organization‘s success increasingly depends on the knowledge, skills and abilities (KSAs) of employees, particularly as they help establish a set of core competencies that distinguish an organization from its competitors.

With appropriate HR police and practices an organization can hire, develop and utilize best brains in the marketplace, realize its professed goals and deliver results better than others.

Human Resource Management helps an organization and its

people to realize their respective goals. Thus:

- **Attracting and Retaining Talent**
  HRM helps organizations find the right people and keep them motivated to stay, which is essential in a competitive job market.
- **Improving Employee Performance**
  HR ensures employees get proper training, feedback, and support, helping them work more efficiently and productively.

- **Building a Positive Work Culture**
  HR plays a key role in promoting values like teamwork, respect, and inclusion, which boosts employee morale and satisfaction.
- **Managing Change Effectively**
  In a fast-changing economy, HR helps employees adapt to new technologies, roles, and business strategies smoothly.
- **Ensuring Legal Compliance**
  HR keeps the organization updated with labor laws, ensuring fairness and avoiding legal troubles.
- **Supporting Innovation and Growth**
  HR encourages creativity, continuous learning, and skill development to help companies grow and stay competitive.
- **Employee Development and Motivation:**
  It helps in preparing employees for challenging roles, building positive attitudes, encouraging teamwork, and developing loyalty and commitment through appropriate reward schemes.
- **Handling Employee Relations**
  HR acts as a bridge between management and staff, solving conflicts and improving communication.
- **Boosting Employee Engagement**
  HR designs activities, benefits, and career growth plans to

keep employees interested and loyal to the company.

- **Strategic Workforce Planning**
  HR analyses future business needs and ensures the right people are in the right jobs at the right time.
- **Teamwork and Team Spirit:** It promotes team work and team spirit among employees.
- **Contributing to Business Success**
  Overall, HR aligns people practices with business goals, helping the company succeed in a complex and dynamic economy.
- **To maintain quality of work life:**
  HRM ensures a healthy, safe, and satisfying work environment for employees.
- **To increase productivity and profit**
  By managing people effectively, HRM boosts employee output and business performance.
- To **resolve conflicts:**
  HRM handles disagreements fairly to maintain harmony and cooperation at the workplace.

- **At the national level:** Effective use of human resources helps in effective use of natural, physical and financial resources in a better way. People with right skills, proper attitudes and appropriate values help the nation to get ahead and compete with the best in the world leading to better standard of living and better employment.




# Evolution of HRM

**Period before industrial revolution** – The society was primarily an agriculture economy with limited production. Number of specialized crafts was limited and was usually carried out within a village or community with apprentices assisting the master craftsmen. Communication channel were limited.

**Period of industrial revolution (1750 to 1850**) – Industrial revolution marked the conversion of economy from agriculture based to industry based. Modernization and increased means of communication gave way to industrial setup. A department was set up to look into workers wages, welfare and other related issues. This led to emergence of personnel management with the major task as

- Worker‘s wages and salaries
- Worker‘s record maintenance
- Worker‘s housing facilities and health care

An important event in industrial revolution was growth of Labor Union (1790) – The works working in the industries or factories were subjected to long working hours and very less wages. With growing unrest, workers across the world started protest and this led to the establishment of Labor unions. To deal with labor issues at one end and management at the other Personnel Management department had to be capable of politics and diplomacy, thus the industrial relation department

emerged.

Post Industrial revolution – The term Human resource Management saw a major evolution after 1850. Various studies were released and many experiments were conducted during this period which gave HRM altogether a new meaning and importance.

1. **Industrial Revolution Era (Late 18th – Early 19th Century):**
    - Focus on mass production and factory systems.
    - Workers treated as tools; no focus on welfare.

2. **Scientific Management (Taylorism – 1911):**
    - **Frederick W. Taylor** gave principles of scientific management (1857 to 1911)
    - F.W. Taylor emphasized productivity through time studies and job specialization.
    - Worker‘s training
    - Maintaining wage uniformity
    - Focus on attaining better productivity.
3. **Human Relations Movement (1930s–1950s):**
    - Elton Mayo’s Hawthorne Studies (1927 to 1940) highlighted the importance of social factors at work.
    - Emphasis on employee motivation and group dynamics.
    - Hawthrone experiment shifted the focus of increasing worker‘s productivity to increasing worker‘s efficiency through greater work satisfaction.

4. **Personnel Management Era (1950s–1970s):**
    - **Douglas McGregor Theory X and Theory Y** (1960) and Abraham Maslow‘s Hierarchy of needs ( 1954) – These studies and observations led to the transition from the administrative and passive Personnel Management approach to a more dynamic Human Resource Management approach which considered workers as a valuable resource.

- Formalization of roles like recruitment, training, payroll.
- Focus on administrative efficiency and labor relations.
- Recruitment and selection of skilled workforce.
- Motivation and employee benefits
- Training and development of workforce
- Performance related salaries and appraisals.

5. **Emergence of HRM (1980s):**
   - Shift from reactive personnel function to proactive, strategic HRM.
   - Alignment of HR practices with business goals.
6. **Strategic HRM (1990s–2000s):**
   - HR seen as a strategic partner in business success.
   - Use of technology, data, and integrated systems in HR.
7. **Early 20th Century – Welfare Approach:**
   - Growing awareness of worker welfare and health.
   - Welfare officers appointed in factories.

8. **Modern HRM (2010s–Present):**
   - Focus on employee experience, diversity & inclusion, and work-life balance.
   - Emphasis on digital HR, AI in recruitment, remote work policies, and agile HR.

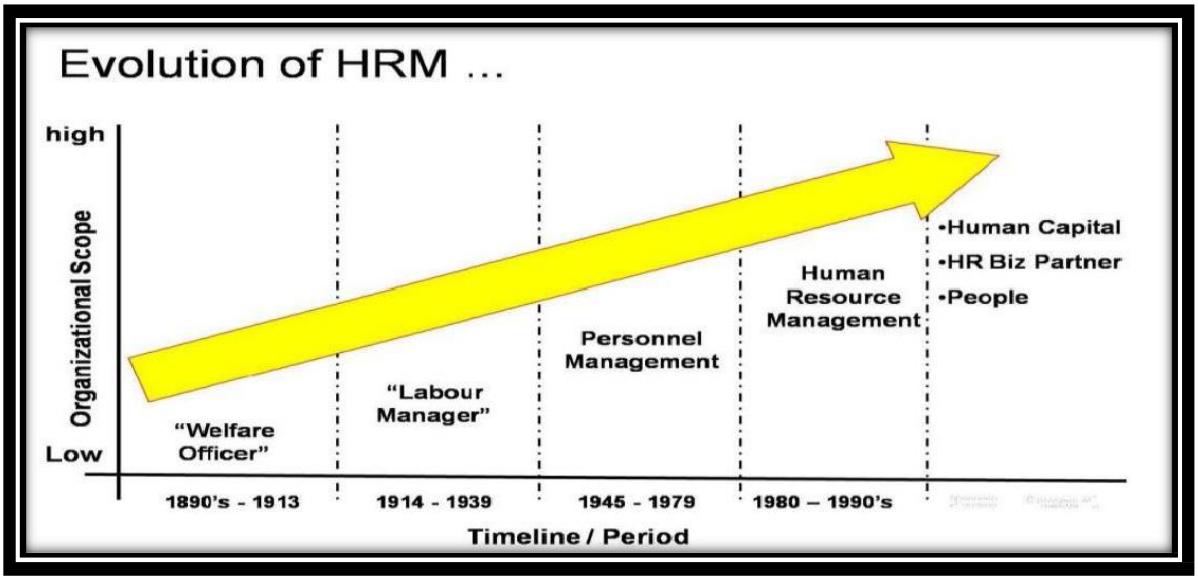
| Period | Development | Emphasis | Status | Roles |
|---|---|---|---|---|
| 1920 – 30 | Beginning | Statutory Welfare management Authoritarian practice | Clerical | Welfare administrator |
| 1940 - 60 | Struggling for recogniti | Expanding the role to cover Labour, Welfare, | Administrative | Advisor, Appraiser and Mediator |

| | | | | |
|---|---|---|---|---|
| | on | Industrial Relations<br>Personnel Administration | | Legal advisor<br>Fire fighting |
| 1970 - 80 | Achieving sophistication | Professional, Efficiency, Effectiveness dimensions added<br>Emphasis on human values, aspirations | Managerial Developmental | Integrator, Trainer<br>Educator<br>Change agent |
| 1990s onwards | Incremental productivity | Proactive | Developer | Executive |
| 2005 onwards | challenging | Change management | Strategic Partner | Expert |

## Evolution of the Personnel Function

| Concept: | What is it all about?: |
|---|---|
| The Commodity concept | Labour was regarded as a commodity to be bought and sold. Wages were based on demand and supply Government did very little to protect workers. |
| Concept: The Factor of Production concept | Labour is like any other factor of production, viz, money, materials, land, etc. Workers are like machine tools. |
| The Goodwill concept | Welfare measures like safety, first aid, lunch room, rest room will have a positive impact on workers' productivity. |
| The Paternalistic concept/Paternalism | Management must assume a fatherly and protective attitude towards employees. Paternalism does not mean merely providing benefits but it means satisfying various needs of the employees as parents meet the requirements of the children |
| The Humanitarian concept | To improve productivity, physical, social and psychological needs of workers must be met. As |

| | |
|---|---|
| | Mayo and others stated, money is less a factor in determining output, than group standards, group incentives and security. The organization is a social system that has both economic and social dimensions. |
| The Human Resource concept | Employees are the most valuable assets of an organization. There should be a conscious effort to realize organizational goals by satisfying needs and aspirations of employees. |
| The Emerging concept | Employees should be accepted as partners in the progress of a company. They should have a feeling that the organization is their own. To this end, managers must offer better quality of working life and offer opportunities to people to exploit their potential fully. The focus should be on Human Resource Development |

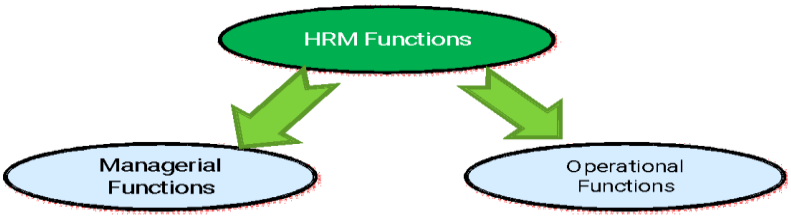



## Functions of HRM:

The functions of HRM can be classified in to two categories

1. Managerial Functions
2.Operative Functions

# HRM FUNCTIONS




15

## MANAGERIAL FUNCTIONS

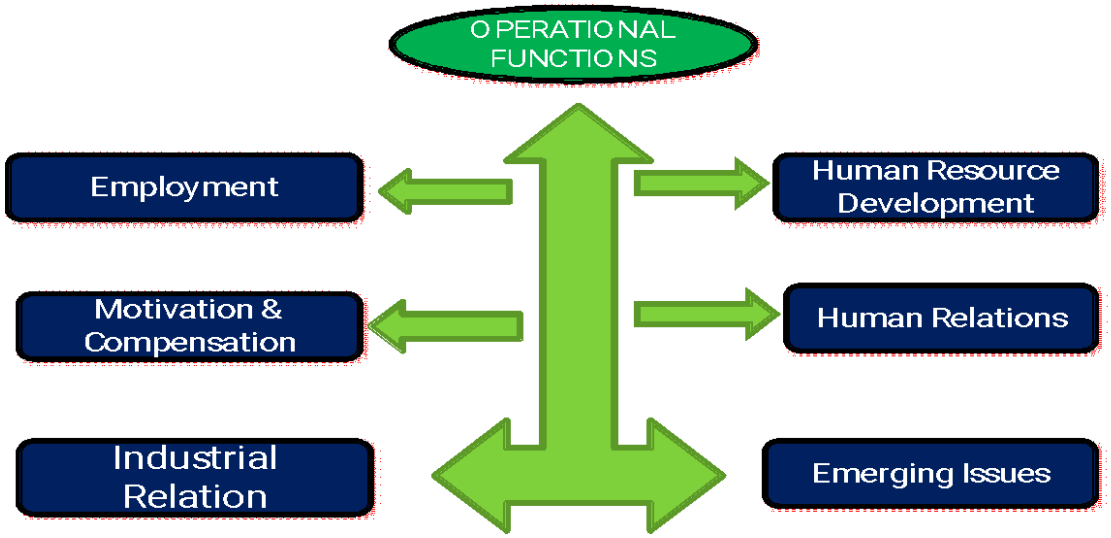
**a) Planning:** Predetermined course of action. It involves planning of human resources, recruitment, selection, training, attitudes etc.

**b) Organizing:** Determining Relationship, Structure, process etc.

**c) Directing:** Motivating, commanding, leading, guiding. Tapping maximum potentials of the employees.

**d) Controlling:** Checking, verifying and comparing actuals with plans, identifying the deviations and correcting them.

2) Operative Functions :




19

## 2) OPERATIVE FUNCTIONS:

| | |
|---|---|
| **a. Employment:** It is concerned with employing the people possessing required skill, knowledge, qualification & experience | **i) Job Analyses:** Process of study & collecting information relating to a specific job |
| | **ii) Human Resource Planning:** Process of assuring the availability of adequate number of people available at right time. |
| | **iii) Recruitment:** Process of searching the prospective employees & stimulating them to apply for the job. |
| | **iv) Selection:** It is the process of selecting the suitable, well qualified, experienced, knowledgeable candidate to a job. |
| | **v) Placement:** Process of assigning a specific job to a selected candidate. |
| | **vi) Induction & Orientation:** Process of introducing new employee to the people, policies, practices. |
| **b) Human Resource Development:** Process of improving, moulding & changing the skills, knowledge, ability, attitude, values etc.. | **i) Performance Appraisal:** It is systematic evaluation of individuals with respect to their performance on the job & their potential for development. |
| | **ii) Training :** Process of imparting the technical & operating skills & knowledge to employees. |
| | **iii) Management Development:** process of organizing & conducting the executive development programmes to develop managerial & human skills to the mangers. |
| | **iv) Career Planning:** Process of planning one's career & implementation of career plans by |

| | |
|---|---|
| | means of education, training |
| | **v) Internal Mobility:** It includes vertical & horizontal movement of employees within an organization. |
| | **vi) Transfer:** Process of placing employees in the same level jobs where they can be utilized more effectively in consistence with their potentialities. |
| | **vii) Promotion :** It deals with upward movement of an employee to occupy higher position which commands better status & pay. |
| | **Viii) Demotion:** Downward reassignment of to an employee |
| **c) Motivation & Compensation**<br>Motivation & Compensation refers to the strategic use of rewards and incentives to drive employee performance, engagement, and satisfaction. It aligns individual goals with organizational objectives by fostering commitment through financial and non-financial benefits | **i) Job Evaluation:** process of determining the relative worth of jobs. |
| | **ii) Wage & Salary Admin :** process of developing a suitable wage & salary programme. |
| | **iii) Incentives:** Process of formulating, administering the schemes of financial incentives in addition to regular payment of wages & salary. |
| | **iv) Bonus:** Payment of statutory bonus according to bonus act 1965 & its latest amendments. |
| | **v) Fringe Benefits:** Management provides various benefits to the employees to meet their life's contingencies. These fringe benefits are housing facilities, canteen & recreational facility, disable & medical benefit education facility |
| | **vi) Social Security:** mgt provides social security to the employees dependents benefit, maternity benefit, sickness |

| | |
|---|---|
| | benefit, workmen's compensation, medical benefit. |
| **d) Human Relations :** | It is process of interaction among human beings. Motivating, Developing communication & Leadership skills |
| **e) Industrial Relations** | Study of relations among employees, employer, government & trade unions. IR includes Trade Union , Collective Bargaining, Industrial Conflicts, Workers' Participation, Quality Circles. |

## OBJECTIVES OF HRM

The primary objective of HRM is to ensure the availability of a competent and willing work force to an organization. Beyond this there are other objectives, too. Specifically, HRM objectives are four folds- societal, organizational, functional, and personal.

The **principal objectives** of HRM may be listed thus:

- Effective utilization of human resources
- To help the organization reach its goals
- To employ the skills and abilities of the workforce efficiently
- To provide the organization with well-trained and well-motivated employees
- To increase to the fullest the employee's job satisfaction and should help
  the employees in achieving the self-actualization
- To establish desirable organization structure
- To develop and maintain a quality of work life

- To communicate HR policies td-all employees
- To be ethically and socially responsive to the needs of society.
- To establish and Maintain a cordial relations between employees and management leading to organizational relationships
- Providing opportunities for individual & group development for growth of organization.
- To satisfy the individual & group needs by giving adequate wages,
  incentives, benefits & security
- Giving challenging work, prestige, recognition & status.

## Objectives of HRM

- **Societal objectives**: The basic objective of HRM towards the society should be to ensure that their organization manages human resources in an ethically & socially responsible to the needs and challenges and ensure compliance with legal and ethical standards.
- **Organizational objectives**: Like all other department, HR dept should focus on achieving the goals of the organization first. HR dept should recognize its role in bringing about organizational effectiveness. It is only a means to assist the organization with its primary objectives.
- **Functional objectives**: To maintain the HR department's contribution at a level appropriate to the organization's needs. HRM should employ the skills and abilities of the workforce efficiently.
  It should aim at providing the organization with well motivated and well trained employees.
- **Personal objectives**: HRM should assist employees in achieving their personal goals if the employees are to be retained and motivated. HRM should increase the employees' job satisfaction which in turn enhance the individual's contribution to the organization. It should maintain a quality

of work life. It will help in tapping the ideas, opinions, feelings and view of the employees.

## Difference between HRM and Personal Management

| S.No | Dimension | PM | HRM |
|---|---|---|---|
| 1 | Employment contract | Careful execution of written contract | Aim to go beyond contract |
| 2 | Rules | Importance of devising clear rules | Impatience with rules |
| 3 | Guide to mgt action | Procedures | Business need |
| 4 | Behavior referent | Norms/customs & practices | Values/mission |
| 5 | Managerial task vis-à-vis labor | Monitoring | Nurturing |
| 6 | Key relations | Labour | Customer |
| 7 | Initiatives | Piecemeal (disorganized disconnected, disjointed) | Integrated |
| 8 | Speed of decision | Slow | Fast |
| 9 | Management role | Transactional role | Transformational role |
| 10 | Communication | Indirect/Restricted flow | Direct/Increased flow |
| 11 | Management role | Negotiation | Facilitation |
| 12 | Pay | Job evaluation (fixed pay) | Performance Pay |
| 13 | Job design | Division of labour | team work |
| 14 | Conflict handling | Temporary | Permanent |

| | | | |
|---|---|---|---|
| 15 | Respect for employees | Labour - a tool, expendable & replaceable | People are assets & to be used for the benefit of the organization |
| 16 | Shared interests | Organization interest is uppermost | Mutuality of interests |

**FACTORS AFFECTING HUMAN RESOURCE MANAGEMENT**

Human resource management is a subsystem of an organization as a system. In the case of human resource management, there are two categories of environmental factors-external and internal.

1. **External factors** are all those factors which lie outside an organization and affect its working, including human resource management.
2. **Internal factors** are all those factors which lie within the organization and affect human resource management.

- **EXTERNAL FACTORS INFLUENCING HRM** :

**1. Economic factors:** economics factors include all those economic forces which affect the HR function. Highly relevant factors are suppliers, customers, competitors and globalization.

a) **Suppliers:** Suppliers are those who provide human resources to the organization. It includes universities, colleges, employment exchanges, training institutes, consultancies. The quality of

input depends upon the suppliers.

b) **Workforce and Population:** Human resource management practices are population and workforce, workforce market conditions, national income, and inflationary pressures. Workforce market condition shows demand and supply of workforce.

It influences human resource management practices relating to recruitment and selection.

c) **Customers:** Customers influence HR functions. Customers are the kings. They want high quality products at reasonable prices. Each and every employee must contribute towards achieving the quality goods.

d) **Competitors:** Competition plays a very important role in HR function . Because of competition, getting and retaining skilled employees is a challenge to HR.

**2. Political and legal factors:** All the activities of HRM is affected by these factors. HR is abide the rules and regulations imposed by the government from time to time related to management of human resources. HR managers must be aware about the legislation enacted by the government at the centre and at the states.

In India, there are various Acts passed by Parliament and State legislatures, relevant to management of human resources. Factories act 1948, The payment of wages act 1936, The payment of bonus act 1965, The minimum wages act 1948, The payment of gratuity act 1972. The EPF act, Employees state insurance act

1948 There cannot be discrimination among employees on the basis of sex, caste, religion, or place of origin. Employee remuneration, safety, working conditions, and industrial relations systems must conform to various legal prescriptions.

**3. Social and cultural factors:** now a days the society has become more demanding. Firms cannot operate in isolation. A firm has to operate by public consent to satisfy society's needs. People belonging to varies cultures are the members. From human resource management point of view, attitudes, beliefs, desires, expectations, and customs of the society at a given point of time are important. The attitude of the worker towards the work is the result of their cultural background. Individual behaviour in the organization is the result of the culture which in turn defines the work ethics.

**4. Technological Factors:** In the present competitive world, technological developments can drastically influence the organization. Technology advancements leads to downsizing of workers, compel the people to learn new set of skills to upgrade themselves, in the days ahead, the risky jobs as well as repetitive jobs would be handed over to the robots. The organization becomes fully computerized and automated., then the demand for people with multi skills will grow.

In recruitment and selection, the total process has been reduced to such an extent that the entire process can be

completed within a very short time. All employees are linked through information technology. Therefore, they can work from any place. This helps them to maintain proper work-life balance.

5. **Globalization:** due to globalization, business has become highly volatile in nature. HR manager will play an important role in creating favorable work climate to initiate and implement changes quickly.

**INTERNAL FACTORS INFLUENCING HRM** :

In addition to the external factors, there are several internal factors which influences the HR activities;

**1. Organizational Strategy Affecting HRM**

Organizational strategy plays a pivotal role in shaping Human Resource Management (HRM), as HR must align its policies and practices with the broader goals and direction of the organization. Whether the strategy is focused on growth, cost leadership, innovation, diversification, or globalization, HRM acts as a strategic partner in achieving those objectives. For instance, a growth-oriented strategy may require aggressive

recruitment, leadership development, and talent retention initiatives. An innovation strategy, on the other hand, demands a strong emphasis on creative thinking, continuous learning, and fostering a culture of experimentation—requiring HR to design flexible work structures and support R&D capabilities.

When a company adopts a cost-leadership strategy, HR must focus on operational efficiency by controlling labor costs, outsourcing non-core activities, and streamlining HR processes. Moreover, globalization strategies lead HR to develop global talent pipelines, cross-cultural management practices, and compliance with international labor standards.

Thus, HRM is not only influenced by the organizational strategy but also plays a critical role in executing and sustaining it through the effective management of human capital.

**2. Mission:** Mission is the basic purpose of the existence of the firm. All managers at all levels must carry out assigned tasks keeping the overall mission of the firm in mind. The HRM functions are also affected by the mission of the organization.

**3. Policies:** Policies are the guide maps in the organization. Policies tell employees does and don'ts. Some important policies that influence the work of the HR. These include guidelines related to providing safe working conditions for employees, promotions, compensation, employee behavior, grievance redressal, and workplace ethics. Such

policies ensure consistency, fairness, and legal compliance in HR operations.

**4. Organizational culture:** Organizational culture defines the shared values, beliefs, and behaviors that shape how work is done and how people interact within the organization. The HR manager understand the type of the culture that prevails in the organization to formulate the appropriate policies and strategies. This culture significantly influences HR policies, employee engagement strategies, and communication patterns. For example, a flexible and innovation-driven culture empowers HR to adopt progressive practices such as remote work policies, autonomy in roles.

**5. Organizational structure:** There are basically two type of structures tall and flat. Tall structures are suitable to the companies which are labour intensive. Flat structure is suitable to the technology oriented companies.
Flat structure indicates decentralization of authority. These organizations tend to have very less number of employees at the operating ;level. In the modern era, the job of HR manager has become very challenging.

**6. Leadership and Management Style**
The leadership and management style adopted by an organization plays a critical role in shaping HRM. It affects how policies are designed, implemented, and communicated.

A participative or democratic leadership style promotes open communication, employee involvement, and trust, encouraging HR to adopt inclusive practices such as collaborative goal-setting and feedback mechanisms. Conversely, authoritarian leadership may lead to more

rigid HR policies and top-down decision-making.

**7. Trade unions:** a trade union in an organization is a separate entity, it has been treated as an internal factor because organization's employees (particularly operatives) are members of the trade union. Trade unions constitute one of the major power blocks in HRM function. Trade union affects recruitment of employees, their development, compensation, maintenance, and industrial relations. Generally, agreement between management and labour is reached through collective bargaining. Bargaining power of a trade union depends on the strength of its members as well as support of association trade unions at national level.
In such a situation, the organization has to adopt human resource management practices according to wishes of the trade union though such practices may have adverse impact on the organization.

## HR Manager as a Strategic partner.

**Strategic** **HRM:**

**According to Bourgeois:** Strategy is the means by which management in an organization establishes and aligns constraints. HR has a very important role to play in the execution of strategies through strategic HR practices. Today it is the firm's workforce-its knowledge, commitment, skills and training that provides the competitive advantage for world class companies. It is the job of the HR to build this competitive advantage.

### HR Manager as a Strategic Partner

In today's competitive world, the HR Manager is not just responsible for hiring and managing people. They play a very important role in helping the organization plan and achieve its long-term goals. This is called being a "strategic partner." HR helps the company both in making the strategy (formulation) and in putting it into action (implementation).
Today HR's role is changing in to the role of a strategic partner and change agent. Strategic HRM is the linking of HRM with the strategic goal and objectives in order to improve the business performance-----Truss & Gratton.

Thus in Strategic HRM, the HR Manager play role of a strategic partner in both formulation of the company's strategies as well as in the implementation of those activities through HR activities.

## 1. Role of HR in formulation of Strategy:

Strategy formulation is always preceded by environmental scanning. Scanning helps in identifying, analysing and balancing company's external opportunities and threats and its internal strengths and weaknesses. HR plays a very important role in providing the useful information like competitors incentive plans, about pending legislation like labour laws.

### a) Workforce Analysis

**HR studies the current workforce—how many people the company has, what skills they have, and what more is needed for the future.**

### b) Aligning People with Business Goals

**HR gives advice on how people-related issues (like**

**hiring, training, and performance) can help the company achieve its goals.**

### c) Identifying Strengths and Weaknesses

**HR helps in analyzing employee performance, motivation levels, and culture. This helps leaders understand the organization's internal strengths and weaknesses before making a strategy.**

### d) Providing Data and Insights

**HR uses HR analytics and data to show trends in employee turnover, performance, and training needs. This helps leaders make better plans.**

## Role of HR in implementing Strategy:

A firm's functional strategies should support its competitive strategies. HRM supplies the company with a competent and willing workforce which is responsible for executing the strategies.

HR supports strategy implementation in other ways also. It can also help the firm carry out restructuring and downsizing efforts without rubbing employees the wrong way.

Eg : through out placing employees, linking rewards to performance etc.

### a) Recruitment and Training

**Once a strategy is made, HR hires the right people and trains**

**employees to achieve the company's goals.**

### b) Performance Management

**HR creates systems to measure if employees are meeting the targets set by the strategy.**

### c) Communication and Change Management

**HR helps explain the strategy to employees clearly and supports them during changes, such as restructuring or digital transformation.**

### d) Motivation and Rewards

**HR designs reward systems (like bonuses and promotions) to encourage employees to work towards the company's strategic goals.**

## Four facets of HR Practices

**Four facets of HR practices are:** Managing The Human Resource Environment, Acquisition and Preparation of Human Resources, Assessment and Development of Human Resources, and Compensation of Human Resources.

Human Resource Management (HRM) functions practices are essential for strategic workforce management and organizational success.

**Four Facets of HR Practices**

1. **Managing the Human Resource Environment**
   This refers to creating a positive, legal, and ethical work atmosphere.

**Key Activities:**

- Workforce planning
- Building inclusive work culture
- Ensuring legal compliance (labor laws, policies)
- Aligning HR policies with business strategy

2. **Acquisition and Preparation of Human Resources**
   This involves getting the right people into the organization and preparing them for success.

**Key Activities:**

- Recruitment and selection
- Onboarding and orientation
- Training and development
- Talent planning

3. **Assessment and Development of Human Resources**
   This focuses on measuring employee performance and helping them grow.

**Key Activities:**

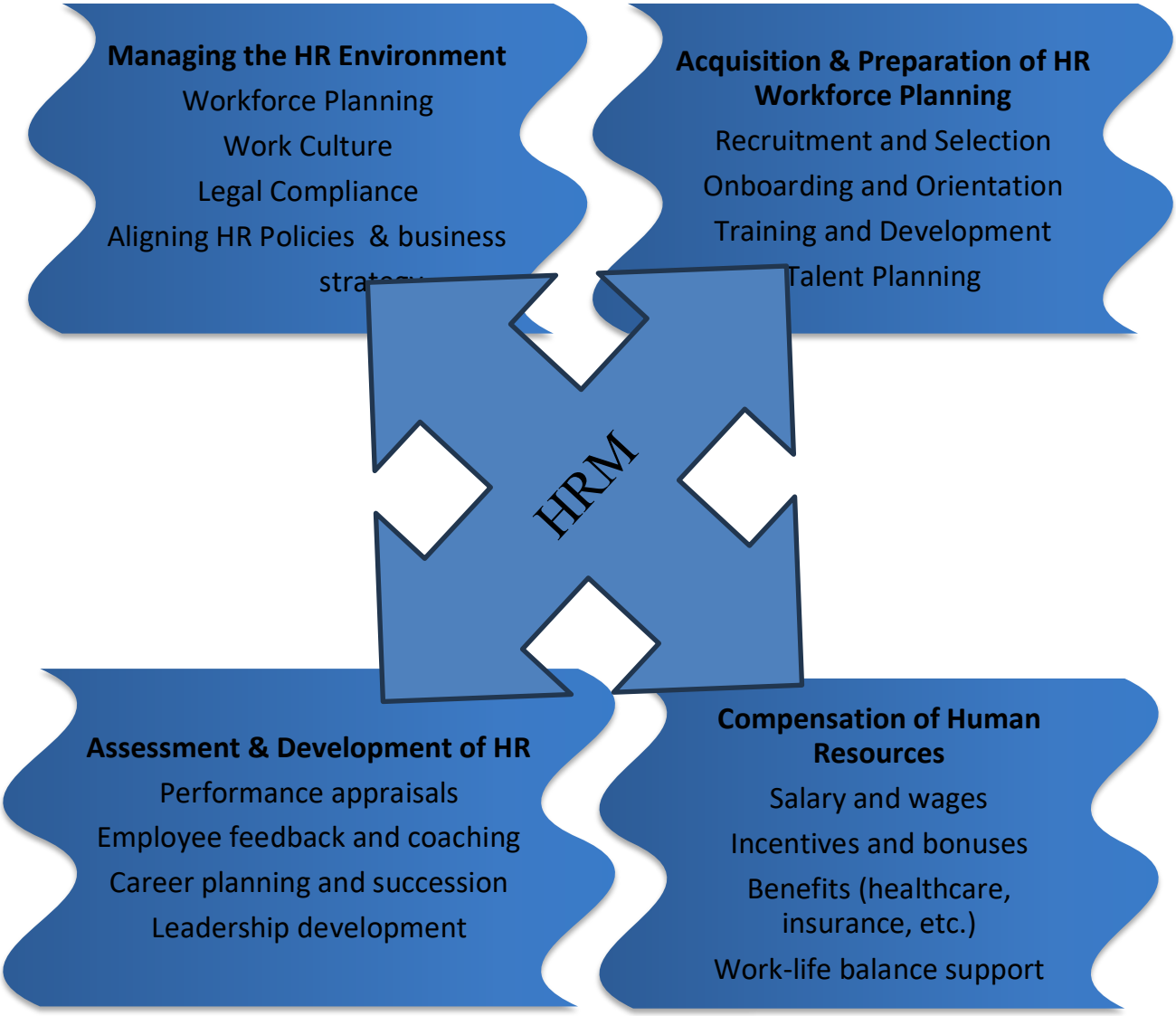
- Performance appraisals
- Employee feedback and coaching
- Career planning and succession
- Leadership development

4. **Compensation of Human Resources**
   This involves rewarding employees fairly and competitively to keep them motivated.
   **Key Activities:**

- Salary and wages
- Incentives and bonuses
- Benefits (healthcare, insurance, etc.)
- Work-life balance support

| S. No | HR Practice Facet | Main Focus | Key Activities |
|---|---|---|---|
| 1 | Managing the HR Environment | Creating a positive and compliant culture | Workforce planning, legal compliance, policies |
| 2 | Acquisition & Preparation of HR | Hiring and preparing the workforce | Recruitment, onboarding, training |
| 3 | Assessment & Development of HR | Measuring and improving performance | Appraisal, coaching, career development |
| 4 | Compensati | Rewarding | Salary, |

| S. No | HR Practice Facet | Main Focus | Key Activities |
|---|---|---|---|
| | on of HR | employees fairly | incentives, benefits, work-life balance |




## Reputed Institutions Imparting HRM Education

- Indian Institute of Management, Bangalore- IIM Bangalore
- TATA Institute of Social Science, Bombay
- HR Group of Institutions, Noida ( Uttar Pradesh)

- ICFAI University, Bangalore.
- Xavior institute of management
- Visvesvaaya Institute of Technology, Belagum
- Alliance university of Management
- Jain Universitiy
- Christ Universty
- Reva university
- PES university

**Professional Associations in HRM**

--Society for Human Resource Management
--National Institute of Personnel Management NIPM
--National Human resource development Network.
--The Indian Society for Training & Development.
--National Association of Personnel Services
--National Human Resources Association
--ACIP: American Council on International Personnel
--International Personnel Management Association
--The Hong Kong Institute of Human Resource Management

**SCOPE OF HRM**

The scope of HRM is indeed vast. —All major activities in the working life of a worker from the time of his or her entry into an organization until he or she leaves would come under the purview of HRM. Specifically, the activities included are-

HR planning, job analysis and design, recruitment and selection, orientation and placement, training and development, performance appraisal and job evaluation,

employee and executive remuneration, motivation and communication, welfare, safety and health, industrial relations (IR) and the like.

The scope of HRM is very wide. —Research in behavioral sciences, new trends in managing knowledge workers has expanded the scope of HR function in recent years, The Indian Institute of Personnel Management has specified the scope of HRM.‖

1. **Human resources planning**
   Human Resource Planning refers to a process by which the company tries to find the number of jobs vacancy in which a particular department and The number of staff required with the necessary qualification and experience.
2. **Job analysis design**
   Another important area of Human Resource Management is job analysis. Job analysis gives detailed information about the job description and employee specifications in the company.
3. **Recruitment and selection**
   Based on information collected from job analysis the company prepares advertisements and publishes them in the newspapers, Employment sites, etc. This is recruitment. A number of applications are gathered after the advertisement is published, interviews are conducted and the right employee is selected for the right post and right time thus recruitment and selection are yet another important areas of Human Resource Management.
4. **Orientation and induction**
   Once the employees have been selected an induction or orientation program is conducted. The employees are informed about companies' backgrounds, products, different subsidiaries' organizational culture and values, and work ethics and introduced to the new employee to other employees.
5. **Training and development**
   Every employee goes into a training program which helps him to put up a better performance on the job. The training program is also conducted for existing staff that have a lot of experience. This is called refresher training. Training and development is one area where the company spends a huge amount.
6. **Performance appraisal**
   Once the employee has put on the job performance appraisal is

conducted that is the Human Resources department checks the performance of the employee. Which helps appraise future promotions, incentives, increments in salary, etc

7. **Compensation planning and remuneration**
   There are various rules regarding compensation and other benefits. It is the job of the Human Resources department to look into remuneration and compensation planning.
8. **Motivation, welfare, health, and safety**
   Motivation becomes important to sustain the number of employees in the company. It is the job of the Human Resources department to look into the different methods of motivating & encourage the employee. Apart from this certain health and safety regulations have to be followed for the benefit of the employees.
9. **Industrial relations**
   Another important area of Human Resource Management is maintaining co-ordinal relations with the union members. with employer-employee, and employee- employee This will help the organization to coordinate with one another for smooth working

UNIT-IV

- Training can be introduced simply as a process of assisting a person for enhancing his efficiency and effectiveness to do a work. Training is important to establish specific skills, abilities and knowledge to an employee

- Training and Development is the framework for helping employees to develop their personal and organizational skills, knowledge, and abilities.

**Definition**

Training is the act of increasing the knowledge and the skill of an employee for doing a particular job"

Edwin. B. Flippo.....

Training is the systematic development of the knowledge, skill and attitudes required by an individual to perform adequately a given job"

Machael Armstrong.....

It is an attempt to improve current or future employee performance by increasing an employees ability to perform through learning, usually by changing the employees attitude or increasing his/her skills & knowledge".

| Basis | Training | Development |
|---|---|---|
| Nature | Training focuses on technical, mechanical oriented options. | Development focuses on theoretical skill and conceptual ideas. |
| Emphasis | Training is concerned with specific job skills and behavior. | Development is concerned with related enhancement of general knowledge and understanding of non-technical organization functions. |
| Relevance | Training is mostly for non-managers. | The development is for managers and executives. |
| Focus | Training focuses on current jobs. | Development prepares for future jobs. |
| Goals | Training focuses on short-term gains. | Development focuses long-term accruals. |
| Classification | Training can be classified into two major types: On-the job training ,Off-the job training | no such classification is possible. |
| Voluntary/ imposed | Training is usually imposed. | Development activities management development programmes, are generally voluntary. |

| | | |
|---|---|---|
| Evaluation | Evaluation for training is considered to be essential. | No evaluation for development is possible. |

| Training | Development |
|---|---|
| ***Duration:*** Training is the short term process. | Development is the long term process |
| ***Content:*** Training is the systematic and organised procedure by which non-managerial employees learn technical knowledge and skills for a definite purpose. | Development is the systematic and organised procedure by which managerial employees learn conceptual and theoretical knowledge for general purpose. |
| ***For Whom-*** It is designed primarily for non managers. | It is designed primarily for managers. |
| ***Perspective:*** Training helps the employees to learn how to perform the present job. narrow perspective | Development helps the mangers to learn and prepare them to perform future job. Broad perspective |
| **Process;** Training is reactive process | Development is the proactive process. |
| ***Purpose:*** Training is job oriented | Development is personal growth oriented |

TRAINING METHODS

- On-The-Job Training
- Off-The- Job training

**On-The-Job Training**

- Job Rotation
- Coaching
- Job Instruction
- Apprenticeship
- Committee Assignments

**Off-The- Job training**

- Vestibule Training
- Role Playing
- Lecture Methods
- Conference Or Discussion
- Programmed Instruction

**Job Rotation:**

- Moving an employee from one job to another job. Trainee gets the job knowledge & experience from different employers in depts about many jobs.

- It helps the trainees to understand problems of other depts.

Coaching:

- An employee is placed under a particular supervisor who functions as a coach in training the individual. Supervisor provides feedback & offers suggestions for improvement.
- Limitation of this method is that trainee may not have the freedom to express his own ideas.

Job Instruction:

- Training through step by step. Trainer explains the way of doing the job, explains job in step wise each in a proper sequence, observe performance & provides feedback to correct the trainee.
- Prepare employee, make him feel easy. Explain the job , its importance & create interest in job. Present the job, demonstrate one step at a time. Tell why & how? Instruct clearly & patiently. Correct the errors. Encourage questions, check frequently. Teach him repeatedly.

Apprenticeship:

- Oldest & simplest method for training. In this theoretical knowledge & practical learning are provided to trainees. Stipend is paid to trainees during the training period. It is earn while you learn scheme.

Committee Assignments:

- Group of trainees are asked to solve an actual organizational problem jointly.

Off-The-Job Training

Vestibule Training/ Simulation:

- Trainee is exposed to artificial working environment. Machines and equipments are identical with those in the work place. On the jobs are duplicated in a company class rooms. Trainee work is closely duplicated. This is essential in cases in which actual practice on the job may be costlier to the company. Because error may lead to destruction of costly equipment, costly material, costly resources. Eg: aeronautics, defense.

Role Playing:

- It is also called as role reversal. Trainees are assigned to play the roles in a given situation. There are no written lines & no rehearsals. Role players have to quickly respond to situation. It involves realistic behaviour in an imaginary situation. It is for the purpose of building employer-employee relationship.

Lecture Methods:

- Simplest method of imparting the knowledge to trainees. Facts, concepts, principles, theories & problem solving abilities are taught to trainees.

**Conference Or Discussion:**

- Conference is held. Mutual problems are discussed & participants pool their ideas & experiences to arrive at solutions. Members of the group come to teach each other & to learn together. If required divide the conferences into small groups of four or five for intensive discussion. This method is suited for analyzing problems, issues & examining them from different view points & develop conceptual knowledge.

**Internship Training :**

- Selected candidates carry a regular studies for the prescribed period. They work in some office to acquire practical knowledge. It is adopted in professional courses i.e. MBBS, C.A.

**Programmed Learning:**

- The subject to be learned is presented in a sequential units. Units arranged from simple to complex levels. The trainees go through the contents, answers the questions. This method is expensive & time consuming.

**E-Training**

**Audio-visual:**

- Audio visual include television, overheads, films power points, video conferencing, audio video tapes tapes. These tends to be more interesting. This method is expensive.

**Computer Based Training:**

- Trainee uses computer based & CD, ROM systems. This trg tends to be more flexible since the trainees can use the computer at his own time.

**Electronic Performance Support System EPPS.**

- Computer based support systems.

**Distance & Internet based training:**

**Tele-training:**

- Trainer at central location teaches employees at remote locations via television.eg: Honda America uses satellite tech to train its engineers

**Video conferencing:**

- It is used by companies to train the employees who are geographically separated. Combination of audio-visual equipment.

## Performance management

Performance management is defined as a continuous process of identifying, measuring, managing, and developing the performance of individuals and groups in an organization.

### Objectives Of Performance Management

A. Objective for the Employee
B. Objective for the organization

### A. Objective for the Employee

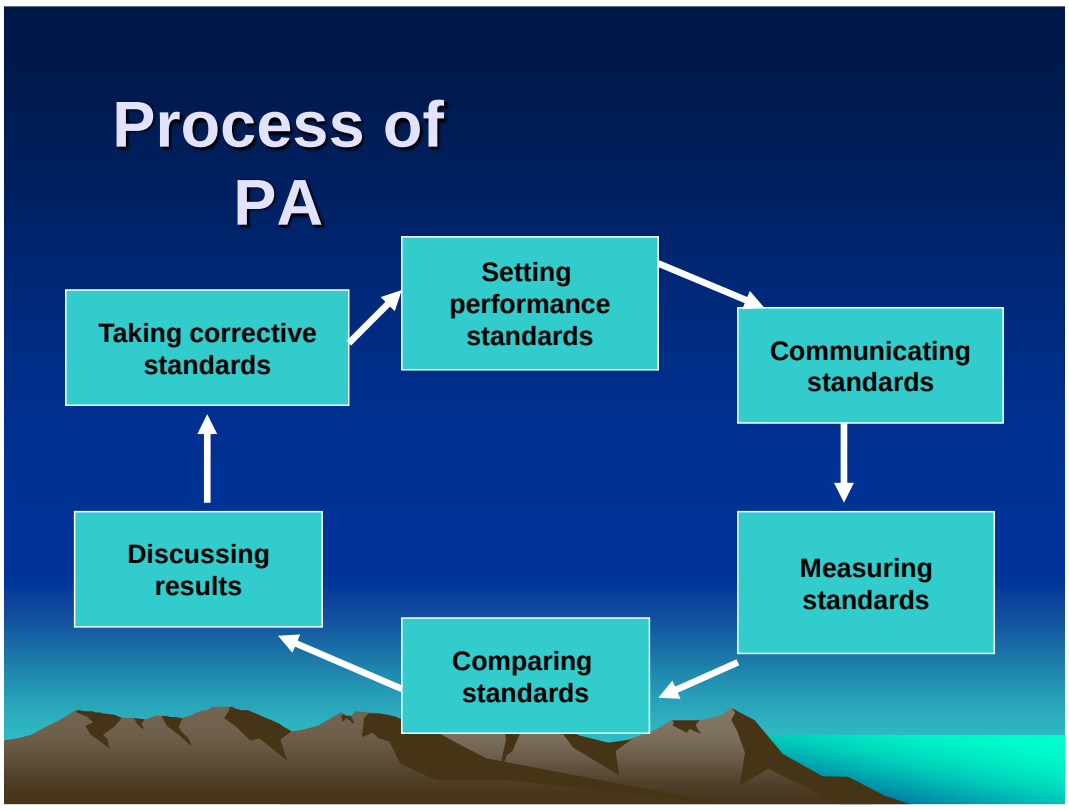
1. **Personal development:** Performance appraisal can provide **an indication of employees with leadership potential or leadership development needs**. In both cases, the manager and HR department then can develop programs and interventions to either offer employees an opportunity to exercise their leadership competencies or build skills.
2. **Work satisfaction:** High job satisfaction is also linked to performance, which in turn is linked to **higher profits**. Those employees who feel happy and content in their roles are much more likely to approach the tasks that they need to carry out with enthusiasm and dedication.
3. **Engagement in the organization:** When companies help people to develop their
   skills and recognise them for great performance, engagement increases. Knowing this should create a sense of urgency for organisations of all sizes to better integrate engagement into performance management processes.

### B. Objective for the organization

1. Provide information about employees and their development
2. Measure the efficiency with which human resources are being used and improved
3. Provide linkages to compensation and rewards to employees
4. Maintain organizational control Identifying the strength and weakness of an employee
5. Opening communications between employees and managers
6. Strengthening the relationship of an employee with his superior
7. Offering clarity in terms of expectations and organizational goals
8. Encouraging superior performance
9. To assess the potential for growth and development in an employee
10. Identify whether the employees need further training
11. Encouraging employees to take part in coaching
12. To offer constructive feedback to the employees

13. Counselling average and poor performers

**C. Process of Performance Appraisal**




**The employees should know the criteria to be used for evaluating their performance.**

1. **Establishing standards**: The standards are set for all employees which may be in quantity and quality. The employees will have to be rated at against the standards set for their performance.

2. **Communicating standards to employees**: the standards set for performance should be communicated to the employees. They should know what is expected from them. When the standards are made known to them , the employees are will try to make their performance equal or above them.
3. **Measuring Actual Performance**: the next step in evaluation process is to measure the actual performance of employees. The performance may be measured by using any of the performance appraisal methods.
4. **Comparing Actual performance with set standards**: the actual performance is compared with the standards set the employee is evaluated or judged by his potential for growth and advancement.
5. **Discussing reports with employees**: the assessment reports are periodically discussed with concerned employees. The week points and good points are

discussed with employees to help them to improve their performance. It also influences their attitude and work in future.

6. **Taking corrective action**: evaluation process will be useful only when corrective action is taken on the basis of reports. Corrective action may be in the form of training, advice, counselling, warning etc.

## Future trends in Human Resource Management (HRM) in the global market

### 1. AI and Automation in HR

AI is revolutionizing recruitment, onboarding, and employee engagement processes. Tools like chatbots, predictive analytics, and AI-based screening reduce manual workload. This enables HR to focus more on strategy and less on administration.

### 2. Remote and Hybrid Work Models

Post-pandemic, flexible work arrangements are becoming permanent. HRM must manage virtual collaboration, performance tracking, and remote engagement. Global talent acquisition is now location-agnostic.

### 3. Diversity, Equity, and Inclusion (DEI)

There is an increasing emphasis on building inclusive workplaces. HR is expected to implement DEI strategies and monitor progress with real-time data. This fosters innovation, employee satisfaction, and a stronger employer brand.

### 4. Employee Well-being and Mental Health

Organizations are prioritizing holistic employee wellness. HR must implement mental health programs, flexible schedules, and stress-management tools. This enhances productivity and reduces burnout.

### 5. HR Analytics and Data-Driven Decision Making

HR is moving towards data-backed strategies for hiring, retention, and training. Analytics help identify trends and predict workforce needs. This leads to informed, agile HR interventions.

### 6. Continuous Learning and Upskilling

Lifelong learning is crucial due to fast-changing skills. HR will invest more in e-learning platforms, certifications, and skill-based assessments. Upskilling ensures workforce adaptability and competitiveness.

### 7. Employee Experience (EX) as a Core Focus

HR is redesigning employee journeys from onboarding to exit. Emphasis is on personalized experiences, feedback systems, and career growth. A positive EX leads to higher engagement and retention.

### 8. Global Talent Mobility and Gig Workforce

More professionals prefer gig work and project-based roles. HR must create agile hiring models and ensure compliance across regions. Cross-border talent management becomes a key competency.

### 9. Ethical Use of HR Tech and Data Privacy

With increased tech use, ethical handling of employee data is vital. HR must align with data protection laws like GDPR. Transparency and trust in data usage will influence employee relations.

### 10. Agile HR Practices

HR departments are adopting agile methodologies for faster responses. This includes shorter feedback loops, cross-functional teams, and flexible planning. Agile HR aligns better with rapidly changing business environments.