Human Resource Management and Its Importance for Today's Organizations

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Abstract

Human resources are the most valuable and unique assets of an organization. The successful management of an organization's human resources is an exciting, dynamic and challenging task, especially at a time when the world has become a global village and economies are in a state of fluctuation. Even though specific human resource functions/activities are the responsibility of the human resource department, the actual management of human resources is the responsibility of all the managers in an organization. It is therefore necessary for all managers to understand and give due importance to the different human resource policies and activities in the organization. Human Resource Management outlines the importance of HRM and its different functions in an organization. It examines the various HR processes that are concerned with attracting, managing, motivating and developing employees for the benefit of the organization. This research will inform human resource management, scope of human resource management functions and relationship between organizational effectiveness and human resource management.

Keywords: Human Resources Management, Management, Management Functions, Organizational Effectiveness.

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Introduction

People are at the foundation of every organization. Without people organizations cannot exist.

It is therefore essential that organizations do not take their human resource for granted. The key functions of the Human Resources Management (HRM) include recruiting people, training them, performance appraisals, motivating employees as well as workplace communication, workplace safety, and much more.

Human(s) – people with their experience, skills, and knowledge and personal qualities. Human resource – the people, and the policies and practices that affect them in the workplace. Human resource management – the management of the people and the staff policies and practice that enable an organization to carry out its work. This affects staff from the moment an individual contacts the organization in response to a job advertisement, to the time they leave the organization.

Human resource management is about enabling staff to use their qualities in order to fulfill their role and contribute to the organization’s mission and purpose. Good human resource management is essential if organizations want to attract and retain good staff. If people see that an
organization values its staff, they are more likely to apply for a job with the organization and more likely to stay once they are recruited. Good human resource management means that an organization reduces risk to its staff and reputation. It can do this by considering issues such as employment law, child protection and health and safety.

Good human resource management can also reduce costs for an organization. For example, good recruitment policies and processes mean that organizations can efficiently recruit people who will carry out their jobs effectively. Good systems for performance management mean that organizations can ensure that they are getting the best from their staff.

It should be noted that volunteers are an important resource for many organizations. Some sections of this book, such as salaries and employment contracts, are not relevant to volunteers. However, sections such as benefits, performance management and staff development are relevant to volunteers. Development organizations should consider carefully which policies and practices should also be used with volunteers. However, sections such as benefits, performance management and staff development are relevant to volunteers. Development organizations should consider carefully which policies and practices should also be used with volunteers.

Human Resource Management (HRM)
In early stages, employees working in factories were treated harsh condition with minimum wages or without wages in poor working condition. The government interferes on basic protection for labors/employees in factories by introducing statutory regulations. It results in evolution of Human Resource department where factory owners agreed and the concern person looks into employee welfare and wages. Human Resource Management, in other words organization's manpower or workforce management or personnel management. Before industrial revolution, the entire population was influenced on agriculture economy with minimum production level.

Since production level is less compared to post revolution, manpower was minimum and communication among them also inadequate. During industrial revolution, there was a change in economy, people acquires awareness on modernization. It determines a new way for industrial setup, where it concentrates on employee wages and welfare.

In this period, companies adopted new concept known as "merger and acquisition" for maximizing workforce and uses automated web-based HR systems. As soon as the industry grows, an important incident occurred in industrial revolution i.e development in Labor Union.

In order to manage labors and their issues in workplace and wages related, organization forms a separate function named Personnel Management department. During 1980's, new theories and strategies are implemented for change management, motivation and team building. Personnel Management department major responsibility is to resolve politics and diplomacy. So, this is the place where an industrial relation department raised. Job enrichment
concepts would be implemented in organization which is abundant skilled labor forces. Frederick W. Taylor formulated principles of scientific management which leads to evolution of scientific human resource management. It explains about,

- Training for workers
- Maintaining wage uniformity
- Focus on better productivity

HRM is used in a global context which contains;

- specific human resource practices such as recruitment, selection, and appraisal;
- formal human resource policies, which direct and partially constrain the development of specific practices; and
- overarching human resource philosophies, which specify the values that inform an organization's policies and practices networks.

Scope of HRM

- The scope of HRM is, in fact, very vast and wide. It includes all activities starting from manpower planning till employee leaves the organization. Accordingly, the scope of HRM consists of acquisition, development, maintenance/retention, and control of human resources in the organization.
- The National Institute of personnel Management, Calcutta has specified the scope of HRM as follows:

1. The Labour or Personnel Aspect
- This is concerned with manpower planning, recruitment, selection, placement, transfer, promotion, training and development, lay-off and retrenchment, remuneration, incentives, productivity, etc.

2. Welfare Aspect
- It deals with working conditions, and amenities such as canteen, creches, rest and lunch rooms, housing, transport, medical assistance, education, health and safety, recreation facilities, etc.

3. Industrial Relations Aspects
- This covers union-management relations, joint consultation, collective bargaining, grievance and disciplinary actions, settlement of disputes, etc.

Objectives of HRM

1. Defining Organizational Structure and Driving Productivity
- Human Resource Management is a method to realize competence and drive efficiency in organizational work. Therefore, its chief determination remains in accomplishing organizational goals. It has to benefit organizations by outlining clearly defined aims and achieving them.
- Apart from meeting the organizational goals, Human Resource Management also describes the key problems to be taken care of and governs rules and urgencies. It engenders organizational efficacy, by hiring efficient people, training them and effectively employing the workers.
- It should also develop the service that organization provides to the society through structuring employee confidence in a positive direction, which is at the front of effectual individual and group performance.

2. Building Coordination between Organizational Departments
- Human Resource Management is responsible for coordination and
harmonious functionality within, and between different departments. The resources are organized to achieve business objectives. Also, it is to be made certain that there is functional utilization and all-out growth of human resources.

- Human Resource Management should aim at making effective use of the workforce through proper direction of the organizational sectors. This includes refining the conditions for successful outcomes, by making appropriate decisions about human resource planning, recruitment, evaluation, rewards, training and improvement and staff associations that are reliable and sustain the business strategy.

3. Offering Employee Satisfaction
- It has become harder than ever for companies to hire and sustain capable people because of the rising global competition. Add to it, the lack of sufficiently skilled personnel. As such, it becomes an undeniable priority for Human Resource Management to hire and train the right talent.
- It should be ensured that there is an environment of respect among people in the organization, and individual needs are catered to. The HR strategies, policies and ideas for individual improvement must be cohesive with the organization’s strategic goals.
- It should gratify individual objectives of employees so that personal and organizational objectives can be aligned, conducive to reaching maximum productivity and establishing a certain competitive edge.

4. Keeping Up With the Societal and Ethical Models
- It must be the responsibility of Human Resource management to ensure that legal, ethical, and social environmental issues are suitably dealt with. It must make sure that the human resources are officially and compliantly coped with and their requirements are recognized and fulfilled. It should also consider the societal ethics and undertake social responsibility.
- It must also try to enhance organization’s competitive advantage through social strategies, by pitching in ethically to the necessities and challenges evolving in the society. The societal objectives also involve legal issues such as equal opportunity and equal pay, which should be given due concern.

Relationship between Organizational Effectiveness and Human Resources Management
Organizational effectiveness depends on having the right people in the right jobs at the right time to meet rapidly changing organizational requirements. Right people can be obtained by performing the role of Human Resource (HR) function. A comprehensive Human Resource Strategy plays a vital role in the achievement of an organization’s overall strategic objectives and visibly illustrates that the human resources function fully understands and supports the direction in which the organization is moving. A comprehensive HR Strategy will also support other specific strategic objectives undertaken by the marketing, financial, operational and technology departments.
In essence, an HR strategy should aim to capture “the people element” of what an organization is hoping to achieve in the medium to long term, ensuring that:

- It has the right people in place
- It has the right mix of skills
- Employees display the right attitudes and behaviours, and
- Employees are developed in the right way.

Acquaah (2004) states that human resource management practices enhance organizational effectiveness and performance by attracting, identifying, and retaining employees with knowledge, skills, and abilities, and getting them to behave in a manner that will support the mission and objectives of the organization. Thus, the effectiveness of HRM practices depends on how it engenders the appropriate attitudes and behaviors in employees, in addition to its implementation.

HR management practices should be an important part of the strategy of any large corporation. Yet researchers basing their views on a behavioral psychology perspective have argued that human resource management practices could contribute to competitive advantage as long as they reinforce the skills, attitudes and behaviors that result in lowering costs and enhancing product differentiation.

Therefore, the important role of human resources practices in contributing to a firm’s competitive advantage overlaps with the concept of efficiency as a human resources strategy for effective performance (Ozcelik & Ferman, 2006).

Conclusion
In working life, the most important value is employees’ Human Resources Management is the key factor for success of a business. Being a global world and being a part of global competitive markets processes force businesses to manage human factor more accurately for every level. An effective Human Resource Management should be seen as a strategic function of an organization. It helps to build a competitive edge for an organization by positively engaging its employees. Key ingredients of effective Human Resource Management are having in place an appropriate leadership style and effective two-way communications with employees. This creates an open and honest environment where employees feel that their ideas are being listened to and that they can make a contribution to decision making. Engaged employees are more likely to be proud to work for their organization and therefore will believe in and live out the values of the organization.

Human resource management is one of the necessary needs of today’s business. Human resource management department has a very important role for supply of the human being to main resources of companies. Human resource management department has fundamental role for personnel recruiting, orientation and performance appraisal and so on. The performance evaluation within this process, it’s not only for evaluate of employees performance therewithal it’s important to get strengthening of the bond between employee and employer. Performance evaluation is one of the important matters for companies getting successful. If the companies can use to performance evaluation correctly, it’s
bring to successful performance management and then bring success of the company. The aim of this study to give some information about human resource management and underline important of human resource department is then make prelude to performance evaluation and give some information about performance appraisal process.

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