

Role of Human Resource Management in Organizations: An Overview

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ABSTRACT

The human resource function has gone from the traditional hire and fire role to a strategic partner at the table with finance, operations and other business centers that are not centers of profit for the organization. The job of HR, as is the job of all such departments, is to ensure that the business gets the most out of its employees. Another way to put this is that the human resource management needs to provide a high return on the business's investment in its people. This makes it a highly complex function - because it deals with not just management issues but human ones as well. In this Paper, the role of HRM for organizations will be discussed. 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.

Keywords: Organization, Return, Complex function, Turbulent, Tool.

INTRODUCTION

Human Resource Management includes conducting job analyses, planning personnel needs, recruiting the right people for the job, orienting and training, managing wages and salaries, providing benefits and incentives, evaluating performance, resolving disputes, and communicating with all employees at all levels. Examples of core qualities of HR management are extensive knowledge of the industry, leadership, and effective negotiation skills, formerly called personnel management. Any organization, without a proper setup for HRM is bound to suffer from serious problems while managing its regular activities. For this reason, today, companies must put a lot of effort and energy into setting up a strong and effective HRM. Aristotle told us that the whole is more than the sum of its parts, this is certainly true when it comes to having all managers fully understanding the organization's documented Business Plan and ensuring the alignment of management thinking, simply the process of ensuring that all managers are working and driving the organization in the same direction. Before defining HRM, it seems pertinent to first define the term human resources. In common parlance, human resources means the people. However, different management experts have defined human resources differently. Michael J. Jucius has defined human resources as "a whole consisting of inter-related, interdependent and interacting physiological, psychological, sociological and ethical components". According to Flipppo, Personnel management, or say, human resource management is the planning, organizing, directing and controlling of the procurement development compensation integration, maintenance, and separation of human resources to the end that individual, organizational and social objective are accomplished.

Objective of Study

1. To study the need of Human Resource Management in organization.
2. To study the functions and roles of Human Resource Management.

METHODOLOGY

The study mainly relies on secondary data. The sources of data include Books, Magazines, Research Articles, News Papers, Conference Proceedings and Research Journals etc.

DISCUSSION

Human resources managers oversee the most important component of a successful business – a productive, thriving workforce. This requires viewing people as human assets, not costs to the organization. As with any other asset, a talented workforce can be used strategically to add value to an organization. Human resource management (HRM) is the process of

employing people, training them, compensating them, developing policies relating to them, and developing strategies to retain them. As a field, HRM has undergone many changes over the last twenty years, giving it an even more important role in today's organizations. In the past, HRM meant processing payroll, sending birthday gifts to employees, arranging company outings, and making sure forms were filled out correctly. In other words, more of an administrative role rather than a strategic role crucial to the success of the organization. Jack Welch, former CEO of General Electric and management guru, sums up the new role of HRM, "Get out of the parties and birthdays and enrollment forms". HR is important in good times, HR is defined in hard times" (Frasch, et. al., 2010). It's necessary to point out here, most managers deal with compensation, motivation, and retention of employees—making these aspects not only part of HRM but also part of management. Keeping in mind many functions of HRM in the tasks other than functions performed as department manager, most authors agree on various main roles that HRM plays in organizations. These are described in the following:

Strategic Role of HRM

The human resources management team suggests to the management team how to strategically manage people as business resources. This includes recruiting and hiring employees with specific skill sets to meet the company's current and future goals, coordinating employee benefits and suggesting employee training and development strategies. In this way, HR professionals are consultants, not workers in an isolated business function; they advise managers on many issues related to employees and how they help the organization achieve its goals.

Developing Skills for the Future

At all levels of the organization, managers and HR professionals work together to develop employees' skills. For example, HR professionals advise managers and supervisors how to assign employees to different roles in the organization, thereby helping the organization adapt successfully to its environment. In a flexible organization, employees are shifted around to different business functions based on business priorities and employee preferences.

Building Loyalty and Commitment

HR professionals also suggest strategies for increasing employee commitment to the organization. This begins with using the recruiting process or matching employees with the right positions according to their qualifications. Once hired, employees must be committed to their jobs and feel challenged throughout the year by their manager.

Building a Talent Pipeline

An HRM team helps an organization develop a competitive advantage, which involves building the capacity of the company so it can offer a unique set of goods or services to its customers. To build effective human resources, private companies compete with each other in a "war for talent." It's not just about hiring talent; this game is about keeping people and helping them grow and stay committed over the long term.

Staying Current and Competitive

Human resource management requires strategic planning to address not only the changing needs of an employer but also a constantly shifting competitive job market. Employee benefit packages must be continually assessed for costs to the employer. Tweaking the packages also provides an opportunity to increase employee retention through the addition of vacation days, flexible working arrangements or retirement plan enhancements. For example, in recent years many human resource professionals have overseen the addition of preventative health components to traditional health plans for both employment recruitment and retention efforts.

Training and Development

Training and development are significant components that the HR department uses to retain employees. These components improve the performance of a company's workforce and allow employees to grow in their professions. HR departments must offer training programs that are consistent with the company's business goals. To do this, HR managers identify deficiencies in employee skill sets and abilities. They then prepare action plans to assess how investment in training and development programs can help the organization meet its objectives. After they implement the action plans, the HR department monitors the progress and effectiveness of the program. . Examples of training programs might include the following:

- Job skills training, such as how to run a particular computer program
- Training on communication
- Team-building activities
- Policy and legal training, such as sexual harassment training and ethics training

Building Employees

An HR general administrator's main objective is to help the employer recruit, manage, develop, organize and motivate employees. This position is key in helping an employer meet the goal of higher productivity and employee engagement, according to a human resources career description by the career services center at the University of Michigan's Ross School of Business. Each workday might involve a wide spectrum of tasks that include planning HR strategy, mentoring employees, implementing training programs, facilitating workplace communication or addressing management's concerns

Upgrading Processes

Keeping up with the latest HR software and technology is an objective for your administrator. For example, a rising number of job candidates are finding jobs using mobile devices rather than desktop computers, according to a 2011 Forbes article by Josh Bersin, founder of the research firm Bersin by Deloitte. Proficiency with a mobile app designed to attract new recruits can improve administrator's recruiting success. Additionally, learning about the latest software available to help test skills and screen backgrounds on new recruits can make an HR administrator more efficient at finding needed talent.

Guiding Transitions

The HR and general administrator might also be tasked with helping orchestrate the smooth transition of an organization's change of leadership or company direction. For example, if your company merges with another one, your administrator's prime objective might be to help employees adjust to their new department heads or job descriptions. According to the Ross School of Business, widespread company changes typically require an administrator's help in reassessing a company's plans regarding hiring, training, compensation and strategy.

Future Needs

One of the functions of manpower planning is to anticipate the future skill set needs of the company and begin the process of finding qualified candidates. The human resources department needs to be involved in all aspects of business planning to prepare for recruiting in job duties that the company has not dealt with in the past. For example, a toy manufacturer decides to get into the radio-controlled toy market and needs to hire technicians and engineers to design and make the toys that the company has never made in the past.

Skill Matching

It is less expensive to utilize existing personnel than to hire new employees to fulfill job needs within the organization. Hiring new employees requires recruiting costs, training expenses and the cost of low productivity as the new employee settles into his job. Manpower planning involves tracking each employee's skill set, which allows the company to move employees around within the company to prevent having to look outside the company. For example, an accounts payable employee who has payroll skills can be moved into the payroll department with a high level of competence.

Efficiency

A company needs to efficiently utilize its workforce to maintain productivity and also keep employee morale high. Developing part-time positions, creating different work shifts, offering overtime to compensate for increased production needs and maintaining a pertinent training program are ways that manpower planning maximizes workforce efficiency. Shift options and offering employees the tools they need to do their job, such as training, help to maintain employee morale. Human resources and general administration can be merged into a single position that combines employee development with office administration duties. This position is sometimes referred to as human resources administrator. It can serve as a bridge bringing employees and employers together on a range of matters such as job training, health benefits, company policy and compensation, according to the Society for Human Resource Management

Staffing

People are needed to perform tasks and get work done in the organization. Even with the most sophisticated machines, humans are still needed. Because of this, one of the major tasks in HRM is staffing. Staffing involves the entire hiring process from posting a job to negotiating a salary package. Within the staffing function, there are four main steps:

- Development of a staffing plan.
- Development of policies to encourage multiculturalism at work.
- Recruitment.
- Selection.
- Development of Workplace Policies

Policies Development

Every organization has policies to ensure fairness and continuity within the organization. One of the jobs of HRM is to develop the verbiage surrounding these policies. In the development of policies, HRM, management, and executives are involved in the process. For example, the HRM professional will likely recognize the need for a policy or a change of policy, seek opinions on the policy, write the policy, and then communicate that policy to employees. It is key to note here that HR departments do not and cannot work alone. Everything they do needs to involve all other departments in the organization. Some examples of workplace policies might be the following:

- Discipline process policy
- Vacation time policy
- Dress code
- Ethics policy
- Internet usage policy

Compensation and Benefits Administration

HRM professionals need to determine that compensation is fair, meets industry standards, and is high enough to entice people to work for the organization. Compensation includes anything the employee receives for his or her work. In addition, HRM professionals need to make sure the pay is comparable to what other people performing similar jobs are being paid. This involves setting up pay systems that take into consideration the number of years with the organization, years of experience, education, and similar aspects. Examples of employee compensation include the following:

- Pay
- Health benefits
- Retirement plans
- Stock purchase plans
- Vacation time
- Sick leave
- Bonuses
- Reimbursement

Retention

Retention involves keeping and motivating employees to stay with the organization. Compensation is a major factor in employee retention, but there are other factors as well. Ninety percent of employees leave a company for the following reasons:

- Issues around the job they are performing
- Challenges with their manager
- Poor fit with organizational culture
- Poor workplace environment

Despite this, 90 percent of managers think employees leave as a result of pay (Rivenbark, 2010). As a result, managers often try to change their compensation packages to keep people from leaving

Worker Protection

Safety is a major consideration in all organizations. Oftentimes new laws are created with the goal of setting federal or state standards to ensure worker safety. Unions and union contracts can also impact the requirements for worker safety in a workplace. It is up to the human resource manager to be aware of worker protection requirements and ensure the workplace is meeting both federal and union standards. Worker protection issues might include the following:

- Chemical hazards
- Heating and ventilation requirements
- Use of “no fragrance” zones
- Protection of private employee information

Awareness of External Factors

In addition to managing internal factors, the HR manager needs to consider the outside forces at play that may affect the organization. Outside forces, or external factors, are those things the company has no direct control over; however, they may be things that could positively or negatively impact human resources. External factors might include the following:

- Globalization and off shoring
- Changes to employment law
- Health-care costs
- Employee expectations
- Diversity of the workforce
- Changing demographics of the workforce
- A more highly educated workforce
- Layoffs and downsizing
- Technology used, such as HR databases
- Increased use of social networking to distribute information to employees

For example, the recent trend in flexible work schedules (allowing employees to set their own schedules) and telecommuting (allowing employees to work from home or a remote location for a specified period of time, such as one day per week) are external factors that have affected HR. HRM has to be aware of these outside issues, so they can develop policies that meet not only the needs of the company but also the needs of the individuals. Another example is the Patient Protection and Affordable Care Act, signed into law in 2010. Compliance with this bill has huge implications for HR. For example, a company with more than fifty employees must provide health-care coverage or pay a penalty. Currently, it is estimated that 60 percent of employers offer health-care insurance to their employees (Cappelli, 2010). Because health-care insurance will be mandatory, cost concerns as well as using health benefits as a recruitment strategy are big external challenges. Any manager operating without considering outside forces will likely alienate employees, resulting in unmotivated, unhappy workers. Not understanding the external factors can also mean breaking the law, which has a concerning set of implications as well.

CONCLUSION

The practice of HRM must be viewed through the prism of 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. For instance, if the training needs of the employees are simply met with perfunctory trainings on omnibus topics, the firm stands to lose not only from the time that the employees spend in training but also a loss of direction. Hence, the organization that takes its HRM policies seriously will ensure that training is based on focused and topical methods.

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