

## What Is Human Resource Management?

- Human Resource Management (HRM) is the function within an organization that focuses on recruitment of, management of, and providing direction for the people who work in the organization. HRM can also be performed by line managers.
- HRM is the organizational function that deals with issues related to people such as compensation, hiring, performance management, organization development, safety, wellness, benefits, employee motivation, communication, administration, and training.
- HRM is also a strategic and comprehensive approach to managing people and the workplace culture and environment. Effective HRM enables employees to contribute effectively and productively to the overall company direction and the accomplishment of the organization's goals and objectives.

## Importance of HRM

**Human Resource Management** has its great importance in any organization as HR Managers apply the best use of human and other capital assets. We may also say Human Resource is the management of most sensitive and central assets of any organization.

Importance of HRM for different organizations:

1. It helps in managing, preparing and completing all personnel policies & programs.
2. Through a systematic and scientific process, HR supplies the best, skilled and required workforce to the business and organization.
3. It increases the benefits of any organization through training & development of human resources.
4. Change management is one of the main and necessary factors of organization to develop and compete in market, HR Managers prepare and train a workforce for change management.
5. HRM motivates people and encourage them to enable for short & long term goals of companies and organizations.
6. It helps in cost reduction through innovative and experimental values in an organization.

7. For the workers' safety, health and future benefits, HR play important roles.
8. Workers' career management and reward system with best compensation, all are the responsibilities of HR Managers, through which they can get the best work and energies from them.

### **Recruitment: Meaning and Sources of Recruitment (with diagram)!**

Whenever there is a vacancy in the organization, generally it is to be filled. To make the candidate available for filling those vacancies, their selection procedure and placement on a proper job comes under the purview of recruitment.

As soon as the available vacancies are known, they are advertised through different media and accordingly the applications are collected for the vacant posts. A group of candidates interested in doing the job and are eligible to do, it is created through recruitment.

It is an operative function of human resource management coming under the managerial function called organizing. In the words of Edwin Flippo, 'recruitment is the process of searching for prospective employees and stimulating them to apply for jobs in the organisation'.

#### **Sources of Recruitment:**

The eligible and suitable candidates required for a particular job are available through various sources. These sources can be divided into two categories, as

- a. internal source of recruitment
- b. external resource of recruitment

#### ***Internal Sources of Recruitment:***

##### **1. Promotions:**

The promotion policy is followed as a motivational technique for the employees who work hard and show good performance. Promotion results in enhancements in pay, position, responsibility and authority. The important requirement for implementation of the promotion policy is that the terms, conditions, rules and regulations should be well-defined.

## **2. Retirements:**

The retired employees may be given the extension in their service in case of non-availability of suitable candidates for the post.

## **3. Former employees:**

Former employees who had performed well during their tenure may be called back, and higher wages and incentives can be paid to them.

**4. Transfer:** Employees may be transferred from one department to another wherever the post becomes vacant.

## **5. Internal advertisement:**

The existing employees may be interested in taking up the vacant jobs. As they are working in the company since long time, they know about the specification and description of the vacant job. For their benefit, the advertisement within the company is circulated so that the employees will be intimated.

## ***External Sources of Recruitment:***

### **1. Press advertisement:**

A wide choice for selecting the appropriate candidate for the post is available through this source. It gives publicity to the vacant posts and the details about the job in the form of job description and job specification are made available to public in general.

## **2. Campus interviews:**

It is the best possible method for companies to select students from various educational institutions. It is easy and economical. The company officials personally visit various institutes and select students eligible for a particular post through interviews. Students get a good opportunity to prove themselves and get selected for a good job.

## **3. Placement agencies:**

A databank of candidates is sent to organizations for their selection purpose and agencies get commission in return.

## **4. Employment exchange:**

People register themselves with government employment exchanges with their personal details. According to the needs and request of the organization, the candidates are sent for interviews.

## **5. Walk in interviews:**

These interviews are declared by companies on the specific day and time and conducted for selection.

## **6. E-recruitment:**

Various sites such as jobs.com, naukri.com, and monster.com are the available electronic sites on which candidates upload their resume and seek the jobs.

## **7. Competitors:**

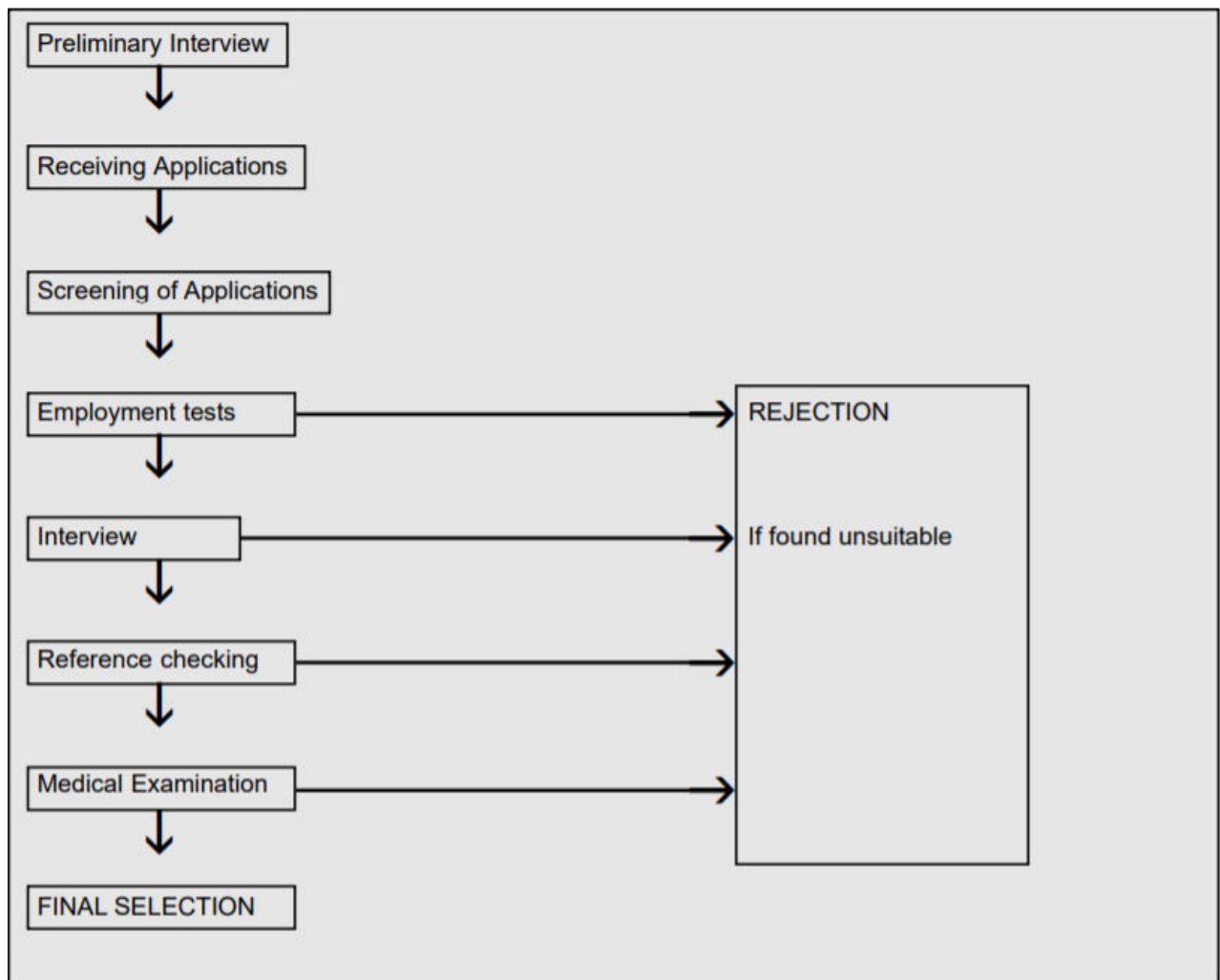
By offering better terms and conditions of service, the human resource managers try to get the employees working in the competitor's organization.

## Selection Process

The selection process can be defined as the process of selection and shortlisting of the right candidates with the necessary qualifications and skill set to fill the vacancies in an organisation. The selection process varies from industry to industry, company to company and even amongst departments of the same company.

## Selection Process

Every organisation creates a selection process because they have their own requirements. Although, the main steps remain the same.



## **Preliminary Interview**

This is a very general and basic interview conducted so as to eliminate the candidates who are completely unfit to work in the organisation. This leaves the organisation with a pool of potentially fit employees to fill their vacancies.

- **Receiving Applications**

Potential employees apply for a job by sending applications to the organisation. The application gives the interviewers information about the candidates like their bio-data, work experience, hobbies and interests.

## **Screening Applications**

Once the applications are received, they are screened by a special screening committee who choose candidates from the applications to call for an interview. Applicants may be selected on special criteria like qualifications, work experience etc.

## **Employment Tests**

Before an organisation decides a suitable job for any individual, they have to test their talents and skills. This is done through various employment tests like intelligence tests, aptitude tests, proficiency tests, personality tests etc.

## **Employment Interview**

The next step in the selection process is the employee interview. Employment interviews are done to identify a candidate's skill set and ability to work in an organisation in detail. Purpose of an employment interview is to find out the suitability of the candidate and to give him an idea about the work profile and what is expected of the potential employee. An employment interview is critical for the selection of the right people for the right jobs.

## **Checking References**

The person who gives the reference of a potential employee is also a very important source of information. The referee can provide info about the person's capabilities, experience in the previous companies and leadership and managerial skills. The information provided by the referee is meant to be kept confidential with the HR department.

## **Medical Examination**

The medical exam is also a very important step in the selection process. Medical exams help the employers know if any of the potential candidates are physically and mentally fit to perform their duties in their jobs.

## **Final Selection and Appointment Letter**

This is the final step in the selection process. After the candidate has successfully passed all written tests, interviews and medical examination, the employee is sent or emailed an appointment letter, confirming his selection to the job.

The appointment letter contains all the details of the job like working hours, salary, leave allowance etc.

### **Training: Meaning, Definition and Types of Training**

Training constitutes a basic concept in human resource development. It is concerned with developing a particular skill to a desired standard by instruction and practice. Training is a highly useful tool that can bring an employee into a position where they can do their job correctly, effectively, and conscientiously.

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

### ***Definition of Training:***

Dale S. Beach defines training as 'the organized procedure by which people learn knowledge and/or skill for a definite purpose'. Training refers to the teaching and learning activities carried on for the primary purpose of helping members of an organization acquire and apply the knowledge, skills, abilities, and attitudes needed by a particular job and organization.

According to Edwin Flippo, 'training is the act of increasing the skills of an employee for doing a particular job'.

### ***Need for Training:***

Every organization should provide training to all the employees irrespective of their qualifications and skills.

#### **1. Environmental changes:**

Mechanization, computerization, and automation have resulted in many changes that require trained staff possessing enough skills. The organization should train the employees to enrich them with the latest technology and knowledge.

#### **2. Organizational complexity:**

With modern inventions, technological upgradation, and diversification most of the organizations have become very complex. This has aggravated the problems of coordination. So, in order to cope up with the complexities, training has become mandatory.

#### **3. Human relations:**

Every management has to maintain very good human relations, and this has made training as one of the basic conditions to deal with human problems.



#### **4. To match employee specifications with the job requirements and organizational needs:**

An employee's specification may not exactly suit to the requirements of the job and the organization, irrespective of past experience and skills. There is always a gap between an employee's present specifications and the organization's requirements. For filling this gap training is required.

#### **5. Change in the job assignment:**

Training is also necessary when the existing employee is promoted to the higher level or transferred to another department. Training is also required to equip the old employees with new techniques and technologies.

#### ***Importance of Training:***

Training of employees and managers are absolutely essential in this changing environment. It is an important activity of HRD which helps in improving the competency of employees. Training gives a lot of benefits to the employees such as improvement in efficiency and effectiveness, development of self confidence and assists everyone in self management.

The stability and progress of the organization always depends on the training imparted to the employees. Training becomes mandatory under each and every step of expansion and diversification. Only training can improve the quality and reduce the wastages to the minimum. Training and development is also very essential to adapt according to changing environment.

#### ***Types of Trainings***

Various types of training can be given to the employees such as induction training, refresher training, on the job training, vestibule training, and training for promotions.

**Some of the commonly used training programs are listed below:**

**1. Induction training:**

Also known as orientation training given for the new recruits in order to make them familiarize with the internal environment of an organization. It helps the employees to understand the procedures, code of conduct, policies existing in that organization.

**2. Job instruction training:**

This training provides an overview about the job and experienced trainers demonstrates the entire job. Additional training is offered to employees after evaluating their performance if necessary.

**3. Vestibule training:**

It is the training on actual work to be done by an employee but conducted away from the work place.

**4. Refresher training:**

This type of training is offered in order to incorporate the latest development in a particular field. This training is imparted to upgrade the skills of employees. This training can also be used for promoting an employee.

**5. Apprenticeship training:**

Apprentice is a worker who spends a prescribed period of time under a supervisor

**Training methods:-**

It is classified into 2 categories-1.on the job training, 2.off the job training

## **1. On-the-job Training (OJT) Methods:**

This is the most common method of training in which a trainee is placed on a specific job and taught the skills and knowledge necessary to perform it.

### **On-the-job training methods:**

#### ***1. Job rotation:***

This training method involves movement of trainee from one job to another gain knowledge and experience from different job assignments. This method helps the trainee understand the problems of other employees.

#### ***2. Coaching:***

Under this method, the trainee is placed under a particular supervisor who functions as a coach in training and provides feedback to the trainee. Sometimes the trainee may not get an opportunity to express his ideas.

#### ***3. Job instructions:***

Also known as step-by-step training in which the trainer explains the way of doing the jobs to the trainee and in case of mistakes, corrects the trainee.

#### ***4. Committee assignments:***

A group of trainees are asked to solve a given organizational problem by discussing the problem. This helps to improve team work.

#### ***5. Internship training:***

Under this method, instructions through theoretical and practical aspects are provided to the trainees. Usually, students from the engineering and commerce colleges receive this type of training for a small stipend.

## **2. Off-the-job Methods:**

On the job training methods have their own limitations, and in order to have the overall development of employee's off-the-job training can also be imparted. The methods of training which are adopted for the development of employees away from the field of the job are known as off-the-job methods.

### **off-the-job techniques:**

#### ***1. Case study method:***

Usually case study deals with any problem confronted by a business which can be solved by an employee. The trainee is given an opportunity to analyse the case and come out with all possible solutions. This method can enhance analytic and critical thinking of an employee.

#### ***2. Incident method:***

Incidents are prepared on the basis of actual situations which happened in different organizations and each employee in the training group is asked to make decisions as if it is a real-life situation. Later on, the entire group discusses the incident and takes decisions related to the incident on the basis of individual and group decisions.

#### ***3. Role play:***

In this case also a problem situation is simulated asking the employee to assume the role of a particular person in the situation. The participant interacts with other participants assuming different roles. The whole play will be recorded and trainee gets an opportunity to examine their own performance.

#### ***4. In-basket method:***

The employees are given information about an imaginary company, its activities and products, HR employed and all data related to the firm. The trainee

(employee under training) has to make notes, delegate tasks and prepare schedules within a specified time. This can develop situational judgments and quick decision making skills of employees.

#### **5. Business games:**

According to this method the trainees are divided into groups and each group has to discuss about various activities and functions of an imaginary organization. They will discuss and decide about various subjects like production, promotion, pricing etc. This gives result in co-operative decision making process.

#### **6. Grid training:**

It is a continuous and phased programme lasting for six years. It includes phases of planning development, implementation and evaluation. The grid takes into consideration parameters like concern for people and concern for people.

#### **7. Lectures:**

This will be a suitable method when the numbers of trainees are quite large. Lectures can be very much helpful in explaining the concepts and principles very clearly, and face to face interaction is very much possible.

#### **8. Simulation:**

Under this method an imaginary situation is created and trainees are asked to act on it. For e.g., assuming the role of a marketing manager solving the marketing problems or creating a new strategy etc.

#### **9. Management education:**

At present universities and management institutes gives great emphasis on management education. For e.g., Mumbai University has started bachelors and postgraduate degree in Management. Many management Institutes provide not

only degrees but also hands on experience having collaboration with business concerns.

### **10. Conferences:**

A meeting of several people to discuss any subject is called conference. Each participant contributes by analyzing and discussing various issues related to the topic. Everyone can express their own view point.

### **Performance Appraisal: Need and Features of Performance Appraisal**

An organisation's success depends on its employee's performance. Hence evaluation of the employee's performance is essential. The process of performance appraisal helps the employee and the management to know the level of employee's performance compared to the standard level.

In simple terms, performance appraisal may be understood as the assessment of an individual's performance in a systematic way, the performance being measured against such factors as job knowledge, quality and quantity of output, initiative, leadership abilities, co-operation, dependability etc.

Performance appraisal indicates the level of desired performance, the level of actual performance and the gap between the two. Once the gap is found, it can be bridged through training and development.

Performance appraisal can be defined as "the systematic evaluation of the individual with respect to his or her performance on the job and his/her potential for development."

Performance appraisal is a formal, structured system of measuring and evaluating an employee's job, related behaviours and outcomes to discover how and why

the employee is presently performing on the job and how the employee can perform more effectively in the future so that the employee, organisation and society all benefit”.

**Need For Performance Appraisal:**

1. Evaluation of an employee’s performance helps to take management decisions on transfers, promotions, increments etc.
2. Performance appraisal helps to ascertain the training and development needs of the employer.
3. Performance appraisal. or an individual’s performance evaluation helps in designing the reward system.
4. The feedback presided after evaluating the performance of an individual acts as a motivator.
5. The Performance appraisal acts as a validation of the selection procedure.

**Features of Performance Appraisal:**

1. It is the systematic description of an employee’s job relevant strengths and weaknesses.
2. Finding how well the employee is performing the job and establishing a plan of improvement is the basic purpose.
3. Performance appraisal is periodical.
4. Performance appraisal is not job evaluation, but finding how well someone is doing the assignable job.
5. It is a continuous process.