

## Quadrant II - Notes

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### **Meaning of Human resource management**

Human resource management (HRM) is the practice of recruiting, hiring, deploying and managing an organization's employees. HRM is often referred to simply as human resources (HR). A company or organization's HR department is usually responsible for creating, putting into effect and overseeing policies governing workers and the relationship of the organization with its employees. The term human resources was first used in the early 1900s, and then more widely in the 1960s, to describe the people who work for the organization, in aggregate.

HRM is employee management with an emphasis on those employees as assets of the business. In this context, employees are sometimes referred to as human capital. As with other business assets, the goal is to make effective use of employees, reducing risk and maximizing return on investment (ROI).

The modern HR technology term human capital management (HCM) has been used more frequently compared to the term HRM. The term HCM has had widespread adoption by large and midsize companies and other organizations of software to manage many HR functions.

### **Importance of Human Resource Management**

The role of HRM practices are to manage the people within a workplace to achieve the organization's mission and reinforce the culture. When done effectively, HR managers can help recruit new professionals who have skills necessary to further the company's goals as well as aid with the training and development of current employees to meet objectives.

A company is only as good as its employees, making HRM a crucial part of maintaining or improving the health of the business. Additionally, HR managers can monitor the state of the job market to help the organization stay competitive. This could include making sure compensation and benefits are fair, events are planned to keep employees from burning out and job roles are adapted based on the market.

### **How does HRM work?**

- Human resources management works through dedicated HR professionals, who are responsible for the day-to-day execution of HR-related functions. Typically, human resources will comprise an entire department within each organization.
- HR departments across different organizations can vary in size, structure and nature of their individual positions. For smaller organizations, it is not uncommon to have a handful of HR generalists, who each perform a broad array of HR functions. Larger organizations may have more specialized roles, with individual employees dedicated to functions such as recruiting, immigration and visa handling, talent management, benefits, compensation and more. Though these HR positions are differentiated and specialized, job functions may still overlap with each other.
- Human resource planning is viewed as foreseeing the human resource needs of an organisation and providing of human resources.
- **Need**
- **1. Replacement of Persons:**
- A good number of employees are to be replaced in the undertaking because of retirement, old age, death etc. So there will be a need to prepare and train persons for taking up vacant jobs in an enterprise.
- **2. Labour Turnover:**
- Labour turnover takes place in all enterprises. However, the degree of labour turnover may vary from company to company but it cannot be eliminated altogether. There is always a need to recruit new employees to take up the jobs of those who have left the undertaking.
- If the undertaking is able to foresee turnover rate properly then efforts in advance are made to recruit and train employees so that work does not suffer for want of employees.
- **3. Expansion Plans:**
- Whenever there is a proposal to expand or diversify the enterprise, more employees will be needed to occupy new jobs. In such situations the human resource planning is necessary.
- **4. Technological Changes:**
- With research and new inventions, technological changes are coming rapidly. There may be need to give fresh training to personnel. In addition, there may also be a need to infuse fresh blood into the enterprise. Human resource planning will be helpful in coping to the new demands of the enterprise.
- **5. Assessing Future Requirements:**
- Human resource planning is also needed to assess whether there is any shortage or surplus employees in the undertaking. If there is less number of employees than needed, it will badly affect the work. On the other hand, if more persons are working than needed then it will increase labour costs, etc. Human resource planning ensures the employment of right employees.