

# HUMAN RESOURCE MANAGEMENT

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## ABSTRACT

*The main purpose behind this research paper is to communicate the significance of human resource management within an organizational structure; human resources are imperative to the existence of the organization. The main highlights of this paper are objectives, aims, principles, functions, and theories of human resource management. Job satisfaction is a crucial feature amongst human resources; when the personnel feel that they are satisfied with their jobs only then they can render their best contribution towards the organization; this is another area that has been emphasized in this paper. The human resources are the key aspects and the whole functioning of the organization is based upon their performance and abilities.*

**Keywords:** Human Resource Management, Job Satisfaction, Managerial Functions and Organization Development

## INTRODUCTION

Human resource management (HRM) is stated to be a new strategy that has been formulated towards managing people in any organization. People are stated to be the key features, organization comprises of people, and it is stated to be the body of people, hence their development of skills and attributes, their acquisition, motivation for higher level attainments, as well as maintenance of their level of commitment are all significant functions that fall within the domain of HRM. Human resource management, in other words, consists of four main activities which are acquisition, development, motivation and maintenance of human resources. HRM mainly concerns with those aspects of operations that are concerned with the relationships between management and employees and between employees and employees. It is also responsible for maintaining cordial and approachable relations amongst the personnel within an organization and focuses upon the development of individuals because factors such as profitability, goodwill and high reputation of the organization centers on the personnel (HRM, n.d.).

## OBJECTIVES OF HUMAN RESOURCE MANAGEMENT

The objectives of HRM have been as follows: (HRM, n.d.).

1. Human resources within an organization have to be effectively utilized, proper training, knowledge and information has to be provided to the personnel within the

- organization so that they can carry out their tasks and functions in a productive manner.
2. Within the organization, appropriate relationships have to be maintained between the personnel; there has to be proper assignment of tasks, duties and functions within the departments. Every individual should be well aware of his/her job duties within the organization.
  3. It is vital to inculcate the feeling of job satisfaction within the employees; this can be done by providing bonuses, incentives, and other kinds of advancement opportunities such as training programs like personality development, so that employees can render their best performance.
  4. It is vital to ensure reconciliation of the individual/group goals with those of the organization so that the personnel feel a sense of commitment and loyalty towards it.
  5. Motivation and remuneration of the employees is vital through the means of financial benefits, welfare opportunities, social security, respect and performance appraisals.

## **DIFFERENT KINDS OF MANAGERIAL FUNCTIONS**

Within the organizational structure, there are four main managerial functions that have to be carried out. These are planning, organizing, directing, staffing and controlling. Planning is the course of action that decides what will be the organization's forthcoming point and what will be the best possible means to achieve it. In other words, planning means where we are and where we want to go. This process involves inspecting the internal and the external environment, determining the objectives, formulating the policies and plans, and establishing the methods to contribute in the implementation of the policies and plans (Griffin & Moorhead, 1986).

Organizing is the process of creating jobs, categorizing jobs into components that are more controllable, and also formulating trustworthy and commanding positions between jobs and categories of jobs. The procedures and attributes of the organization are considered as the main idea of organizational structure (Griffin & Moorhead, 1986).

Directing is the process when the employees and human resources of the organization are led towards the achievement of the desired aims and objectives of the organization. They are expected to carry out their job duties professionally and efficiently that would enable them to achieve their desired aims and objectives. Main aspects of this function include encouraging the workforce, supervising the company performance and management (Griffin & Moorhead, 1986).

Staffing is the process of recruitment of employees in various kinds of positions within the organization in accordance to their qualifications, experience and capabilities. Right employees have to be placed in the right positions to implement their work duties effectively; if

right personnel is not placed appropriately then the work duties do get affected and the status of the organization could be at risk, hence proper staffing is necessary for the enrichment and progress of the organization.

The fifth function that is vital to the organization structure is controlling. In this function, the performance of the employees and the company are observed and rectified so as to enable them to be directed towards their desired aims and objectives. How the employees are motivated, encouraged, rewarded for their conduct etc. all come under this function (Griffin & Moorhead, 1986).

An organization is an establishment where two or more people work collectively with a mutual objective. Examples of organizations can be grocery stores, hospitals, educational institutions etc. All the organizations vary from each other in dimension, constitution and functioning. The workforce is said to be the most universal feature of all the organizations, without efficient workforce it would be no possibility of organizations (Griffin & Moorhead, 1986).

The top managerial involvement and workforce performance have created an impact on training and development. The very first factor is that T&D has to be supported wholeheartedly by the top managerial authorities. The directors and the managers should also get themselves involved in the training and development of the employees. Over the years and even at present there have been modifications in the production techniques, methods, and procedures with regards to the organizational setting and production of goods and services. For example, Hyundai Motor Company is enhancing its productivity by employing more advanced techniques in its manufacturing of automobiles ("Hyundai," n.d). For this very reason the employees have to undergo the training and development programs because they need to acquire the skills and the knowledge. The organizational structures are enormously expanding with respect to the employees, productivity of goods and services and sales techniques that gives rise to more and more interpersonal communications between the peers as well as the superiors and the subordinates (Mondy, 1981).

Rational decision making on the part of the employers is also a positive attribute which the employees recognize. This function is mainly looked upon as an essential managerial act. Hypothesis of decision making takes into consideration several factors such as uniqueness, capability of undertaking risks and the requirement of accomplishing the desired goals and objectives. Rationality is an important characteristic of decision making. Another important feature is that decisions should be "programmed" (Sorge, 2002, p.228). Programmed decisions are the ones which are regular, recurring and have adequately outlined goals and objectives (Sorge, 2002). For example, regarding all the activities of the organization, the management has to make decisions which are concerning employees, productivity, customers etc.

Decision making takes place as a rejoinder to difficulties, openings and prospects. The management has to follow an adequate procedure in order to make coherent decisions. There should be recognition of the situations, selection of a method of decision making, construction of resolutions, decision of the optimum resolution, application of the resolution selected and finally assessment of the results (McShane & Von Glinow, 2003). Therefore, it is understandable that rational and programmed decision making on the part of the management is considered to be a positive attribute by the employees.

Leadership is the procedure of persuading people and creating surroundings for them to enable them to accomplish group and organizational endeavors. Good managers become efficient leaders and are of assistance to their subordinates in the attainment of their desired group and company objectives. Leadership qualities encompass features such as formulating effective communication systems, and assigning the resources which are required for meeting the requirements. These leadership qualities will help the employees to achieve company objectives (McShane & Von Glinow, 2003).

Leadership is certainly a positive attribute of the management but most of the organizations are without leadership aptitude. This quality is not necessarily concentrated in the hands of the executives; anybody can possess leadership skills and guide other people concerning their dealings and performance. It is imperative for leaders to possess certain qualities; that is they have to be motivated, honest, should be able to transform language into actions and possess relevant knowledge about the company (McShane & Von Glinow, 2003).

The main motive behind the function of organizational leadership is to broaden the mindsets and capabilities of the individuals. The individuals involved in job functions such as inventiveness, decision making, investigative functions which mainly concern problem solving, strategic planning and various methodical techniques must have leadership skills in order to be valuable to the organizational structure ("Leadership, Policy and Organizations," 2006).

## **JOB SATISFACTION**

Job satisfaction is a component that is extensively conversed and earnestly researched in the fields of industry, organization culture, management, administration and human resource management. Job satisfaction also plays a central part in analyzing the behavioral traits of the individual within the working environment. Job satisfaction is considered imperative due to the reason of its interrelationship to the goals and objectives of the organization (Cranny, Smith, Stone, 1992).

The management, administrators, employees are normally looking for ways to advance job satisfaction. The superior the job satisfaction, there will be improvement in the working life,

more productivity, more professionalism, and more mutual consent. The first step in the advancement of job satisfaction is the determination of its basis and associates. Within the working environment, the researchers have to recognize the factors that have to be brought under change in order to bring about satisfaction. This fact has also been researched that in what ways employees feel satisfied (Cranny, Smith, Stone, 1992).

Job satisfaction is a feature of not only what individuals possess but also of what individuals have the prospect to possess. In most cases, job satisfaction reflects upon how the workforce feels about the present conditions and what the workforce could possess in the present or in the future is usually not reflected upon. In the evaluation of job satisfaction, as far as prospects are concerned, the issues are only about promotional opportunities available and the progress of one's career. When individuals consider job satisfaction, they should consider past and present occurrences and the prospects obtainable and prospects carry a meaning upon all aspects of job satisfaction and not just promotional opportunities and career (Cranny, Smith, Stone, 1992).

## **AIMS AND PRINCIPLES OF HUMAN RESOURCE MANAGEMENT**

The main aims of HRM are as follows: (HRM, 1995)

1. To Foster Stability and Prosperity - It is vital to establish stability and prosperity within an organization and when personnel are recruited then this is one of the main aims behind the recruitment of employees.
2. Improve the Quality of Life for the Whole Community – Whether the organization is a production company or a service provider; one of the main aims is to improve the quality of life for the whole society, the public should benefit from its products and services.
3. Care for Those Who need Help – A non government organization or any voluntary association or agency may center on taking care of the needs and requirements of the vulnerable population. For example women who are suffering or who have been victims of crime approach such kinds of organizations, hence their aim should be to care for them and provide them stability.
4. Protect the Rights and Freedoms of the Individuals – It is the aim of every organization to protect the rights and freedoms of not only its employees but also external population. Factors such as coercion, intimidation, aggression and brutality should be avoided.
5. Maintain the Rule of Law- It is vital to maintain proper rules, regulations and policies within an organization and all the staff members should follow them; violation of policies may require disciplinary action but it becomes mandatory on the part of the employees to follow the rules.

6. Encourage People to Play their part within the Community – Employees should be always encouraged and supported by the management to perform their best; monetary as well as non-monetary rewards are the ways to encourage people to play their part not only within their employment setting but also within the community.

The main principles of HRM are as follows: (HRM 1995).

1. Being Accountable – It is the principle on the part of the HRM to be accountable; in this case they have to be directed to communicate, consult and provide the required information to their superiors, subordinates as well as colleagues.
2. Living Within Our Means – The personnel should possess the abilities to render their performance up to the expectations. They should also be able to plan ahead, in other words, they should be able to predict the future and see what kind of job duties they have to plan for the future.
3. Managing For Performance – In this case, the HRM are required to possess leadership skills so that they can direct their subordinates effectively, expertise is required to develop the necessary skills and abilities which are essential within an organizational setting, effectiveness is required to achieve the desired objectives, efficiency is needed to accomplish the desired goals and objectives, in other words to be successful and propriety is required to make certain appropriate use of public funds.
4. Developing Our Culture for Service – Besides recruitment, training, and providing incentives and benefits to the personnel; it is considered to be a principle of HRM to form a culture for services; one should be loyal and committed towards ones work, integrity is required which means to be impartial and ethical, courtesy involves treating others decently and responsiveness, which means to respond and adjust in accordance with the changing circumstances, difficult situations and problems.

## **ORGANIZATION DEVELOPMENT**

In the field of HRM, it is vital to understand the concept of organization development (OD); it is an aim as well as a principle of the personnel to focus upon organization development. OD is any process or activity, based upon the behavioral sciences that either in the short term period or the long term period have the potential to develop in an organizational setting. Enhanced knowledge, expertise, productivity, satisfaction, income, interpersonal relationships, team spirit, and other desired outcomes such as goodwill are the factors that are meant to prove to be advantageous to the individual, group, team, society, region, nation or the whole humanity. Organization development's primary emphasis has been laid upon the relationships between individuals and groups, so that there is cooperation and mutuality between them so that they can work together in harmony towards the progress of the organization.



The meaning and the definition of organization development is very comprehensive, hence from the definitions of organization development desired outcomes have been identified which are as follows: (McLean, 2005).

1. Advanced organizational renewal
2. Engage organization culture change
3. Enhance profitability and competitiveness
4. Ensure health and well being of organizations and the employees
5. Facilitate learning and development
6. Improve problem solving
7. Increase effectiveness
8. Initiate and/or manage change
9. Strengthen system and process development
10. Support adaptation to change.

All these above stated factors adds involvedness and intricacies to the field of organization development, making the jobs of the organizers and the practitioners more convoluted and creative. The environmental conditions, internal and external to the organization always demand for progress, innovation, novelty and productivity.

Organization development is a planned effort, which is organization wide, it is managed from the top most level in the hierarchy with the main aim to increase organization effectiveness and health through planned interventions in the organization's processes using behavioral sciences knowledge, set of values that are largely humanistic, and open systems theory. Overall organization effectiveness is aimed at improvement by way of improving the organizational dimensions such as the external environment, mission, strategy, leadership, culture, structure, information and reward systems, and work policies and procedures (OD, n.d.).

## **HUMAN RESOURCE THEORIES**

Human resource management principles and strategies for people management and administration in organizations are drawn from theories found in different disciplines. The different theories of human resources management have been stated as follows: (Itika, 2011).

1. Resource Dependency Theories – Within an organization when there are scarcities of resources, then this leads to development of policies and procedures which have to be implemented within the organizations. Employees too are scarce resources which have to be managed appropriately.
2. Competitive Advantage Theory – In order to gain competitive advantage, there should be formation and support of organizational culture that ensures effective management of employees and performance management functions.

3. Institutional Theory – The norms, policies, rules, regulations, cultural aspects are the factors that determine the success and failure of an organization. There has to be rationality and judiciousness in order to bring about effectiveness.
4. Agency Theory – There is a relationship of principal and an agent between the employer and an employee; in case of disagreements and conflicts, legal propositions have to be considered and lawsuits should be avoided.
5. General Systems Theory – An organization comprises of number of systems, components, departments and divisions; HRM is also one of the component and departments within the organization; all departments are interconnected to each other and failure or success of each department has an influence upon the other.
6. Human Capital Theory – Human capital is a vital asset of the organization; the management within the organization should make an investment in human capital like it does in other areas for example machinery and equipment.
7. Organizational Life Cycle Theory – There have been five main stages of the organization which are origin, development, maturity, decline and revitalization. The human resources have to be managed in accordance to the stages of the organization.
8. Role Behavior Theory – The organization has to develop appropriate means to communicate to the employees what their respective roles are within the organization; personnel at times are hired fresh or with some experience but it is vital for the management to communicate to them their respective roles.
9. Organizational Change Theory – Organizations have to adjust with the internal as well as the external environmental conditions, it undergoes changes, it passes through different forms, phases and positions overtime. HRM has to ensure that there is compatibility between the stated objectives, variations and functioning.
10. Transaction Cost Theory – The organization structure has to undergo multiple transactions; in this case there are certain areas that have to be kept in mind such as making use of opportunities, minimizing ambiguities in employment relationships, contract administration, monitoring and ensuring conformity to set objectives, targets and standards; measures have to be formulated to reduce risks and making effective decisions.
11. Strategic Contingency Theory – The approval of strategic typologies depends upon the organizational environment; the job duties, human resources, financial position, clients, administrative functions and so forth are the factors that have to be taken under consideration while agreeing upon the strategies.
12. Organizational Learning Theory – The human resources that comprise an organization have to continuously learn all the functions and job duties; in other words, the success of an organization depends upon ones ability to learn and implement what they have learned.



## CONCLUSION

This research paper emphasizes information regarding the importance and worth of human resource management. An organizational structure whether it is a manufacturing or a production unit, or a financial institute or an educational institution or a bank is made up of individuals; these individuals are organized in a hierarchical form, at the top most position is the chief executive officer, then comes the director, the managers, supervisors, subordinates, and workers. All these individuals are being assigned their job duties and functions; they have to work in accordance with the rules and policies of the organizational structure and for them it is necessary to possess the feeling of job satisfaction as this would enable them to deliver their paramount operation.

The organization has to focus on several aspects regarding the workforce such as their training, salary, incentives, job duties and working environmental conditions. The managerial functions of staffing, planning, organizing, directing, controlling, leadership, decision making are essential to be taken under consideration. In order to look into each and every function effectively theories of human resources have been formulated which centers on all the required areas. Finally, it can be stated that human resources have to be effectively developed and organized in a constructive manner in order to bring about the entire organizational development.

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