

# **HUMAN RESOURCE MANAGEMENT: FUNCTIONS & ROLE**

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An organization; to run smoothly and successfully; requires five main factors - Men, Machine, Money, Material and Method. Out of these Men - or rather a Human resource as it is addressed; is a critical resource in the organization.



# MEANING OF HUMAN RESOURCES

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Human Resources are essentially the people that work in an organization; regarded as the human capital or human asset of the organization.

Leon C. Megginson; in his book writes that the term human resources can be thought of as, the total knowledge, skills, creative abilities, talents, competencies and aptitudes of an organization's workforce, as well as the values, attitudes, commitment and beliefs of the individuals involved.



# DEFINITION OF HUMAN RESOURCE MANAGEMENT

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- Dr A. Chandran Mohan defines HRM as “a set of programs, functions and activities designed and carried out to achieve both individuals as well as organizational goals”.
- According to Filippo, “Human Resource Management is the planning, organizing, directing and controlling of the procurement, development, compensation, integration, maintenance, and reproduction of human resources to the end that individual, organizational and societal objectives are accomplished.
- “ Dale Yoder puts it as “the provision of leadership and direction of people in their working or employment relationship.
- “ Gary Dressler defines it as “The policies and practices one needs to carry out the people or human resource aspects of a management position, including recruiting, screening, training, rewarding, and appraising.”

# IMPORTANCE OF HUMAN RESOURCE MANAGEMENT

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1. People facet of management: Human Resource Management is essentially concerned with the people dimension of management. Its main function and feature are that it manages the productivity and efficiency of people employed in the organization. It is concerned with the well-being and engagement of human beings.
2. Continuous Process: Human Resource Management cannot be a one-time process. It is a continual process that keeps on managing the life cycle of the employee in the organization
3. Developmental Activity: Human Resources Management is about developing the people employed in the organization - developing the knowledge, skills and abilities of the employees through learning and exposure to a variety of different and complex tasks.

4. Attaining the Goals of the organization: It is responsible for creating congruence between the goals of individuals and the goals of the organization. Creating an alignment between individual and organizational goals brings about high productivity, employee engagement and employee retention
  5. Dynamic Function: Human Resource Management cannot be rigid. It has to have the flexibility to mold its functions with the changing nature of employees' nature, behaviors and backgrounds. It also has to change for all types of policies, procedures according to the changes in the business environment.
  6. Strategic Approach: Human Resource Management has moved from being a timekeeping office to a strategic function whose main responsibility now is optimum utilization of the Human Resource and retention, engagement and creation of a knowledge bank for the enterprise.
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7. Future orientation: Human Resource Management has to look ahead and plan to meet organizational goals. It is essential to foresee and plan to survive and sustain in the competitive environment.

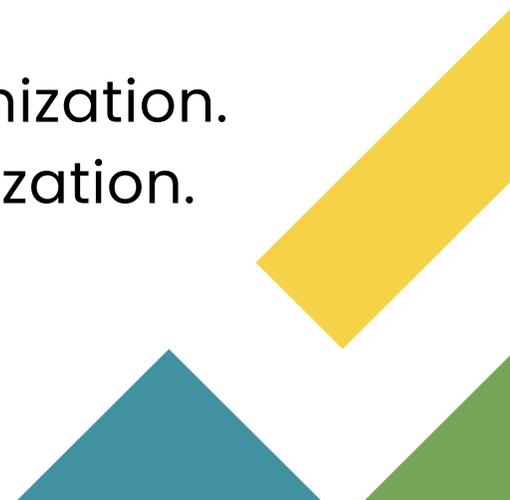
8. Central Subsystem: Human Resource Management has to work in congruence with all other departments. They are responsible to understand the work other departments do: their human resource requirements of these departments, concerns and issues of people from various departments. Overall; FIRM has to work closely with every other function in the organization.

9. Ethical Practices: It is a major role that FIRM plays in the organization. Communicating the values and ethics of the organization to employees and making sure that they are abided with are features of the FIRM.

10. Organizational Culture: Human Resources as a function clearly defines and percolates the culture expected by the top management of the organization. Setting standards of behavior in line with the principles, ethics and culture of the organization is a feature of Human Resource Management.

# OBJECTIVES OF HUMAN RESOURCE MANAGEMENT

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- To create and utilize a workforce of skilled and efficient people to achieve the goals of the organization.
  - To establish and uphold a strong organizational culture and good work relationships in the organization.
  - To establish and uphold the values, ethics and principles of the organization and make sure that they are abided by.
  - To govern the upholding of the code of conduct in the organization.
  - To act as a service provider to all stakeholders of the organization.
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- To create and maintain a linkage between individual and organizational goals.
  - To identify and fulfil the needs of all stakeholders of the organization; for example, needs of the individuals and groups related to compensation, job enrichment, job satisfaction etc.
  - To create facilities and opportunities for all stakeholders.
  - To create a culture of customer service both internal and external customers through continuous training and culture orientation.
  - To respond to changes in the business environment by timely changes in policies, procedures and programmes.
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# FUNCTIONS OF HUMAN RESOURCE MANAGEMENT

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Human Resource Management has a lot of important functions to fulfil in the organization. Mainly, the functions of HRM are divided into 2 types: Managerial and Operative Functions.

Planning, Organizing, Directing, Controlling, Recruitment & Selection, Job Analysis & Job Design, Performance Appraisal, Training and Development, Wage & Salary Administration, Employee Welfare, Employee Retention, Labor Relations, Personnel Record, Advice to Top Management, Advice to Departmental Heads

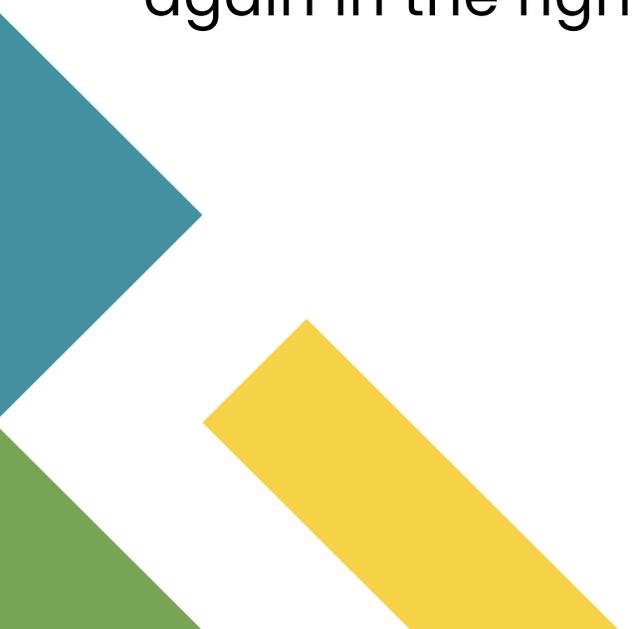
# A. Managerial Functions

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1. **Planning:** Human Resource Planning is a function that determines the number of workforces required in the organization for the year. It is about planning the types of employees based on the jobs required to be done in the organization. A yearly activity; has to map the exact qualifications, experience, knowledge, skills, abilities and competencies based on the requirements of the tasks to be done in the organization.
2. **Organizing:** The allocation of members to job roles and assigning tasks to them is one of the major activities of the organizing function. Another activity of organizing is to establish relationships between roles, responsibilities and employees to move all employees in the direction of fulfilment of organizational goals.

3. **Directing:** Providing direction to the employees at different levels to ensure inputs and outputs lead to common and correct goals is important. Direction needs to be given from a birds-eye view by HR to avoid goal incongruence in employees.

4. **Controlling:** All planning, organizing and directing will lead to action. These actions may or may not get the required results. It is essential to correct any deviation in required results at early stages and set the work again in the right direction.



# B. Operative Functions

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1. **Recruitment & Selection:** Recruitment and Selection are functions responsible for identifying the correct fit for a job role and then selecting those people to do the tasks. It is responsible to bring a pool of candidates together to select the right candidate for the job. Recruitment involves the Identification of various sources for recruitment of candidates, creation of new sources, getting applications and scrutinizing them and striking a balance between internal and external sources. Selection involves: Creating and developing relevant tests, selecting correct interview techniques, reference checks, managing medical check-ups, coordination with managers, communication of offers, selection and rejection and correct placement of selected candidates in suitable roles.

**2. Job Analysis and Job Design:** Job analysis is the process to understand the nature of the job and specifying the knowledge, skills and abilities required to get the job done. It also deals with understanding the professional qualifications and experiences required to get the job done effectively. Job design outlines and organizes the tasks, duties, and responsibilities together to generate work objectives. Job analysis mainly involves collecting data and information related to the job, preparation of job descriptions, job requirements and employee specifications for the job and finally identifying the nature, levels and quantum of human resources required.

**3. Performance Appraisal:** Human Resource Management performs this function to ensure that the work done by the employees is as per the expected standards. If not corrective measures like counselling, training etc. are taken by HRM professionals. Performance appraisal includes developing policies and procedures for correct evaluations, coordinating with functional managers to understand their performance requirements, reviewing performance and

preparing relevant reports, determining corrective actions and evaluating the effectiveness of performance management programs.

**4. Training & Development:** Learning is an essential function for any organization to grow and stay competitive. HRM is responsible to identify which competencies are required to be developed in the organization; organizing training for employees and measuring the effectiveness of these training. T&D performs the following tasks: Identification of training needs of all individuals working in the organization, preparing a competency matrix, conducting the training and evaluating the effectiveness of the training. It involves the identification of the need for management development and conducting these programs for the development of the top management

**5. Wage & Salary Administration:** Compensation for the contribution of employees is one of the crucial tasks of HRM. It deals with conducting wage and salary surveys, determining wages and salary rates, evaluating the effectiveness

of salary and wage administration. It is also concerned with fringe benefits like disablement benefits, housing facilities, recreational facilities, conveyance, housing, medical benefits etc. Compensation also looks after social security management like maternity benefits, dependent benefits, provident funds, retirement benefits etc.

**6. Career Planning & Development:** It is necessary to plan the career of each employee and chart a path of success for her/him in the organization. It is when an employee can see the future that they get a sense of security and then put in their best. It includes charting a path to show the employee's internal and external mobility, which includes transfers, promotions, demotions, and deputations that can happen in the employee's lifecycle.

**7. Employee Welfare:** This function is concerned with looking after the welfare of the employees like basic amenities, services, facilities and benefits.

8. **Employee Retention:** This function as the name explains is about formulating various strategies to keep the employees engaged with the organization and retaining them for longer periods.

9. **Labor & Employee Relations:** This concerns the interaction of HRM with the labor unions and the protection of rights of the labor. HRM is concerned with understanding the different perceptions of employees, team dynamics, personality differences and creating & implementing models to balance these. HRM is responsible for motivating employees, showing them a direction towards their goal, developing good communication and leadership in the organization and counselling and handling disciplinary issues in the organization.

10. **Personnel Record:** This is an administrative function where HRM is responsible to maintain the records of all employees related to personal details, qualifications, positive or negative actions taken and achievements

# C. Advisory Role

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1. Advisor to Top Management: The role of HRM is to advise the Top Management on the formulation of strategy related to compensation, retention, labor issues, etc.
2. Advisor to Departmental Heads: HRM advises departmental heads of various departments on matters such as manpower planning, job analysis, training, team handling etc.

# ROLE OF A HUMAN RESOURCE MANAGER

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Human Resource Manager has to wear a lot of hats. He/she essentially have to be a leader who inspires others to be committed towards their work and give not only good but great results. An HR Manager has to put on the hats of a counsellor, mediator, conscience, spokesman, problem solver and change agent.

Certain roles that are commonly identified for the manager are as below:

**A. Personnel Role:** The HR manager plays a crucial role as an advisor to the management on issues and factors related to personnel. These factors include manpower planning, recruitment and selection, training and development etc. It also involves the evaluation of the performance of personnel in the organization. This requires the HR manager to play the role of an advisor to the top management as well as the departmental heads and line management.

**B. Welfare Role:** When looking after the welfare of the employees – be it blue collared or white-collared employees – an HR manager has to become a researcher. The manager has to conduct extensive research on changing trends of welfare and implement them as it is important determinant in employee retention. The manager also plays the role of a caretaker concerning employee welfare; taking care of all facilities like canteen, transportation, fringe benefits and overall comfort of the employees.

**C. Administrative Role:** The HR manager also has to do the role of the controller while in the administrative role. The manager has to look into timekeeping, discipline, salary and wages, record maintenance and making the relationships work. An administrator for this task requires the person to be a disciplinarian.

**D. Fire-Fighting Role:** This is the counsellor plus caretaker plus mediator role. It includes grievance handling, disputes settlement, disciplinary actions and issues, collective bargaining, and consultations. This requires the HR manager to be dynamic enough to change roles according to the situation.

# QUALIFICATIONS AND QUALITIES OF A HUMAN RESOURCE MANAGER

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A Human Resource Manager has to have qualifications that enable him to have a skill set related to analysis, understanding of psychology, understanding of laws related to business and labour, moderate knowledge of accounting for purpose of payroll etc. In India, the majority of companies prescribe that to become an HR manager the person completes at least one course out of MBA (in Human Resource), MPM (Masters in Personnel Management), MA (in IR & PM) or a Post Graduate Diploma in Management with specialization as Human Resource

- Attributes related to personality: A Human Resource manager needs to first and foremost be compassionate. The manager must have analytical ability and the ability to judge the situation correctly. The HR manager needs to be patient, must be a person who takes initiative, is enterprising and resourceful and has integrity which helps him/her to protect the rights of the employees as well as the organization. The HR manager should be intelligent and be able to communicate effectively. Leadership quality is also essential to aid in directing the employees towards their individual and organizational goals.
  - Planning & Execution Skills: An HR manager is required to have planning and execution skills. They need to plan strategically based on the yearly goals of the organization and execute the plan. The manager must have strong planning and execution skills.
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- Professional Attitude: The HR Manager should have a professional attitude and the ability to keep personal and professional relationships separately. This is important because the manager has to set a precedent of the organizational culture, ethics and code of conduct. An HR manager has to set standards of behavior, perception and team dynamics based on their conduct thus setting a tone in the organization.
- Experiences and Training: The functions of Human resources are based on the understanding of human nature and handling issues related to humans and their feelings, perceptions etc. An experienced HR manager would know how to handle situations diplomatically and maturely. If the person has received professional training in the area of psychology, labor laws and relations, personality studies etc. it aids the manager in understanding and decision making.

# DUTIES AND RESPONSIBILITIES OF A HUMAN RESOURCE MANAGER

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The human resource manager is responsible for overlooking the management of human resources in the organization. He/she is responsible to get maximum productivity and make sure that the organizational performance is as per set standards. Below is a list of the duties HR manager perform and the responsibilities they undertake to achieve their objectives.

1. Conduct and update the job analysis as per changing dynamics of the organization. It includes job design, preparation of job descriptions and specifications in coordination with the line managers.
2. Design and conduct tests for the selection of the correct candidates by understanding the tasks to be performed by each department and the relevant skill sets required for those tasks.

3. Advice departmental heads on planning and organizing tasks, manpower planning, team building etc.
4. Carry out training needs analysis by first understanding the gap between existing and required competencies.
5. Conduct training programmes and evaluate the effectiveness of these programmes. This also includes formulating an effective induction programme for new joiners.
6. Work out optimum wages and salaries to be given to employees along with formulating policies for employee benefits, retention, grievance handling, etc.
7. Introducing new engagement techniques and keep on motivating employees to give their best.
8. Liaison with government agencies for labour welfare and other compliances.
9. Encouraging team building and open communication culture in the organization.
10. Ensuring that the code of conduct, principles and values of the organization are followed and abided by.
11. Research to find out satisfaction levels in the organization along with benchmarking best practices in other organizations.
12. Maintain and enhance the quality of work-life in the organization.
13. Ensure best possible relations with all stakeholders in the organization.

# EVOLUTION AND DEVELOPMENT OF HUMAN RESOURCE MANAGEMENT

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Human Resource Management finds its roots in the industrial revolution of the 1850s in Western Europe and the United States of America. It gradually entered India around the early 1900s. The first appointment of labour officers in India happened in 1911 when J.H Whitley; Chairman of The Royal Commission of Labour in India recommended the abolishment of the system of jobbers. Trade Unions started forming in India and 1926, the Trade Unions Act was passed.

# RECENT DEVELOPMENTS IN HUMAN RESOURCE MANAGEMENT

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1. Diversity in Workplace: Companies today try to make their workplaces as diverse as possible as they understand that each culture brings with it different thought processes, different behaviors and different ways of working. It brings a fresh outlook towards innovative methods to perform tasks and also helps in creating innovations in every area of the organization
  2. Talent Management: It is concerned with attracting new talent and retaining existing ones; all the while focus being on maintaining and upgrading the talent, skills and knowledge of the workforce in the organization
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3. Learning Organization: The focus of organizations today has shifted from redundant work to learning new things. Globalization has resulted in generating the need to be constantly upgraded in terms of technological and other knowledge to sustain and survive the competition. Learning Organizations are the new trend on the business front.

4. Shift towards attitude: Organizations have moved from monitoring people to creating a positive attitude. It is more about generating a positive attitude in employees, creating an engaged workforce and a positive environment.

5. Central Subsystem: Human Resources have become a central subsystem for the organization where everything now revolves around "human resources".



# Thank You

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