

## A STUDY ON HUMAN RESOURCE MANAGEMENT (HRM) - A PERSPECTIVE

<sup>1</sup>Sabiha M. Shaikh and <sup>2</sup>Shebazbano Salim Khan

<sup>1</sup>Research Student, Ramanand Arya D.A.V. College, Bhandup.

<sup>2</sup>Research Student & Assistant Professor, Joshi Bedekar College of Commerce, Thane.

### Abstract :

The normative perspective of human resource management bases itself on the concepts of “hard HRM” and “soft HRM,” on which the foundations of human resource management rest.

The concept of “Hard HRM” is the basis for the traditional approach toward human resource management. This concept traces its origins to the Harvard model that links workforce management to organizational strategy. Hard HRM stresses the linkage of functional areas such as manpower planning, job analysis, recruitment, compensation and benefits, performance evaluations, contract negotiations, and labor legislations to corporate strategy. This enforces organization interests over the employees' conflicting ambitions and interests. It views the workforce as passive resources that the organization can use and dispose at will.

Soft HRM is synonymous with the Michigan model of human resources and is the bedrock of the modern approach to strategic human resource management. This model considers human capital as “assets” rather than “resources” and lays stress on organizational development, conflict management, leadership development, organizational culture, and relationship building as a means of increasing trust and ensuring performance through collaboration. This approach works under the assumption that what is good for the organization is also good for the employee.

The critical perspective of human resource management is a reaction against the normative perception. This highlights some inherent contradictions within the normative perspective.

This perspective espouses a gap between rhetoric, as organizations claim to follow soft HRM policies when they actually enforce hard HRM. A study by Hope-Hailey et al. (1997) finds that while most organizations claim employees to be their most important assets and make many commitments for their welfare and development, in reality employers enforce a hard HRM-based strategic control, and the interests of the organization always take priority over the individual employee.

The behavioral perspective of human resource management has its roots in the contingency theory that considers employee behavior as the mediator between strategy and organizational performance. This theory holds that the purpose of human resource intervention is to control employee attitudes and behaviors to suit the various strategies adopted to attain the desired performance. This perspective thus bases itself on the role behavior of employees instead of their skills, knowledge, and abilities.

For instance, an organization aiming to innovate will require a workforce that demonstrates a high degree of innovative behavior such as long-term focus, cooperation, concern for quality, creativity, propensity for risk taking, and similar qualities. The role of human resource management in such a context is to inculcate and reinforce such behavioral patterns in the workforce.

The systems perspective describes an organization in terms of input, throughput, and output, with all these systems involved in transactions with a

surrounding environment. The organized activities of employees constitute the input, the transformation of energies within the system at throughput, and the resulting product or service the output. A negative feedback loop provides communications on discrepancies.

The role of human resource management in the systems perspective is

1. Competence management to ensure that the workforce has the required competencies such as skills and ability to provide the input needed by the organization.
2. Behavior management through performance evaluation, pay systems, and other methods to ensure job satisfaction, so that employees work according to the organizational strategy, ultimately boosting productivity.
3. Setting up mechanisms to buffer the technological core from the environment in closed systems.
4. Facilitating interactions with the environment in open systems.

Among the different perspectives of human resource management is the agency or transaction cost perspective, which holds the view that the strong natural inclination of people working in groups is to reduce their performance and rely on the efforts of others in the group. When one person delegates responsibility to another person, conflicts of interests invariably arise.

The major role of human resource management in such a context is to promote alternative ways of controlling behavior to reduce the effects of such conflicts and minimize the cost to the organization. The two major approaches include

5. Monitoring employee behavior and preventing shrink of work by establishing effective control systems and improving productivity.
6. Providing employees with incentives such as rewards, motivation, and job satisfaction to increase their individual performance.

The human resource department needs to adopt the approach that minimizes transaction cost to the organization.

## INTRODUCTION

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.

HRM is moving away from traditional personnel, administration, and transactional roles, which are increasingly outsourced. HRM is now expected to add value to the strategic utilization of employees and that employee programs impact the business in measurable ways. The new role of HRM involves strategic direction and HRM metrics and measurements to demonstrate value.

Human resource management (HRM, or simply HR) is a function in organizations designed to maximize employee performance in service of their employer's strategic objectives. HR is primarily concerned with how people are managed within organizations, focusing on policies and systems. HR departments and units in organizations are typically responsible for a number of activities, including employee recruitment, training and development, performance appraisal, and rewarding (e.g., managing pay and benefit systems). HR is also concerned with industrial relations, that is, the balancing of organizational practices with regulations arising from collective bargaining and governmental laws.

HR is a product of the human relations movement of the early 20th century, when researchers began documenting ways of creating business value through the strategic management of the workforce. The function was initially dominated by transactional work, such as payroll and benefits administration, but due to globalization, company consolidation, technological advancement, and further research, HR now focuses on strategic initiatives like mergers and acquisitions, talent management, succession planning, industrial and labor relations, and diversity and inclusion.

In startup companies, HR's duties may be performed by trained professionals. In larger companies, an entire functional group is typically dedicated to the discipline, with staff specializing in various HR tasks and functional leadership engaging in strategic decision making across the business. To train practitioners for the profession, institutions of higher education, professional associations, and companies themselves have created programs of study dedicated explicitly to the duties of the function. Academic and practitioner organizations likewise seek to engage and further the field of HR, as evidenced by several field-specific publications. HR is also a field of research study that is popular within the fields of

management and industrial/organizational psychology, with research articles appearing in a number of academic journals, including those mentioned later in this article.

In the current global work environment, most companies focus on lowering employee turnover and retaining the talent and knowledge held by their workforce.

New hiring not only entails a high cost but also increases the risk of the newcomer not being able to replace the person who was working in that position before. HR departments also strive to offer benefits that will appeal to workers, thus reducing the risk of losing knowledge.

#### **INTERNATIONAL TRENDS IN HRM:**

Increased foreign direct INVESTMENT across the world and the trend for operating across national borders means that employers have to deal with the demands of managing people in different national contexts and to develop human resource management (HRM) policies and practices that are appropriate for their specific location. These demands require an understanding of how HRM policies and practices may differ across countries and how the development of management practice may be affected by different institutional and cultural contexts. This volume, compiled of contributions from a range of well-respected HRM scholars worldwide, offers such an understanding and is based upon data from a unique research project, Cranet, that have been collected from more than 40 countries and over a period of 23 years.

#### **EMPLOYEE RETENTION:**

Employee retention refers to the ability of an organization to retain its employees. Employee retention can be represented by a simple statistic (for example, a retention rate of 80% usually indicates that an organization kept 80% of its employees in a given period). However, many consider employee retention as relating to the efforts by which employers attempt to retain employees in their workforce. In this sense, retention becomes the strategies rather than the outcome.

A distinction should be drawn between low-performing employees and top performers, and efforts to retain employees should be targeted at valuable, contributing employees. Employee turnover is a symptom of deeper issues that have not been resolved, which may include low employee morale, absence of a clear career path, lack of recognition, poor employee-manager relationships or many other issues. A lack of satisfaction and commitment to the organization can also cause an employee to withdraw and begin looking for other opportunities. Pay does not always play as large a role in inducing turnover as is typically believed.[1]

In a business setting, the goal of employers is usually to decrease employee turnover, thereby decreasing training costs, recruitment costs and loss of talent and organisational knowledge. By implementing lessons learned from key organizational behavior concepts, employers can improve retention rates and decrease the associated costs of high turnover. However, this isn't always the case. Employers can seek "positive turnover" whereby they aim to maintain only those employees whom they consider to be high performers.

#### **RETENTION PROGRAMM:**

It is important to first pinpoint the root cause of the retention issue before implementing a program to address it. Once identified, a program can be tailored to meet the unique needs of the organization. A variety of programs exist to help increase employee retention.

**Career Development** – It is important for employees to understand their career path within an organization to motivate them to remain in the organization to achieve their personal career goals. Through surveys, discussion and classroom instruction, employees can better understand their goals for personal development. With these developmental goals in mind, organizations can - and should - offer tailored career development opportunities to their employees.

**Executive Coaching** – Executive coaching can be used to build competencies in leaders within an organization. Coaching can be useful in times of organizational change, to increase a leader's effectiveness or to encourage managers to implement coaching techniques with peers and direct reports. The coaching process begins with an assessment of the individual's strengths and opportunities for improvement. The issues are then prioritized and interventions are delivered to target key weaknesses. Assistance is then provided to encourage repeated use of newly acquired skills.

**Motivating Across Generations** - Today's workforce includes a diverse population of employees from multiple generations. As each generation holds different expectations for the workplace, it is important to understand the differences between these generations regarding motivation and engagement. Managers,

especially, must understand how to handle the differences among their direct reports.

**Orientation and On Boarding** – An employee's perception of an organization takes shape during the first several days on the job. It is in the best interest of both the employee and the organization to impart knowledge about the company quickly and effectively to integrate the new employee into the workforce. By implementing an effective on boarding process, short-term turnover rates will decrease and productivity will increase.

**Women's Retention Programs** – Programs such as mentoring, leadership development and networking that are geared specifically toward women can help retain top talent and decrease turnover costs. By implementing programs to improve work/life balance, employees can be more engaged and productive while at work.

### **OUTSOURCING EMPLOYEE RETENTION PROGRAM:**

Turnover costs can have significant negative impact on a company's performance. Turnover cost can represent more than 12 percent of pre-tax income for the average company and nearly 40 percent for companies at the 75th percentile for turnover rate. Organizations and managers understand the importance of implementing an effective retention program but aren't proactive in implementing one and often leave it for another day. That day hardly ever comes. Organizations that don't have the time or have limited resources can outsource employee retention programs to specialists. Companies can hire third party specialists to pinpoint the root causes of their workforce challenges. By identifying the root causes, customized action plans can be tailored to fit your organization's need to and create a retention program customized to your organization. Another benefit of outsourcing is that organizations can get quantifiable justifying the actions needed to improve their organization.

### **HRD**

The Ministry of Human Resource Development is responsible for the development of human resources. The ministry is divided into two departments: the Department of School Education and Literacy, which deals with primary and secondary education, adult education and literacy, and the Department of Higher Education, which deals with university education, technical education, scholarship etc. The erstwhile Ministry of Education now functions under these two departments, as of 26 September 1985. The ministry is headed by the cabinet-ranked Minister of Human Resources Development, a member of the Council of Ministers. The current HRD minister is Smriti Irani, the youngest ever to hold the office.

### **ROLE IMPORTANCE:**

- ♦Growth of organisation: Growth of organisation is associated with the development of its workforce. In changing situation HRD must be viewed as the total system interrelated and interacting with other systems at work: production, finance and marketing.
- ♦Development of work culture: The need of HRD is felt as it improves the efficiency of employees, checks monotony at work, better communication, development of mutual cooperation and creativity of all the members comes into limelight.
- ♦Developing potentialities: The focus of HRD manager essentially is on enabling people to self-actualise through a systematic approach by which their existing talents are further developed.
- ♦Growth of employees: HRD is associated with growth of employees. It helps employees to know their strengths and weaknesses and enable them to improve their performance. The management should provide adequate opportunity for the development of human resource management for the development of their talents so that their development will benefit the organisational growth.

### **CONCLUSIONS:**

International human resource management focuses on the management of human resources on a global basis. An organization's strategy on globalization strongly affects the approach it takes to international human resource management. The approach to international human resource management in turn influences the implementation of the major international human resource management functions of recruitment and selection, development and training, performance evaluation, remuneration and benefits, and labor relations. Companies taking an ethnocentric approach attempt to impose their home country methods on their subsidiaries. The polycentric approach follows local practices. Finally, a geocentric or global approach develops practices for world-wide use.

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