

Course: BBA Part II

Paper: VII

Topic: Nature and Scope of HRM

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Nature and Scope of Human Resource Management

Human Resource Management is a management function concerned with hiring, motivating, and maintaining workforce in an organization. Human resource management deals with issues related to employees such as hiring, training, development, compensation, motivation, communication, and administration. Human resource management ensures satisfaction of employees and maximum contribution of employees to the achievement of organizational objectives.

According to Armstrong (1997), Human Resource Management can be defined as “*a strategic approach to acquiring, developing, managing, motivating and gaining the commitment of the organisation's key resource – the people who work in and for it.*”

According to John Bratton and Jeffrey Gold (2007), “*Human Resource Management is a strategic approach to managing employment relations which emphasizes that leveraging people's capabilities is critical to achieving competitive advantage, this being achieved through a distinctive set of integrated employment policies, programmes and practises.*”

Nature of Human Resource Management

1. HRM is based on certain *principles and policies* contribute to the achievement of organizational objectives.
2. HRM is a *pervasive function* – Human resource management is not specific to an individual department, rather it is a broader function and spread throughout the organization, it manages all type of people from lower level to top level departments of the organization.
3. HRM is *people oriented* – People or human resource is the core of all the activities of human resource management. Human resource management works with and for people. It brings people and organization together to achieve individual and organizational goals.

4. HRM is *continuous activity* – All factors of production are required to be continuously updated and improved to cope up with the changes and increased competition. Similarly, human resource also continuously trained, developed, or replaced to face the next level of competition. Hence, it is a continuous activity.

5. HRM is a *part of management function*.

6. HRM aims at *securing maximum contribution*.

7. HRM aims at *optimum use of personnel power*.

Scope of Human Resource Management

1. Personnel Aspect

Human Resource Planning – It is the process by which the organization identifies the number of jobs vacant.

Job Analysis and Job Design – Job analysis is the systematic process for gathering, documenting, and analyzing data about the work required for a job. Job analysis is the procedure for identifying those duties or behaviour that define a job.

Recruitment and Selection – Recruitment is the process of preparing advertisements on the basis of information collected from job analysis and publishing it in newspaper. Selection is the process of choosing the best candidate among the candidates applied for the job.

Orientation and Induction – Making the selected candidate informed about the organization's background, culture, values, and work ethics.

Training and Development – Training is provided to both new and existing employees to improve their performance.

Performance Appraisal – Performance check is done of every employee by Human Resource Management. Promotions, transfers, incentives, and salary increments are decided on the basis of employee performance appraisal.

Compensation Planning and Remuneration – It is the job of Human Resource Management to plan compensation and remunerate.

Motivation – Human Resource Management tries to keep employees motivated so that employees put their maximum efforts in work.

2. Welfare Aspect – Human Resource Management have to follow certain health and safety regulations for the benefit of employees. It deals with working conditions, and amenities like - canteens, creches, rest and lunch rooms, housing, transport, medical assistance, education, health and safety, recreation facilities, etc.

3. Industrial Relation Aspect – HRM works to maintain co-ordinal relation with the union members to avoid strikes or lockouts to ensure smooth functioning of the organization. It also covers - joint consultation, collective bargaining, grievance and disciplinary procedures, and dispute settlement