

Department of Commerce (CA)

Class : II P1.Com. (CA)

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Human Resource Management (18MCC43E)

UNIT 1

Meaning - Importance - Evolution - Objectives -

Scope - Hawthorn studies - its implication -

Recognition of participation - Organisation

Structure

Reference Book

Human Resource Management

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UNIT 1

Meaning of Human Resource Management:

It is the Strategic approach to the effective management of people in a company or organisation such that they help business gain a Competitive advantage. It is designed to maximise employee performance in service of an employers' Strategic objectives

Scope of HRM

It includes

- 1) HR Planning
- 2) Job Analysis
- 3) Recruitment and Selection
- 4) Induction
- 5) Training and development
- 6) Performance Appraisal
- 7) Compensation and Management
- 8) Motivation
- 9) Health, welfare and safety
- 10) Industrial relation
- 11) Employee Counselling
- 12) Personnel Research
- 13) Information System
- 14) Organisation development

Nature of HRM

1. Comprehensive
2. Continuous function
3. People function
4. Pervasive function
5. Art and science
6. Service function
7. Challenging
8. Development oriented
9. Importance to individual
10. Multidisciplinary function
11. Action oriented
12. Goal oriented
13. Integrated concept.

Functions of HRM

I Managerial Functions.

1. Planning
2. Organising
3. Staffing
4. Directing
5. Coordinating
6. Controlling
7. Innovation
8. Decision making
9. Job Analysis

II Operative functions

1. Recruitment
2. Development
3. Compensation
4. Maintenance
5. Motivation
6. Personal records
7. Industrial Relation

III Advisory Functions

1. Advice to Top management
2. Advice to Departmental Heads

Evolution of HRM

Kautilya's Arthashastra written in 400 BC pointed out the importance of human management. The role of human resources was recognised during the industrial revolution in the 19th Century.

The Trade Union Movement Era

In 1911, the Royal Commission of Labour in India, recommended the appointment of welfare officers to solve employees problems. The Trade Union Act was passed in India in 1926.

The Social Responsibility Era

Robert, Owen, a British industrialist was the first to adopt this approach.

The Scientific Management Era

F.W. Taylor and the Gilbreth and others promoted scientific method of doing work.

The Human Relations Era

The Hawthorne Experiment conducted by Elton Mayo during 1924-1932 gave rise to human relations approach.

Behavioural Sciences Era

According to this individual behaviour confirms group behaviour.

Systems approach Era

According to this the sub systems interact with each other and are interrelated.

Contingency approach Era

Management should be according to the situation. So that it is called as situational approach.

HRM Evolution in India.

HRM was considered as a different function in different period in India.

- | | |
|-------------|---------------------------|
| 1920 - 1940 | - clerical function |
| 1940 - 1960 | - Administrative function |
| 1960 - 1980 | - Managerial function |
| 1980 - 2000 | - Strategic function |

From 2000 onwards it was considered as Human Resource Management

Hawthorne Experiment

It is used to describe the positive impact on behaviour that sometimes occurs in a study of experiment as a result of interest shown by the experimenter in human who are being treated studied or observed

Five Stages

1. Experiments on Illumination
2. Relay assembly Experiment
3. Mass interviewing program
4. Bank wiring observation room
5. Personal Counselling

Impact of Hawthorne Studies

1. The aptitude of individuals are imperfect predictors of job performance
2. Informal organisation affects productivity
3. Work group norms affect productivity
4. The workplace is a social system

Recognition of Participation

It is an arrangement in which workers are involved in the decision making process.

Objectives of participation

1. To provide an opportunity to workers
2. To fully utilise employee capabilities
3. To satisfy the psychological needs of workers
4. To improve quality and productivity
5. To ensure mutual understanding
6. To encourage open and free communication
7. To encourage better discipline
8. To motivate workers for innovation
9. To maintain industrial peace
10. To improve loyalty and commitment
11. To create healthy atmosphere

Factors influencing workers participation

1. Competition
2. Focus on quality
3. Emergence of service sector
4. Trade Union Strength
5. Power of trade union
6. Management attitude
7. Labour regulation
8. Government
9. Communication System

Forms of Workers participation

1. Collective Bargaining
2. Works Committee
3. Joint Management Councils
4. Board Representation
5. Profit Sharing plans
6. ESOP's
7. Suggestion Schemes

Levels of participation

1. Informative participation
2. Consultative participation
3. Associative participation
4. Administrative participation
5. Decisive participation

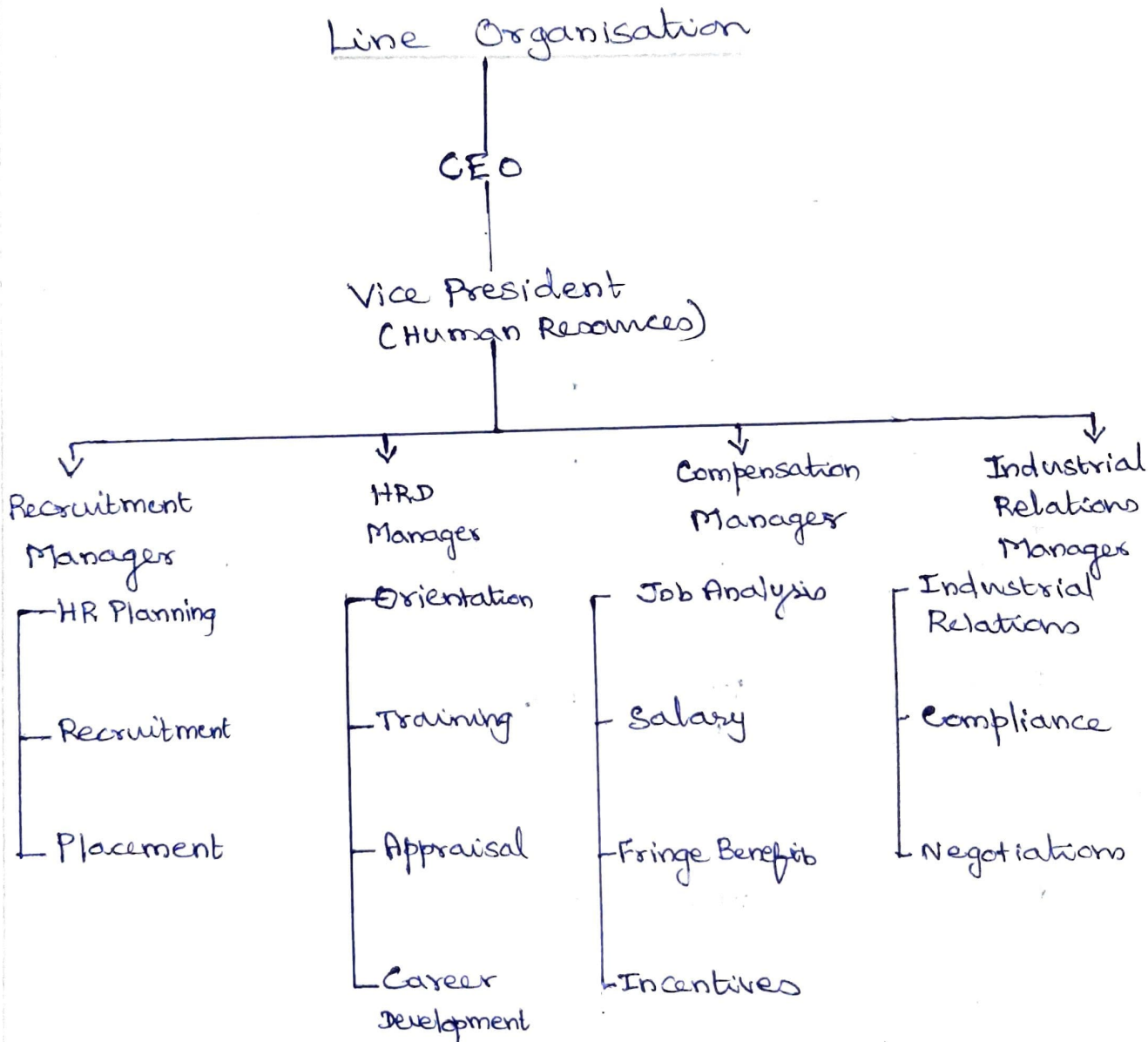
Essentials for effective participation

1. Top management support.
2. Clarity in goals
3. Recognition of trade union
4. Available information
5. Fair treatment to employees
6. Adequate freedom
7. Frequent meetings
8. Better relations
9. Workers' training
10. Mutual Trust

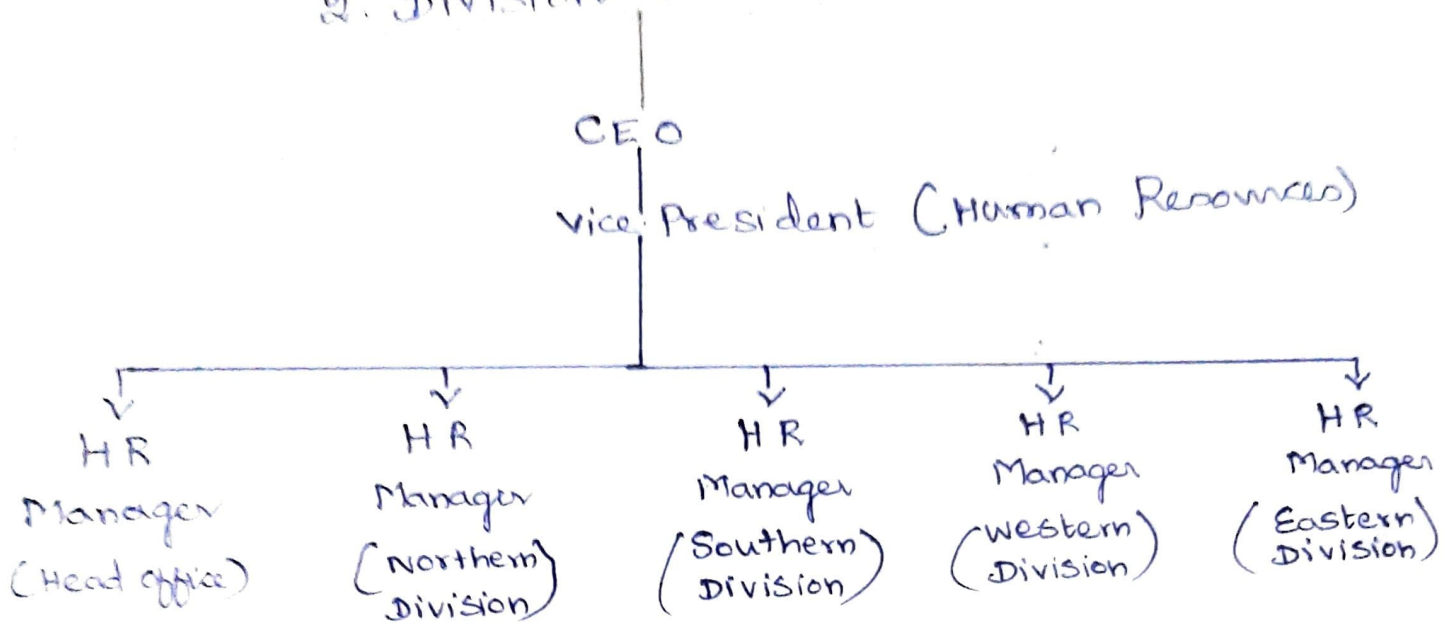
Organisation Structure of HRM

There are 3 types of Organisation

1. Line Organisation
2. Divisional Structure
3. Matrix Organisation Structure



2. Divisional Structure



3. Matrix Structure

