

# Beyond Hiring and Firing

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**Abstract**—*The emphasis on proper and effective human resources management has increased in the recent times. It has been identified as an important factor in the successful management of an organization. Human resource development may be defined as the total knowledge, talents and aptitudes of an organization's workforce, as well as the values, attitudes, approaches and beliefs of the individuals involved in the affairs of the organization. HRM is a process, which consists of four main activities, namely acquisitions, development, motivation, as well as maintenance of human resources. Under the influence of technological development, organizational complexities are growing. The impact on the work, working methods, work rules, tools, equipment, etc is inevitable. Jobs have become more complex and need specialized skills and professionals. As a result of this, emphasis is nowadays given to the training and development aspects. In order to meet the growing need it is necessary not alone in private industry but also in government sector, No-profit institutions and armed services. Human management is no longer restricted to only the wage earners in factories. It has become equally important for every level of employee and organization, even in ranks of management. The other terms used in personnel related problems and techniques are "labour relations" and "industrial relations". Labour relations relate primarily with the relations between management and unionized labour. In India, the field of personnel management has three branches, namely personnel administration, industrial relations and labour welfare. Personnel administration deals with the administrative aspects such as recruitment, selection, placement, promotion, transfer, wages, and incentives etc. Industrial relations deal broadly with employer-employee relationship, negotiations and collective bargaining, settlement of grievance and disputes, joint consultation. Labour welfare programmes seek to improve the working and living conditions of employees by the provision of different facilities.*

## 1. INTRODUCTION

Human Resource Management (HRM) is the term used to describe formal systems devised for the management of people within an organization. The responsibilities of a human resource manager fall into three major areas: staffing, employee compensation and benefits, and defining/designing work. Human Resources is basically the mix of inherent abilities, acquired knowledge and skills represented by the talents and aptitudes of the persons employed in an organization. Leon C. Megginson says, "From the national point of view, human resources may be defined as the knowledge, skills, creative abilities, talents and aptitudes obtained in the population; whereas from the viewpoint of the

individual enterprise, they represent the total of the inherent abilities, acquired knowledge and skills are exemplified in the talents and aptitudes of its employees". Essentially, the purpose of HRM is to maximize the productivity of an organization by optimizing the effectiveness of its employees. This mandate is unlikely to change in any fundamental way, despite the ever-increasing pace of change in the business world. As Edward L. Gubman observed in the *Journal of Business Strategy*, "the basic mission of human resources will always be to acquire, develop, and retain talent; align the workforce with the business; and be an excellent contributor to the business. Those three challenges will never change."

## 2. PRINCIPLES OF HUMAN RESOURCE MANAGEMENT

Modern human resource management is guided by several overriding principles. Perhaps the paramount principle is a simple recognition that human resources are the most important assets of an organization; a business cannot be successful without effectively managing this resource. Another important principle, articulated by Michael Armstrong in his book *A Handbook of Human Resource Management*, is that business success "is most likely to be achieved if the personnel policies and procedures of the enterprise are closely linked with, and make a major contribution to, the achievement of corporate objectives and strategic plans." A third guiding principle, similar in scope, holds that it is the HR's responsibility to find, secure, guide, and develop employees whose talents and desires are compatible with the operating needs and future goals of the company. Other HRM factors that shape corporate culture; whether by encouraging integration and cooperation across the company, instituting quantitative performance measurements, or taking some other action; are also commonly cited as key components in business success. It is devoted to shaping an appropriate corporate culture, and introducing programs which reflect and support the core values of the enterprise and ensure its success."

## 3. SCOPE OF HUMAN RESOURCE MANAGEMENT

All major activities in the working life of the employee from the time of his entry into the organization until he leaves, come under the purview of human resource management.

The most important activities undertaken are:

- Planning - job design, job analysis, procurement, recruitment, selection, induction, placement, training and development.
- Compensation - rewards, benefits, retributive benefits, medical and healthcare.
- Motivation – Motivational aids, bonus, incentives, career development growth, decision making, delegation of authority and power, promotion etc.
- Employee Relations – Grievance handling, participation, collective bargaining and other aspects of cordial relations conducive to mutual understanding and trust.
- Employee evaluation and performance improvement, human resource audit and human resource accounting.
- Appraisal of performance of employees and taking corrective steps such as transfer from one job to another.
- Social security and welfare of employees.

#### **4. IN THE CHANGING ENVIRONMENT**

##### **4.1 Human Resource Accounting (HRA)**

Accounting for the human resources deals with the measurement of costs which are associated with recruiting, selecting, hiring, training, placing, and developing the employers of an organization. The American Accounting Association has defined HRA as the process of identifying and measuring data about human resources and communicating this information to the interested parties. The basic objective underlying is to facilitate the information needed to acquire, develop, allocate, conserve, utilize, evaluate and reward human resources. HRA is intended primarily to be used as a managerial tool. It also has a significant use for present and potential investors and other users of corporate financial statements.

##### **Benefits of HRA**

- Direct recruitment vs. promotion
- Transfer vs. retention
- Relieving vs. retention
- Utility of cost reduction programme in view of the possible impact on human relations.
- Impact of budgetary control on human relations and organizational behavior.
- New dimension added to capital budgeting process which includes human resource investment costs.
- Consideration for an adequate return on investment in human assets and also a more useful interpretation of return on capital employed.

- Decision on relocating factories, developing overseas subsidiaries, closing down or streamlining existing units.

#### **5. HUMAN RESOURCE PLANNING**

Human resource planning is a process through which the right candidate for the right job is ensured. For conducting any process, the foremost essential task is to develop the organizational objective to be achieved through conducting the said process.

Six steps in human resource planning are

##### **5.1 Analyzing Organizational Objectives:**

The objective to be achieved in future in various fields such as production, marketing, finance, expansion and sales gives the idea about the work to be done in the organization.

##### **5.2 Inventory of Present Human Resources:**

From the updated human resource information storage system, the current number of employees, their capacity, performance and potential can be analyzed. To fill the various job requirements, the internal sources (i.e., employees from within the organization) and external sources (i.e., candidates from various placement agencies) can be estimated.

##### **5.3 Forecasting Demand and Supply of Human Resource:**

The human resources required at different positions according to their job profile are to be estimated. The available internal and external sources to fulfill those requirements are also measured. There should be proper matching of job description and job specification of one particular work, and the profile of the person should be suitable to it.

##### **5.4 Estimating Manpower Gaps:**

Comparison of human resource demand and human resource supply will provide with the surplus or deficit of human resource. Deficit represents the number of people to be employed, whereas surplus represents termination. Extensive use of proper training and development programme can be done to upgrade the skills of employees.

##### **5.5 Formulating the Human Resource Action Plan:**

The human resource plan depends on whether there is deficit or surplus in the organization. Accordingly, the plan may be finalized either for new recruitment, training, interdepartmental transfer in case of deficit of termination, or voluntary retirement schemes and redeployment in case of surplus.

##### **5.6 Monitoring, Control and Feedback:**

It mainly involves implementation of the human resource action plan. Human resources are allocated according to the requirements, and inventories are updated over a period. The plan is monitored strictly to identify the deficiencies and

remove it. Comparison between the human resource plan and its actual implementation is done to ensure the appropriate action and the availability of the required number of employees for various jobs.

## 6. 21<sup>ST</sup> CENTURY HR DEPARTMENT

Technology has changed the world — and businesses — profoundly over the last two decades, and it continues to do so.

We can't solve today's problems using yesterday's thinking. It's time to make a change and add new roles to HR.

Here are five ways to bring an HR department firmly into the 21st Century.

### 6.1 Social Collaboration Manager –

It's the core responsibility of HR to engage the workforce to execute the company's vision, mission and strategy. That makes social collaboration critical because

- It involves all lines of business
- Breaks down department barriers, as well as hierarchies
- Brings people together

It's time for HR to take ownership of Social Collaboration. Appoint a social collaboration manager who can make social collaboration work in the organization.

### 6.2 Data Analyst

Either an organization has a lot of people data that a data analyst can mine and use, or it doesn't. If it does, let technology do the work for you. If it doesn't, you have a whole different challenge: Get a first class HR system, and start mining interesting data about the workforce. Stop creating reports. Start analyzing the data and act on your findings. There are zillions good advisors, blogs and companies to help with that.

### 6.3 Performance Management Expert

Many large organizations have somebody responsible for Talent Management, but not for Performance Management. Nurturing talent and channeling it to great performance should go hand-in-hand.

As you cannot expect the business to be 100 percent self-sufficient to follow the latest and the greatest in the field of Performance Management, such as:

- What are modern tools and ways of thinking about Performance Management?
- How can you best align your company's goals to the entire workforce?
- How do you make performance management more continuous (instead of once a year)?

That kind of guidance can best be given by Performance Management expert responsible for supporting the business.

### 6.4 Total Workforce Expert

We rarely see HR being responsible for managing contractors (people who are not on the payroll). And yet, the number of contingent workers is rising and rising. This is a contradiction, and it puzzles.

HR is responsible for aligning, engaging and connecting the entire workforce. A lot of companies could benefit from a professional connecting the dots between contractors and employees towards Total Workforce Management.

### 6.5 Succession Manager or Strategic Workforce Planner

Many organizations lose valuable experience when employees leave. It pays to develop radar for continuity. It increases the employee satisfaction. It increases internal mobility. And it costs almost nothing.

## 7. CONCLUSION

Human intellect in business is more important than ever and anything else. Organizations that fill these five roles will positively impact the effectiveness and engagement of their workforces. That will positively impact their ability to innovate, as well as their competitive advantage in the marketplace. Organizations need to adopt some new changes in the work process and responsibilities of Human Resource Department in order to maximize employee productivity.

And that will have a direct impact on revenue.

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