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IJBMR HUMAN RESOURCE MANAGEMENT OF AN ENTERPRISE AND ITS DEVELOPMENT

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ABSTRACT :

Human Resource Management (HRM) is the integral part of any organization, technical or non-technical, profitable or non-profitable, public or private limited companies, large scale or micro enterprises, etc. name the type of organization and the Human Resource Management will be there. Generally, the work of the HRM is to ensure that there is proper workforce and human capital, machineries (up to date), employees, etc. and hire them as per the organizational needs. The hiring needs to be done in numerous steps and includes different procedures, which is as per the size, vacancy, type and nature of the organization. This study focuses to investigate that why the HR is an important person in an organization, requirements, qualifications, expertise and the work done by the Human Resource Management. On the other hand, it also focuses on how the HR Department is engaged in the growth and development of the Enterprise. The Human Resource Management is the Management and Administrative branch of the organization which primarily handles the majority of human workforce and capital. The research study involved the collection of data from various sources, journals, articles, publications, and relevant empirical studies. The data collected was analyzed through common themes generated from the documentation of this project. Human Resource Management is responsible for personnel and resources allocation management. The results of this study depicted that People Services or Modern Human Resource Management with sustainability improved the performance and productivity of different enterprises. One of the key responsibilities of the Human Resource Management is the empowerment and growth of the employees of the office and organization. Hence, we are going to look about the functioning and operational roles of the HR Management and how it impacts the organization in day to day operations as well as in the long term (standing) plans.

Keywords: - Human Resource Management, Human Capital, Manpower and Workforce, People Services, Sustainability, Administration, Organizational long term plans.

INTRODUCTION TO HUMAN RESOURCE MANAGEMENT (HRM)

Human Resource Management, also referred to as the HRM, is responsible for the management and administration of the Human Capital and Workforce in an Organization. It all relates to the filing and processing work, departmentalization, delegation of authority and responsibility, looking for the stability of the tenure of a personnel in an organization, equality, remuneration as per the employees' performance, etc. and the older version of the Human Resource Management was all about the administration work only.

The Modern Human Resource Management not only does these administrative things mentioned above, but it also is responsible and accountable for many other purposes like maintaining good employee relations, sound Industrial Relations with the workers and labourers, co-ordination in the workplace, preparation of reports and analysis of the data, informing and communicating the processed data to the seniors, disseminating required information to the required people, performance appraisal, etc. and many things regarding the employees of the firm. The Modern Human Resource Management looks for the all-round development of the employees and increased productivity over time with necessary training and development, look for needs of the employees, their demands, salaries and incentivization.

The HR Manager needs to ensure that everything is going on in the firm is good because even the machineries and with the introduction of Capital Intensive Techniques in the organization, the enterprise needs to hire people and human capital with necessary skills and techniques to handle and operate the machines properly and paying them correctly, as the time passes and work done. In a nutshell, the HR needs to look and engulf the proper working of all the FOPs (Factors of Production). The Factor of Production are the factors and key elements which are necessary for a business without that an organization can't run and operate. In simple words, they provide/are the inputs used to produce and manufacture a good/service in order to produce income and gains.

The Factors of Productions is an economic concept which tends to explain the creation and origin of the resources or the inputs which is used in the production/manufacturing process to produce the output, i.e. intermediate to finished goods/services. There are some factors of productions which are as follows: -

- Land and other natural resources
- Labour (Human Manpower)
- Capital (Owner's Equity)
- Entrepreneurship (Risk taker and bearer)

These are some of the factors of production which serves as the input of any product or service, but here in this research study, we're focused on only one of the FOPs, that is Labour or the Human Workforce, as it is the integral part of the HRM and current study, but others are also very important in the nature and perspective of an organization.

Labour: - Labour is simply the work done by the people or the employees of an organization to achieve the Enterprises' goals and objectives. As even the definition of management says that 'Management is the accomplishment of the results through the other people' which is given by Lawrence Appley, the definition says that the accomplishment of results (pre-planned organization's objectives and goals), is done through the efforts of people (labour) and human manpower. The value of labour depends on the Human Capital. The Human Capital is a measurement of education, skills, qualifications, productivity and other attributes which are necessary for a person or the labour to operate and run the machines and do the work assigned by the superiors to them.

Productivity is a term given to the work done by the employees within the time or the output someone can in each hour of the work. The price paid to the labour for their work done is known as the wages (revenues). The rewards given to each of the factors of production is known as the Factor Rewards.

"A wage may be defined as the sum of money paid under contract by an employer to worker for services rendered." –Benham.

"Wages is the payment to labour for its assistance to production." -A.H. Hansen

There are certain methods of Wages too which depends on the organizational behaviour, size of the firm, types of employees, nature, working conditions, Company's policies, Market tendency, Capital Capacity and liability, etc. which are as follow: -

- Piece Wage
- Time Wage
- Cash Wage
- Kind Wage
- Contractual Wage

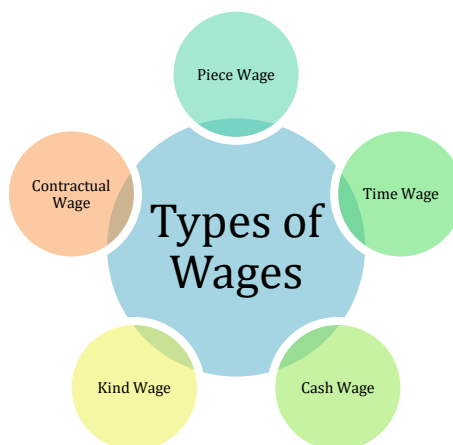
Piece Wage: - Piece Wage are the wages which are paid to the labour by the organization to the work done by a worker in quantity achieved or the number of units the person made (produced). Here, time isn't considered as the payment is done per the achievement of required number of quantities produced or manufactured. It is actually paid for the casual workers and daily labourers. This wage study depicts the productivity of a person per the units he made and manufactured in a factory.

Time Wage: - Time Wage are the wages paid for his services according to the passage of certain unit of time, i.e. weekly, monthly, bi-weekly, quarterly, yearly, etc. The work done is taken into consideration to depict the performance along with the given point of time. For example, if a labourer is paid Rs. 1000 per day, then the type of wage is known as Time Wage as the unit (per day) is determined and highlighted here.

Cash Wage: - The Cash Wage is the unit of payment which is done in the terms of money or has the monetary value of the fiat currency. For example, if an employee is paid Rs. 1500/day, then the payment has a monetary value (in numbers), which is 1500 Rupees here.

Kind Wage: - The Kind Wage is the unit of payment of wage which is in goods or unit rather than the cash or monetary amount like grinder, blender, gifts, etc. The kind wage is prevalent during the bonuses, birthday gifts, etc. For Example, an employee receives a gift (item) from the company as bonus as part of incentives, then such wages are Kind Wages. Kind Wages are popular in Rural and Backward areas.

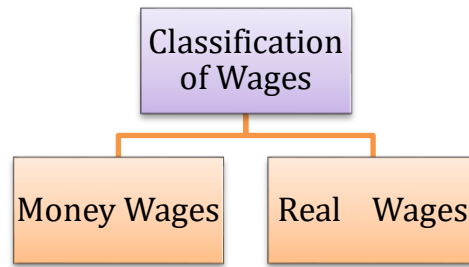
Contractual Wage: - The wages which are pre-decided and already fixed by the organization to pay timely or work done in pieces or unit after the completion of the assigned work, as mentioned in the contract. For Example, if a contractor is told to be paid Rs. 1, 00, 000 after the construction of a lawn or any building, it will be determined as the Contractual Wage.



Theory of Wages

These are the various methods, a HR can pay the employees of the organization as per different aspects of work and kind, which is also known as the Theory of Wages, an economic concept given by Thomas Malthus, based on his population theory, which is further advanced by David Ricardo. Apart from the theory of Wages, there are also the concept of Wages which are as follows: -

1. Monetary Wage
2. Real Wage



Monetary Wage: - Monetary or Nominal Wage is the total amount of money in quantity specified in the process of production/manufacturing is called the Monetary or Nominal Wage.

Eg. : - If an employee receives Rs. 10,000 per month, then the monetary value (10,000) is known and defined as the Monetary Wage of an employee in an organization.

Real Wage: - Real Wage means the unit of money or wage, not in quantity or the price, but it is termed as the purchasing power, ability and capacity of an employee to buy the desired products. In the Real Wage, the quantity of goods purchased by the respective person or the units which he can afford and buy at the given point of time comes in count. Simply put, the amount of necessities, commodities, comforts, and goods/services, luxuries a person can purchase and command in return for his services in the organization.

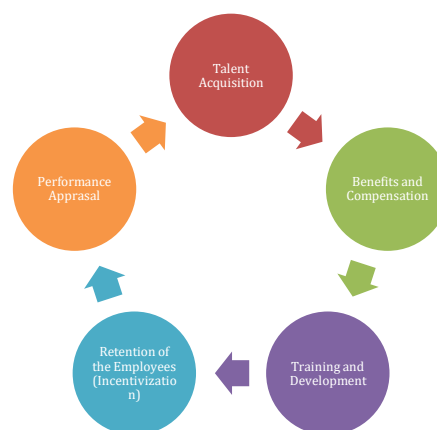
Eg. : - If an employee receives 10,000 per month, in 1st month, the price of laptop is 25,000, then the person has the purchasing power to have and afford is 4 units. But in 2nd month, due to inflation, the price rises to 50,000, then the person can have 2 laptops in same salary compared to 4 before. In 3rd month, price drops again and the price of laptop is now 20,000, so the person can now have 5 units instead of 4 and 2 in the 1st and 2nd months respectively. The units a person can buy is the Real Wage of the person.

The theory of wages is included in the payroll process of the HR Manager and he must have to figure out how (on which basis) he needs to pay the employees, on the basis of time or work or pieces made, and in cash or in kind or both. It depends on the type and nature of the firm as well as the employees. Apart from the administrative processes in the firm, there are some common roles and responsibilities of the HR in any kind of firm (technical, non-technical, profitable, non-profitable, public or private, etc.). The HR needs to ensure that he completes these as on the time so that the firm can run normally and functions smoothly without any deviations, as planned in the planning stage during the promotion of the firm (Idea Generation).

ROLES AND RESPONSIBILITIES OF MODERN HR

The roles and responsibilities of an HR Manager in the firm is not limited to just the administrative and departmental work but it also consists different areas of the HR which are as follows:-

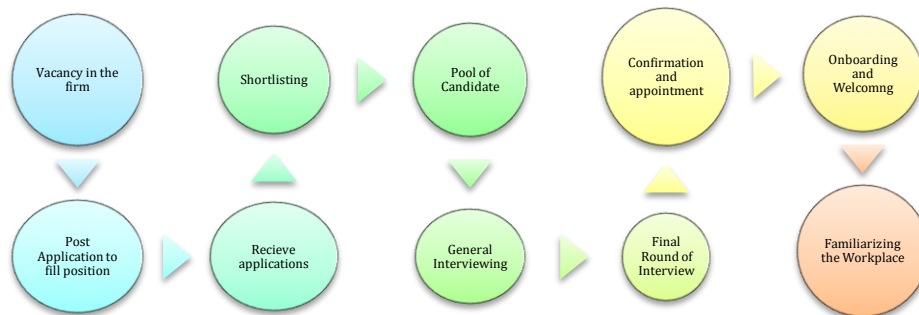
1. Talent Management and Acquisition
2. Compensation and Benefits (Incentivization)
3. Training and Development
4. Retention, Encouragement and motivation to Employees
5. Performance Appraisal



The first step of an HR is to hire employees and place them in the respective position which had the vacancy. The function of the HR is completely related to the staffing stage in the process of management. It is said in the Modern Human Resource Management and development that putting the right person, with right skills in the right place on the right time, which leads to smooth functioning and operation of the organization and green (sustainable) hiring. It is the key responsibility of the HR to ensure that the right person (candidate) is placed and hired at the proper position of his skills and expertise. For example, hiring a marketing agent for the position of an Accountant can't be counted as the proper measure taken in the hiring process by the HR personnel of the organization.

The Hiring Process of a Modern HR Manager or personnel is as follow:-

1. Looking for Vacancy in an organization
2. Post the application and reach it to the general people
3. Receive Job Applications from the interested people
4. General (Telephonic) Interview
5. Shortlist candidates on the basis of General Interview
6. Forming pool of talented candidates
7. Eliminator rounds and decreasing the size of pool
8. Final Selection Round
9. Appointment letter and Onboarding Procedure
10. Familiarizing the workplace and environment



The above mentioned process is to be done for the completion of the hiring part of an organization, which simply refers to select a person who is eligible and capable to work in that enterprise, which helps the personnel as well as the company to grow and develop, achieve significant results and subordination of the individual interest to the general and company's interest.

The second step of an HR in the organization is to give compensation (payout) and salary to the employees for their work done. The payout needs to be done in such a manner that the employee will desire to work for the organization for long term, with dedication and sincere commitment and enthusiasm. The Compensation and Benefits can be tangible like any good, gifting items, cash in hand, etc. or it can be intangible like social recognitions, work-life and developmental activities, skill training and developmental boot-camps and organizing workshops, mentioning in company's website or magazine, etc.

Compensation is a bit different from the Benefits, the Compensation means to pay or the exchange in monetary terms of the work done and performed by the employees and are rewarded by the employers, whereas the benefits signifies the exchange in value to the employees as part of their packages for the work they had done and performed by the organization. In simple words, compensation means the tangible payment and cash they receive for their work and the benefits means the intangible rewards they get like health insurance benefits, parental leaves, etc.

Here, a firm can sustain with just giving compensations (even though benefits are advisable), which means the salary paid to the employees. So, in this study, we're going to see some types of compensation: -

1. **Basic Salary (Base pay):** - Basic salaries are those which are handed to the employees of an organization for their work done and activities performed in the workplace, also known as the salary. A salary indicates that the firm has invested some of its funds for the human capital for the long-time future (stability of the personnel tenure).
2. **Commissions:** - Commissions are given by the employers to the employees (especially the salespersons and marketers) for their additional performance and to boost their productivity. Commissions are set prior based on the predetermined target or the quota. The higher the target reached, the higher the commission will be for the respective employee, like any mission.
3. **Bonus pay:** - Bonuses are another form of commission (not exactly, but in some way) which makes the employees satisfied for the work done and aims to do more than the limit. Bonuses are given in festive times like Diwali bonuses, etc. which consists of either cash or kind. It is given to the employees for their motivation and encouragement to work in the firm and continue the same level of work.
4. **Equity Packages:** - Equity as a part of the compensation package means that the employee is offered ownership (equity) in the organization, either through the stock or share options to buy such. These kind of compensation is common in budding enterprises and startups to motivate the employees to work harder as an owner of the firm itself and a reward for the loyalty and hard work.
5. **Stock Options:** - Stock Options are the compensation which entitles the employees of the firm to buy a set of shares at a fixed and determined price after some time. This is quite different from the previous one because the employee will not have any ownership in the company. Generally, the stock options are available to those employees who work since the past three to five years in the same company for their long term retention and to increase their productivity.
6. **Benefits:** - Benefits of the organization are the intangible compensations awarded to the employees like health insurance benefits, life insurance, accident insurance and claims, retirement plans like PFs (Provident Funds), Gratuity, etc., disability insurance, pension schemes, etc.

7. Other non-monetary compensations: - There are some non-monetary compensations which firm actually serves the employees for their hard work and determination towards their work or on the accomplishment of the targets and quotas set by the organization to the employees. Some of the non-monetary compensations of the organization can be organizing workshops, industrial visits, international and domestic vacations, picnics, fairs and events, etc. which makes the employees to grow and develop. The firms give non-monetary compensations either to make the existing employees more productive and to increase scalability, or to hire talent into the company.

Some can be as follows: -

- Laptops and electronic devices
- Transportation facilities
- Company cars
- Parental leaves
- Meals
- Flexible timings and mobility
- Childcare
- Paid or non-paid time offs, etc. and many more



(Source:- AIHR)

Compensation and benefits, both are essential for the firms to hire the talent and to retain them for long term because the more the organization offers the perks to their employees, the more and the better they work. Efficiency and Effectiveness is the key of an organization from the employees to scale itself as large as possible and to avoid the losses and unnecessary expenses on the waste. Instead, the firm could announce developmental programs which tend to boost employees working potentials and unlocks new capabilities and think better. Efficacy is the result a firm could get in return for the employee benefit expenses and developmental programs and schemes.

The third step of the HR is to provide training and developmental schemes to the employees. These schemes are necessary for the employees so that they gain interest to work, boost productivity, give more attention and concentration, raise more points for the topic, solve key issues and problems, educate themselves, new capabilities, learn more, maintain themselves, etc. and many factors. The organization arranges training programs of the skills which are necessary to learn, which the employees lack touch, self-educate themselves, new topics to boost their mind, tactics and strategies, case studies, physical and mental health betterment, etc. and a feel that the organization is doing something for the employees as well. The programs and the schemes are should be of the welfare of the employees so that they result in the betterment of the organization itself.

We can clearly say that the training is the systematic process of enhancing the job skills, attitude, personality, knowledge, communication and overall growth of the employees. Development refers to the educational and betterment within a company created to increase and enhance the knowledge and skills of the employees, while providing the information and instructions on how to perform better in specific tasks. Training enhances the employees to develop and rise with the organizational needs and the market value. The HR along with the top level management is responsible for the training and development of the employees. The commitment of the top level management is an essential qualification of the training programme because it involves in the framing of training and development schemes as well as policies. The training of the employees is possible, if the firm and organization believes that it results in the modification and updations in the behavior and working of the employees, in their own interest and they can perform their job in a better way after attending the particular training programme because learning is a self-developmental activity and employee development is the evolution and the outcome of the organization, which increases after the feeded training schemes. It is said that the training and development is an expensive and time-consuming process in the terms of organization, but not giving required training will make the firm suffer badly by yielding less profits, deviations, increasing barriers, lack of knowledge, etc. Hence, it is important for the HR to ensure training and development schemes are available for the employees. There are some types of training of an organization which are as follows: -

1. Induction Training: - The Induction Training is given to a new employee of an organization after the Onboarding and Welcoming procedure in the Hiring Stage. After giving the necessary information, description, type and nature of the organization and the feeding of necessary skills and data, the employee must be given the essential introductory information by his supervisor or the HR. The new employee must be properly

guided with the rudimentary training about his conduct with his superiors, co-workers and employees, his responsibilities, etc. and also about other general mandatory aspects. This will help the workers adapt to the environment and work culture easily.

2. **Job Training:** - This type of training is given to the employees for their improvement in knowledge, skills, productivity, attention and concentration of the work output. The job training is to recount normally by the senior workers, supervisors, or the special instructors as detailed by the management to impart the OJT (On the Job Training).
3. **Training for Promotion:** - This training is provided to the existing employees of the organization to prepare they perform the higher level jobs. They may also be sent to the other institutions and organizations for acquiring specialized knowledge.
4. **Refresher Training:** - Since the development and advancement in technology, the technical staffs should refresh their knowledge and new skills, it is given to the employees for short duration to coup up with the present job requirements. Employees may be encouraged to attend short course seminars, webinars, workshops, etc. to update and upgrade their knowledge.

The fourth step of the HR is the retention of the existing employees through different schemes and policies, which is one of the principles of Henry Fayol that is Stability of the tenure of a personnel. It is defined as the organization's ability to prevent the existing employees to labour turnover, or the number of people who leave their job in a certain period, voluntarily or involuntarily. Increasing employee retention has a direct impact on the business scalability and growth. The employee retention provides healthy, steady and success of an organization. The time, stress, and the cost of hiring a new employee and giving him the training and development again, which increases the cost, efforts and time for these processes to happen and the turnover can cause a negative impact and downfall of the firm. Hence, employee retention is necessary.

Example, the exceptional employees are the reasons many organizations are able to scale up, build, maintain key positions, earn more profits, social trust and goodwill, and maintain a good reputation. Such employee needs to be retained every year so that firm can maintain the same growth and can increase the same over the upcoming years.

Some of the key techniques to retain the employees are as follows: -

- Investing in employee training and development
- Incentivization
- Formulating clearly defined policies and expectations
- Offer competitive benefits
- Non-monetary benefits
- Encourage open communication and employee morale
- Show appreciation towards the employees
- Social recognition and self esteem
- Promoting work-life balance
- Other benefits and compensation techniques

These techniques are to be used in different manner in the organization so that the employees can also feel the affection and compassion towards them and stay continued with the same firm for a definitely longer period.

The fifth step of the HR is performance appraisal to the employees as a result and outcome of the employees, given to them. It is similar to the result given to the students after their examination, for their performance lookout and how they can improve themselves. A performance appraisal, also known to as a performance review, performance evaluation, development discussion, or employee appraisal is a method by which the job performance of an employee is documented and evaluated, then given to the workers. A performance appraisal is the periodic assessment of an employee's job performance as measured by the competency expectations set out by the organization. The performance assessment often includes both the core competencies required by the enterprise and also the competencies specific to the employee's job as well. It marks the discrepancies of standard performance (as set by the organization in the planning stage) and the employee's performance and checking whether there are any deviations or growth is more.

There are six modern methods of performance appraisal given by the HRM to the employees as a report card for their work one in the organization, which is essential for the deciding factors in an organization like the promotion of an employee, demotion, transfer and training of the employee and tracks their overall performance.

1. Management by Objectives (MBO)
2. The 360 degree feedback
3. Assessment centre method
4. Behaviourally Anchored Rating Scale (BARS)
5. Psychological Appraisal
6. Human Resource Accounting Method

Management by Objectives Method: - The Management by Objectives Method, also known as the MBO is the appraisal method where the managers and employees together identify, plan, organize, and communicate the objectives to focus on during a specific appraisal period. After setting clear and definite goals, managers and the subordinates periodically discuss the progress made to control and debating on the feasibility of achieving those set objectives of the organization to grow, develop and scale.

This performance appraisal method is used to ensure the overarching organizational goals with objectives of employees effectively and efficiently while validating the objectives using the SMART method to see if the set objective is specific, measurable, achievable, realistic, and time-sensitive in brief.

The 360 degree feedback: - The 360 degree feedback method is a multidimensional performance appraisal method that evaluates an employee using feedback and back-response collected from the employee's circle of influence namely managers, peers, customers, and direct reports too. This method will not only eliminate the biasness in the performance reviews but also offer a clear and definite understanding of an individual's competence.

The 360 degree consists of five key components which are: -

- Self-appraisal
- Managerial Reviews

- Reviews of peers
- Subordinate Appraising Manager (SAM)
- Customer or Client Reviews

Assessment Method: - The assessment centre method enables employees to get a clear picture of how others observe them and the impact it has on their real time performance. The main advantage of this method is that it will not only assess the existing performance of an individual but also predict future job performance in the upcoming years so that it becomes easy to figure out whether to keep him or not.

Behaviorally Anchored Rating Scale Method: - Behaviorally anchored rating scales or the BARS bring out both the qualitative and quantitative benefits in a performance appraisal process. BARS compares employee performance with specific behavioral examples that are anchored to the numerical ratings. Each performance level on the BAR scale or a chart is anchored by multiple BARS statement which eventually describe the common behaviors that an employee routinely exhibits in the organization

Psychological Appraisal Method: - Psychological appraisals come in handy to determine the hidden potential of employees. This method focuses on analyzing an employee's future performance rather than their past work. These appraisals are used to analyze seven major components of an employee's performance such as interpersonal skills, cognitive abilities, intellectual traits, leadership skills, personality traits, emotional quotient, and other related skills.

CONCLUSION

Human Resource Management is the key role in an organization to handle the human manpower and their capabilities properly for the organization. It depends on the HR Manager how he handles the firm, what techniques he uses, how he converts the powerful abilities and capabilities of his employees to make the organization outgrow and scale in god heights, maintain good name and build reputation and goodwill. The HR Management needs to ensure that they need to make the weak employees (whose performance is not so good) work harder and better and make strategies for them, fire them or hire new talented people, the decision making process, maintaining the talented employees and retaining them in the organization, etc. At the same time, the HR needs to frame some policies beneficial to the employees like employment contracts, wages of the employees, perks and benefits, compensation, necessary training and development of the required skills to learn and master them, some code of conducts and roles, leaving policies, employee retirement benefits, provident funds, equality in workplace, etc. and many more. In today world, the Human Resource Management plays a very significant role in the daily life. On the one hand, the Soft and Hard Human Resource Management influence on the business and lets them development rapidly. It can improve employee's motivation in a business and pay attention to company's policy and law respectively, which can increase the efficiency of company and get higher profits. On the other hand, trade unions help the employee to achieve negotiation successfully in the early time; it means the employee can negotiate a better wages and a good working condition. However, at the present, the employment law gradually becomes the focus in the world, because it has more restrictive and more favorable to protecting employee's benefit. The HR needs to also ensure the Job analysis, which is useful to identify the knowledge, skills, abilities, and other characteristics required for the certain role, which can then be matched with an internal hire and recruit. Job analysis can be used to improve efficiency at work by analyzing the activities and optimizing the way they are conducted by people in the role. In simple words, the HR Management has the responsibility of the employees of an organization, to develop, grow and make them work for the firm with increasing productivity over time. Hence, the Human Resource Management is directly relational to the organizational growth and development.

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