

A Review on Human Resource Management

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Abstract

Human Resource Management, or HRM, is an important part of any organization that deals with hiring, managing, and guiding the people who work there. This review looks at existing studies about HRM to understand how it has changed over time, what its main responsibilities are, and the difficulties organizations face when managing their workforce in today's ever-changing global business world. The discussion covers important topics like the development of HRM ideas, how to hire and choose the right people, ways to train and develop employees, how to measure performance, managing relationships with employees, and how technology and globalization are affecting HR practices. The goal is to show how HRM helps achieve the goals of an organization and to look at future trends that may influence how HR is done.

Keywords: Human Resource Management, Evolution of Human Resource Management, Recruitment, Training, Performance management, Challenges

1. Introduction

Human Resource Management (HRM) is very important for an organization's success. It includes many tasks like hiring people, training them, helping them grow, paying them fairly, and managing their relationships at work. For an organization to stay ahead of its competitors, it's essential that HRM works closely with the company's main goals. Over the years, HRM has changed a lot. It used to be mainly about doing routine tasks and managing employees, but now it's more about being a key part of planning and developing the business. This paper looks at the main jobs of HRM, the challenges it faces today, and what's coming next. The role of HRM has changed greatly from just managing workers and handling workplace relations to being a key player in helping the organization grow and succeed.

2. Historical Evolution of HRM

HRM started in the early 1900s, when it mainly focused on tasks like taking care of workers' well-being, handling employee issues, and making sure companies followed labour rules. During the time of the industrial revolution, the main goal became making work more efficient, breaking jobs into smaller parts, and managing big groups of workers. In the middle of the 20th century, the term "personnel management" started to change into "human resource management" because companies began to see workers as important resources, not just workers doing simple tasks. In the 1980s, HRM became more strategic, connecting the skills and abilities of employees with the success of the company. As the world became more connected and technology advanced, HRM has kept changing to meet new challenges.

The stages in which human resource management practices have developed from the time of the industrial revolution to the present can be divided into the following categories:

1. Industrial Revolution Era 19th Century
2. Trade Union Movement Era close to the 19th century
3. Social Responsibility Era beginning of the 20th century
4. Scientific Management Era 1900-1920s
5. Human Relation Era 1930s-1950s
6. Behavioural Science Era 1950s-1960s
7. Systems and contingency approach Era 1960 onwards
8. Human Resource Management Era 1980 onwards

The beginning of that era is shown by the classification of the different stages of growth of human resource management according to time. Every period has prioritised a different method of managing employees in the workplace. There has been overlap between various eras, thus a new one does not necessarily mark the total end of the previous one.

2.1 The Industrial Revolution, which started in Western Europe and the United States in the 1850s, began the organized way of managing people in the workplace. This period was driven by new machines and the use of mechanical power in factories, leading to the growth of large workplaces where many workers came together. The old system of working from home was replaced by factories. The Industrial Revolution brought a lot of changes, like many people moving to work in central areas, using machines to make products, workers leaving their home towns, and factory owners and workers not knowing each other well.

To manage workers in this new system, three main ways of handling human resources were developed: hiring people, training them, and controlling their work.

However, the relationship between workers and factory owners, where the owner had authority over the worker, was the main idea behind how labour was managed.

2.2 Trade Union Movement Era: After the industrial system started, workers began coming together based on their shared concerns to form groups called trade unions. These groups aimed to protect the workers' interests and deal with problems like the use of child labour, long working hours, and poor working conditions. Over time, other issues like wages, economic hardship, employee benefits, and job-related services also became important. To push for better conditions, these unions organized different kinds of protests, such as strikes, walkouts, slowdowns, and boycotts. Because of the actions taken by trade unions, employers began setting up systems to handle employee complaints, resolve disputes between workers and bosses, improve benefits, give more time off for holidays and vacations, clearly define job roles, provide job rights based on seniority, and create fair wage structures.

2.3. The Social Responsibility Era: During the first ten years of the 1900s, some industrial owners began to treat their employees more humanistic. The idea that labour is like a kid and its owner is like a father, and that the owner should take care of his labour in the same way as a father takes care of his children, is the foundation of paternalistic approach to labour management. The industrialists that took a paternalistic stance gave the labour force certain benefits and concessions, such as shorter workweeks, better facilities at the workplace, worker-only model communities, etc. The growth of the social welfare component of labour management was facilitated by all of these techniques.

2.4. Scientific Management Era: Taylor began using time and motion studies to determine the "one best way of doing thing" at the start of the 20th century. He was able to significantly raise worker productivity thanks to his

studies, and he used the results to write a book on scientific management as well as other papers. The fundamental tenets of scientific management are

- (i) Replacing common sense with evidence,
- (ii) Emphasising peace over conflict,
- (iii) Cooperation over individualism, and
- (iv) Fostering the growth of every single person. Three scientific management strategies that are pertinent to worker management include: differentiated piece wage systems, standardisation and simplification of work, and functional foremanship.

2.5. Human Relations Era: In the 1920s and early 1930s, management scholars closely examined how people behaved and the factors that influenced them. Prior to that, Hugo Munsterberg wrote a book titled "Psychology and Industrial Efficiency" in which he recommended using psychology to learning, attitude assessment, hiring, and other areas.

The short time frame was dubbed the "Industrial Psychology Era." A group of Harvard Business School professors in the United States started investigating the human aspects of work and working conditions at the Western Electric Company's Hawthorne facility in Chicago in 1924. Between 1924 and 1932, they carried out studies and came to the following conclusions:

- (i) workplace social variables,
- (ii) group formation and impact, and
- (iii) Worker productivity
- (iv) communication;
- (v) The character of supervision and leadership. They came to the conclusion that management needed to address interpersonal issues in addition to the physical aspects of the workplace if they wanted to increase productivity. As a result, the fields of informal organisation, group influence, social system, and non-logical behaviour found their way into people management.

2.6. Behavioural Science Era: Behaviour scientists focus on achieving goals and being efficient. They believe that understanding human behaviour is the best way to reach these goals. This is different from the human relations approach, which thinks that happy workers are also productive workers. Behavioural scientists have used many advanced research methods to learn more about work and the people who do it. They don't really create new management techniques, but they offer new ideas. These ideas have helped shape how we think about managers, how organizations are structured, and how they operate. They also introduced the human resource model as a different way of thinking compared to the human relations model. Here is some important findings from this era:

- I. People don't generally dislike their jobs. If they get help in setting their goals, they will want to achieve them. In fact, jobs can give people a sense of satisfaction and motivation.
- II. Most people have a lot of self-direction, self-control, and creativity that goes beyond what is needed for their current job. Because of this, their untapped potential often remains unused.
- III. Utilising the organization's unrealised human potential is the fundamental duty of managers.
- IV. The manager should foster a positive atmosphere where everyone is able to contribute to the fullest extent possible. A convenient, safe, cosy, and healthful place to work should be provided by the surroundings.
- V. Supervisors have to provide their staff members the freedom to make decisions for themselves and must push them to take an active role in all significant decisions.
- VI. By increasing subordinate influence, self-direction, and self-control, operating efficiency can be increased.
- VII. When subordinates utilise their full potential, work happiness may increase as a "by-product". The era of behavioural science brought about the development of group dynamics, two-way communication,

and employee involvement in decision-making, collaborative goal-setting, management development, and change management inside the organisation. Even in the current setting, the behavioural approach to human resource management is based on these contributions from the behavioural science era.

2.7. Systems and Contingency Approach Era: In the current era, management thinkers are paying close attention to systems and contingency approach. It's an integrated method that takes empirical data-based human resource management into account in its whole. This approach's fundamental tenet is that any examination of an item must be based on a technique that involves simultaneous modifications of variables that are mutually reliant on one another. When the systems method is used to manage human resources, this occurs.

2.8. Human Resource Management Era: A big number of workers began cooperating when the factory system was used in manufacturing. It was considered that someone needed to be in charge of hiring, guiding, and ensuring the wellbeing of these employees. In most major organisations, an industrial relations department was established primarily to address worker concerns. However, the industrial relations department's purview was expanded to include supervisory workers and then management personnel as time went on and the complexity of managing human resources in major commercial organisations grew. The personnel department was renamed as the industrial relations department.

Large organisations renamed their personnel department to the "human resource department" to reflect the modern perspective that people are socio-psychological beings rather than just physiological beings and are a major source of organisational effectiveness. This shift was brought about by increasing competition for market share, competition for resources, including human talents, and increased knowledge in the field of managing human resources.

3. Theoretical Frameworks in Human Resource Management: Several theoretical frameworks provide a foundation for understanding HRM practices. These frameworks help HR professionals design policies and strategies that align with organizational goals.

3.1 The Harvard Model

Developed by Beer et al. in 1984, the Harvard Model focuses on understanding what employees need and making sure that human resource management policies help the company reach its goals while also keeping employees happy. The model covers four main areas of HR policy: how people move through the company, how they are rewarded, how they can have a say in decisions, and how work is organized. The Harvard Model is usually linked with the “soft” approach to HRM, which puts a strong emphasis on employee well-being and engagement as key factors that help the organization succeed.

3.2 The Michigan Model

The Michigan Model was introduced by Fombrun, Tichy, and Devanna in 1984. It sees HRM as a tool that helps the company reach its goals by aligning HR practices with the overall business strategy. This model focuses on four main areas: selecting the right people, assessing their performance, helping them grow, and providing rewards.

This model is more connected with the “hard” approach to HRM, which treats employees as resources that should be managed efficiently to meet business targets.

3.3 Resource-Based View (RBV)

The Resource-Based View, or RBV, says that a company's competitive edge comes from how well it can manage its internal resources, including its people, better than its competitors. This idea stresses the importance of building special and valuable skills and abilities within the workforce.

4. Core Functions of HRM

4.1 Recruitment and Selection

Companies that focus on developing their employees and creating a strong organizational culture are more likely to gain a lasting competitive advantage. Recruitment and selection are very important parts of human resource management because getting the right people is key to helping a company do well. The process of hiring includes figuring out what the company needs, drawing in good candidates, and choosing people whose abilities and traits match what the company is trying to achieve. Many tools, like job websites, social media, and software that use AI, have changed how companies hire people.

4.2 Training and Development

After someone is hired, training and development help them learn the skills they need to do their job well. This includes helping new employees get started, teaching technical skills, developing leadership abilities, and offering on-going learning opportunities. Today, human resource management focuses a lot on lifelong learning, encouraging workers to keep updating their skills so they can keep up with changes in their industry.

4.3 Performance Management

Performance management means setting goals for employees, keeping track of how well they are doing, and giving them feedback. Good performance management systems are important for making sure that what employees are working towards matches what the company wants to achieve. This also includes evaluating how well people are doing, giving them rewards, and dealing with any problems related to their performance.

4.4 Compensation and Benefits

Fair and competitive pay are a big reason employees stay motivated. HRM is important in creating pay structures that match what other companies offer and help keep employees happy. Besides salaries, things like healthcare, retirement plans, and wellness programs also help make employees feel satisfied with their job.

4.5 Employee Relations

Keeping good relationships with employees is a major part of HRM. This includes solving conflicts, making sure the company follows labour laws, building a positive work environment, and helping employees feel involved. Good employee relations help reduce the number of people leaving the company, improve overall happiness, and make the workplace more productive.

5. Challenges in Modern HRM

5.1 Technological Advancements:

As artificial intelligence, big data, and automation become more common, HR professionals face new challenges. AI and machine learning are changing how companies hire people, while HR analytics gives useful information about workforce planning, employee engagement, and performance. However, there are problems, like possible unfairness in algorithms and the need for HR professionals to learn new technical skills.

5.2 Globalization

Globalization has caused workplaces to include more people from different countries and backgrounds. This has brought new challenges, such as managing teams from different cultures, understanding laws that apply internationally, and dealing with issues from working remotely. Companies need to learn about and respect different cultural rules and expectations to work well together.

5.3 Diversity and Inclusion

Making sure workplaces are diverse and inclusive is now a big part of human resource management. Companies are realizing that having different kinds of people in teams helps create new ideas and better decisions. But making workplaces diverse takes careful planning in hiring, training, and creating a culture where everyone feels welcome. Inclusion also means making sure all workers feel respected and able to share their ideas.

5.4 Employee Wellbeing and Mental Health

Today, companies are paying more attention to how employees feel physically and mentally. Human resources are responsible for creating programs that help deal with stress, exhaustion, and the balance between work and personal life. The COVID-19 pandemic made it clear how important it is to support workers' mental health, and this remains a top concern for HR professionals.

5.5 Legal and Ethical Considerations

HR professionals need to know about laws related to workers, anti-discrimination rules, and safety standards. They also have to handle ethical issues like managing private employee information, making fair promotion decisions, and being honest in how the company makes choices. These are important parts of managing people in a responsible way.

6. The Future of HRM

As the business environment continues to evolve, HRM must adapt to new trends and challenges. The future of HRM is expected to be shaped by:

- **Artificial Intelligence and Automation:** The use of AI in recruitment, training, and performance management will increase, with HR professionals acting as facilitators of human-AI collaboration.
- **Remote Work and Hybrid Models:** The shift to remote and hybrid work models will necessitate changes in how organizations manage and engage employees. HRM will need to focus on fostering collaboration and maintaining culture in virtual environments.
- **Sustainability and Corporate Social Responsibility:** HRM will play a critical role in aligning human resource strategies with sustainability goals, promoting corporate social responsibility (CSR), and ensuring that organizations contribute positively to society.
- **Employee Experience:** The focus will shift from employee engagement to the overall employee experience, including job satisfaction, personal growth, and meaningful work. Personalized employee experiences, driven by data analytics, will become the norm.

7. Conclusion

Human Resource Management remains a vital function in any organization, acting as the bridge between employees and the organization's strategic goals. As businesses evolve, so too must HRM practices. With advancements in technology, the growing importance of diversity, and the challenges posed by globalization, HR professionals must remain agile, forward-thinking, and proactive in addressing new challenges. Organizations that invest in robust HRM strategies will likely see long-term success, driven by an engaged and capable workforce.

Human Resource Management has evolved from a primarily administrative function to a critical driver of organizational success. By focusing on key functions such as recruitment, training, performance management, and employee relations, HRM ensures that organizations attract, develop, and retain top talent. The strategic alignment of HR practices with business goals allows organizations to achieve a competitive advantage and respond to the challenges of an increasingly complex global business environment. References

As HRM continues to evolve, technology, employee well-being, and diversity and inclusion will be key areas of focus. HR professionals must remain adaptable and innovative, leveraging data-driven insights and technological tools to create a workforce that is engaged, productive, and aligned with the organization's strategic objectives. The future of HRM will undoubtedly bring new challenges, but it also offers opportunities for organizations to become more agile, resilient, and human-centered.

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