**Human Resources Management**

CONTEXT:

What are human resources ?

Human resources (HR) is the set of people who make up the [workforce](https://en.wikipedia.org/wiki/Workforce" \o "Workforce) of an [organization](https://en.wikipedia.org/wiki/Organization" \o "Organization), [business sector](https://en.wikipedia.org/wiki/Business_sector" \o "Business sector), industry, or [economy](https://en.wikipedia.org/wiki/Economy" \o "Economy). A narrower concept is [chuman apital](https://en.wikipedia.org/wiki/Human_capital" \o "Human capital), the knowledge and skills which the individuals command. Similar terms include manpower, [labor](https://en.wikipedia.org/wiki/Labour_(human_activity)" \o "Labour (human activity)), or personnel.

The Human Resources department (HR department, sometimes just called "Human Resources") of an organization performs [human resource management](https://en.wikipedia.org/wiki/Human_resource_management" \o "Human resource management), overseeing various aspects of [employment](https://en.wikipedia.org/wiki/Employment" \o "Employment), such as compliance with [labor law](https://en.wikipedia.org/wiki/Labor_law" \o "Labor law) and employment standards, [interviewing and selection](https://en.wikipedia.org/wiki/Job_interview" \o "Job interview), performance management, administration of [employee benefits](https://en.wikipedia.org/wiki/Employee_benefits" \o "Employee benefits), organizing of employee files with the required documents for future reference, and some aspects of [recruitment](https://en.wikipedia.org/wiki/Recruitment" \o "Recruitment) (also known as [talent acquisition](https://en.wikipedia.org/wiki/Talent_acquisition" \o "Talent acquisition)) and employee [offboarding](https://en.wikipedia.org/wiki/Offboarding" \o "Offboarding).  They serve as the link between an organization's management and its employees.

The duties include planning, recruitment and selection process, posting job ads, evaluating the performance of employees, organizing [resumes](https://en.wikipedia.org/wiki/R%C3%A9sum%C3%A9" \o "Résumé) and job applications, scheduling interviews and assisting in the process and ensuring [background checks](https://en.wikipedia.org/wiki/Background_check" \o "Background check). Another job is [payroll](https://en.wikipedia.org/wiki/Payroll" \o "Payroll) and benefits administration which deals with ensuring vacation and sick time are accounted for, reviewing payroll, and participating in benefits tasks, like claim resolutions, reconciling benefits statements, and approving [invoices](https://en.wikipedia.org/wiki/Invoice" \o "Invoice) for payment.  HR also coordinates employee relations activities and programs including, but not limited to, employee counseling.  The last job is regular maintenance, this job makes sure that the current HR files and [databases](https://en.wikipedia.org/wiki/Database" \o "Database) are up to date, maintaining [employee benefits](https://en.wikipedia.org/wiki/Employee_benefits" \o "Employee benefits) and employment status and performing payroll/benefit-related [reconciliations](https://en.wikipedia.org/wiki/Reconciliation_(United_States_Congress)" \o "Reconciliation (United States Congress)).

A human resources manager can have various functions in a [company](https://en.wikipedia.org/wiki/Company" \o "Company), including to:

Determine the needs of the staff/personnel.

Determine whether to use temporary staff or hire employees to fill these needs.

Determine do's and don'ts.

Train and develop [management styles](https://en.wikipedia.org/wiki/Management_style" \o "Management style)

Recruit and/or interview the best employees

Train employees and upgrade their learning knowledge

Supervise the work

Evaluate the work

Establish [discipline work culture](https://en.wikipedia.org/wiki/Organizational_culture" \o "Organizational culture) in the organization

Avoid politics in the office.

Apply HR software for the ease of work in the organization.

Manage employee relations. If there are unions, perform collective bargaining

Prepare employee records and personal policies.

Manage employee payroll, benefits, and [compensation](https://en.wikipedia.org/wiki/Compensation_and_benefits" \o "Compensation and benefits)

Ensure equal opportunities

Deal with [discrimination](https://en.wikipedia.org/wiki/Discrimination" \o "Discrimination)

Deal with performance issues

Prepare remote work and hybrid work policy

Ensure that human resources practices conform to various regulations

[Motivate](https://en.wikipedia.org/wiki/Motivation" \o "Motivation) employees

Mediate disputes

Disseminate information in the organization so as to benefit its growth

Managers need to develop their [interpersonal skills](https://en.wikipedia.org/wiki/Social_skills" \o "Social skills) to be effective. Organizational behavior focuses on how to improve factors that make organizations more effective.

History

[Human resource management](https://en.wikipedia.org/wiki/Human_resource_management" \o "Human resource management) used to be referred to as "[personnel administration](https://en.wikipedia.org/wiki/Personnel_Administration" \o "Personnel Administration)". In the 1920s, personnel administration focused mostly on the aspects of hiring, evaluating, and [compensating](https://en.wikipedia.org/wiki/Compensating_differential" \o "Compensating differential) employees. However, they did not focus on any employment relationships at an organizational performance level or on the systematic relationships in any parties. This led to a lacked unifying paradigm in the field during this period.

According to an [HR Magazine](https://en.wikipedia.org/wiki/HR_Magazine" \o "HR Magazine) article, the first personnel management department started at the [National Cash Register Co.](https://en.wikipedia.org/wiki/National_Cash_Register_Co." \o "National Cash Register Co.) in 1900. The owner, [John Henry Patterson](https://en.wikipedia.org/wiki/John_Henry_Patterson_(NCR_owner)" \o "John Henry Patterson (NCR owner)), organized a personnel department to deal with grievances, discharges and safety, and information for supervisors on new laws and practices after several strikes and employee lockouts. This action was followed by other companies; for example, Ford had high turnover ratios of 380 percent in 1913, but just one year later, the line workers of the company had doubled their daily salaries from $2.50 to $5, even though $2.50 was a fair wage at that time. This example clearly shows the importance of effective management which leads to a greater outcome of employee satisfaction as well as encouraging employees to work together in order to achieve better business objectives.

During the 1970s, American businesses began experiencing challenges due to the substantial increase in competitive pressures. Companies experienced globalization, deregulation, and rapid technological change which caused the major companies to enhance their strategic planning – a process of predicting future changes in a particular environment and focus on ways to promote [organizational effectiveness](https://en.wikipedia.org/wiki/Organizational_effectiveness" \o "Organizational effectiveness). This resulted in developing more jobs and opportunities for people to show their skills which were directed to effectively applying employees toward the fulfillment of individual, group, and organizational goals. Many years later the major/minor of human resource management was created at universities and colleges also known as [business administration](https://en.wikipedia.org/wiki/Business_administration" \o "Business administration). It consists of all the activities that companies used to ensure the more effective use of employees.

Now, human resources focus on the people side of management. There are two real definitions of HRM ([Human Resource Management](https://en.wikipedia.org/wiki/Human_resource_management" \o "Human resource management)); one is that it is the process of managing people in organizations in a structured and thorough manner. This means that it covers the hiring, firing, pay and perks, and performance management.  This first definition is the modern and traditional version more like what a personnel manager would have done back in the 1920s.  The second definition is that HRM circles the ideas of management of people in organizations from a [macromanagement](https://en.wikipedia.org/wiki/Macromanagement" \o "Macromanagement) perspective like customers and competitors in a marketplace.  This involves the focus on making the "employment relationship" fulfilling for both management and employees.

Some research showed that employees can perform at a much higher rate of productivity when their supervisors and managers paid more attention to them. The Father of Human relations, [Elton Mayo](https://en.wikipedia.org/wiki/Elton_Mayo" \o "Elton Mayo), was the first person to reinforce the importance of employee communications, [cooperation](https://en.wikipedia.org/wiki/Cooperation" \o "Cooperation), and involvement. His studies concluded that sometimes the human factors are more important than physical factors, such as quality of lighting and physical workplace conditions. As a result, individuals often place value more on how they feel.  For example, a rewarding system in Human resource management, applied effectively, can further encourage employees to achieve their best performance.

**Origins of the terminology**

Pioneering economist [John R. Commons](https://en.wikipedia.org/wiki/John_R._Commons" \o "John R. Commons) mentioned "human resource" in his 1893 book The Distribution of Wealth but did not elaborate.  The expression was used during the 1910s to 1930s to promote the idea that human beings are of worth (as in human dignity); by the early 1950s, it meant people as a means to an end (for employers). Among scholars the first use of the phrase in that sense was in a 1958 report by economist [E. Wight Bakke](https://en.wikipedia.org/wiki/E._Wight_Bakke" \o "E. Wight Bakke).

In regard to how individuals respond to the changes in a [labor market](https://en.wikipedia.org/wiki/Labor_market" \o "Labor market), the following must be understood:

Skills and qualifications: as industries move from manual to more managerial professions so does the need for more highly skilled staff. If the market is "tight" (i.e. not enough staff for the jobs), employers must compete for employees by offering financial rewards, community investment.

Geographical spread: how far is the job from the individual? The distance to travel to work should be in line with remuneration, and the transportation and infrastructure of the area also influence who applies for a position.

Occupational structure: the norms and values of the different careers within an organization. Mahoney 1989 developed 3 different types of occupational structure, namely, craft (loyalty to the profession), organization career path (promotion through the firm), and unstructured (lower/unskilled workers who work when needed).

Generational difference: different age categories of employees have certain characteristics, for example, their behavior and their expectations of the organization.

**Criticism of the terminology**

One major concern about considering people as assets or resources is that they will be commoditized, objectified, and abused. Human beings are not "[commodities](https://en.wikipedia.org/wiki/Good_(economics_and_accounting)" \o "Good (economics and accounting))" or "resources", but are creative and social beings in a productive enterprise. The 2000 revision of [ISO 9001](https://en.wikipedia.org/wiki/ISO_9001" \o "ISO 9001), in contrast, requires identifying the processes, their sequence, and interaction, and to define and communicate responsibilities and authorities. In general, heavily unionized nations such as [France](https://en.wikipedia.org/wiki/France" \o "France) and [Germany](https://en.wikipedia.org/wiki/Germany" \o "Germany) have adopted and encouraged such approaches. Also, in 2001, the [International Labour Organization](https://en.wikipedia.org/wiki/International_Labour_Organization" \o "International Labour Organization) decided to revisit and revise its 1975 Recommendation 150 on Human Resources Development, resulting in its "[Labour is not a commodity](https://en.wikipedia.org/wiki/Labour_is_not_a_commodity" \o "Labour is not a commodity)" principle. One view of these trends is that a strong social consensus on political economy and a good [social welfare system](https://en.wikipedia.org/wiki/Social_welfare_system" \o "Social welfare system) facilitate [labor mobility](https://en.wikipedia.org/wiki/Labor_mobility" \o "Labor mobility) and tend to make the entire economy more productive, as labor can develop skills and experience in various ways, and move from one enterprise to another with little controversy or difficulty in adapting.

Another important controversy regards labor mobility and the broader philosophical issue with the usage of the phrase "human resources". Governments of developing nations often regard developed nations that encourage immigration or "guest workers" as appropriating human capital that is more rightfully part of the developing nation and required to further its economic growth. Over time, the United Nations have come to more generally support[[citation needed](https://en.wikipedia.org/wiki/Wikipedia:Citation_needed" \o "Wikipedia:Citation needed)] the developing nations' point of view, and have requested significant offsetting "foreign aid" contributions so that a developing nation losing human capital does not lose the capacity to continue to train new people in trades, professions, and the arts.

Some businesses and companies are choosing to rename this department using other terms, such as "people operations" or "culture department," in order to erase this stigma.

**Development**

Human resource companies play an important part in developing and making a company or organization at the beginning or making a success at the end, due to the labor provided by employees. Human resources are intended to show how to have better employment relations in the workforce. Also, to bring out the best work ethic of the employees and therefore making a move to a better working environment.  Moreover, green human resource development is suggested as a paradigm shift from traditional approaches of human resource companies to bring awareness of ways that expertise can be applied to green practices. By integrating the expertise, knowledge, and competencies of human resource development practitioners with industry practitioners, most industries have the potential to be transformed into a sector with ecofriendly and pro-environmental culture.

Human resources also deals with essential motivators in the workplace such as [payroll](https://en.wikipedia.org/wiki/Payroll" \o "Payroll), benefits, team morale and workplace harassment.

**Planning**

Administration and operations used to be the two role areas of HR. The strategic planning component came into play as a result of companies recognizing the need to consider HR needs in goals and strategies. HR directors commonly sit on company executive teams because of the HR planning function. Numbers and types of employees and the evolution of compensation systems are among elements in the planning role.  Various factors affecting Human Resource: planning organizational structure, growth, business location, demographic changes, environmental uncertainties, expansion etc. Additionally, this area encompasses the realm of [talent management](https://en.wikipedia.org/wiki/Talent_management" \o "Talent management).

References

[Jump up to:a](https://en.wikipedia.org/wiki/Human_resources" \l "cite_ref-:1_1-0) [b](https://en.wikipedia.org/wiki/Human_resources" \l "cite_ref-:1_1-1) ["Beyond Hiring and Firing: What is HR Management?"](https://www.thebalance.com/what-is-human-resource-management-1918143). The Balance.

[^](https://en.wikipedia.org/wiki/Human_resources" \l "cite_ref-3" \o "Jump up) ["Use Coaching to Improve Employee Performance"](https://www.thebalancecareers.com/use-coaching-to-improve-employee-performance-1918083).

[^](https://en.wikipedia.org/wiki/Human_resources" \l "cite_ref-4" \o "Jump up) Mathis, R.L; Jackson, J.H (2003). Human Resource Management. Thomson.

[^](https://en.wikipedia.org/wiki/Human_resources" \l "cite_ref-5" \o "Jump up) ["The Historical Background of HRM"](https://www.linkedin.com/pulse/historical-background-human-resource-management-vinaykumar-s). Retrieved 21 September 2018.

^ [History of Human resources"](https://www.universalclass.com/articles/business/the-history-of-human-resources.htm). Retrieved 21 September 2018.

^  [Human Resource Management (HRM) – Definition and Concept"](https://www.managementstudyguide.com/human-resource-management.htm). www.managementstudyguide.com. Retrieved 30 March 2018.

[^](https://en.wikipedia.org/wiki/Human_resources" \l "cite_ref-8" \o "Jump up) Kaufman, Bruce E. (2001). ["Human resources and industrial relations: Commonalities and differences"](http://faculty.mu.edu.sa/public/uploads/1360248405.7529human resource140.pdf) (PDF). [Archived](https://web.archive.org/web/20150513040911/http://faculty.mu.edu.sa/public/uploads/1360248405.7529human resource140.pdf) (PDF) from the original on 13 May 2015.

[^](https://en.wikipedia.org/wiki/Human_resources" \l "cite_ref-9" \o "Jump up) E McGaughey, "A Human is not a Resource" (2018) [Centre for Business Research, University of Cambridge Working Paper 497](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3099470)

[^](https://en.wikipedia.org/wiki/Human_resources" \l "cite_ref-10" \o "Jump up) Kaufman, Bruce E. (2008). Managing the Human Factor: The Early Years of Human Resource Management in American Industry. Ithaca, New York: Cornell University Press. p. 312n28.

[^](https://en.wikipedia.org/wiki/Human_resources" \l "cite_ref-11" \o "Jump up) ["Managing Generational Differences in the Human Resources Role"](http://onlineprograms.smumn.edu/resource/business-leadership/managing-generational-differences-in-hr). 27 June 2014.

[^](https://en.wikipedia.org/wiki/Human_resources" \l "cite_ref-12" \o "Jump up) ["Rebranding Human Resources. Let's Get Real"](https://www.hrcloud.com/blog/rebranding-human-resources-lets-get-real/). HR Cloud. 2015.

[^](https://en.wikipedia.org/wiki/Human_resources" \l "cite_ref-13" \o "Jump up) Radhakrishna, A., and R. Satya Raju. "A Study On The Effect Of Human Resource Development On Employment Relations." IUP Journal of Management Research 14.3 (2015): 28–42. Business Source Complete. Web. 25 Sept. 2015.

[^](https://en.wikipedia.org/wiki/Human_resources" \l "cite_ref-14" \o "Jump up) Osolase, Ehikioya Hilary; Rasdi, Roziah Mohd; Mansor, Zuraina Dato’ (May 2023). ["Developing Awareness of Green Human Resource Development Practices in the Hotel Industry"](http://journals.sagepub.com/doi/10.1177/15234223231155503). Advances in Developing Human Resources.

[^](https://en.wikipedia.org/wiki/Human_resources" \l "cite_ref-15" \o "Jump up) ["What Is the Difference Between Human Resource Management & Human Resource Planning?"](http://smallbusiness.chron.com/difference-between-human-resource-management-human-resource-planning-59563.html). Small Business - Chron.com. Retrieved 8 October 2015.

[^](https://en.wikipedia.org/wiki/Human_resources" \l "cite_ref-16" \o "Jump up) ["Occupational Outlook Handbook / Human Resources Managers"](https://www.bls.gov/ooh/management/human-resources-managers.htm" \l "tab-2). U.S. BUREAU OF LABOR STATISTICS. 8 September 2022. Retrieved 26 October 2022.