

Human Resources: An Overview of Functions, Importance and Best Practices

Definition

It is a division of an organization or business sector that comprises a set of people with the skills and knowledge required to perform duties as required.

Human resources as a department in an organization are aimed at managing the employees as the most valuable asset to the organization. The management of this department requires professionals. Human resource professionals ensure that employees have the necessary resources and create a healthy work environment.

Functions

In this topic, we will focus on the functions of human resource professionals which are, recruiting, managing employee relations, creating company policies, handling compensation and benefits, and overseeing training and development processes.

1. Recruitment

In human resources, recruitment is a process of identifying and hiring the best-qualified candidates for available job openings. The process starts by creating a job listing with the required skills and competencies, screening potential candidates, carrying through the interviews, and finally onboarding successful and best-fit candidates. The objective is to place the right candidates to the right job. For this to be successful a human resource may follow the below steps in the recruitment process;

- i. ***Define hiring needs.*** This is the understanding of the job positions required to be filled in the organization to come up with the skills required for the role.
- ii. ***Creating detailed job descriptions*** to match the role defined with skills requirements which are well articulated in the job posting to attract the right pool of candidates to choose from. The job description should outline responsibilities, expectations, and qualifications which is also an effective way for potential candidate to gauge their skill sets and the potential growth that would come with the position.
- iii. ***Establish a recruitment budget and timeline*** for the allocation of resources. The timeline in which the position should be filled would enable an efficient recruitment and onboarding process where the candidate would also have an efficient timeline to adjust and perform in the new role.

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- iv. ***Devise a strategic recruitment plan*** for job posting and screening through potential candidates. Having an understanding of the labor market and trends is a great way to capitalize on the best strategies to use. E.g. use of AI to screen, job sites to use, etc.
- v. ***Screening applicants thoroughly***. The recruiter works to narrow down the high volume of applications to a manageable number. Hence methods should be used to analyze the applicants' resumes for job requirements
- vi. ***Create a positive interview experience*** by conducting well-structured interview questions that allow candidates to showcase their abilities.
- vii. ***Provide excellent candidate communication*** by keeping candidates informed throughout the process.

In addition to this, Human resources can choose various types of recruitment such as,

- i. ***Internal recruitment*** involves finding candidates within the organization. Recruiters can use performance information or internal memos inviting all interested candidates to apply.
- ii. ***Retained recruiting*** is the process used when an organization hires an outside HR firm for its recruiting needs. This is mostly done up to the screening or introduction interview and the organization takes over to find the best hire.
- iii. ***Contingency recruiting*** is similar to retained recruiting. However, in this method, the recruitment firms are not always exclusive, meaning multiple agencies may compete to fill the same open role.
- iv. ***Reverse recruiting*** is a process where a candidate acts as their recruiter. The candidate identifies companies they want to work for, and then proactively contacts the internal recruiter or hiring manager for that company to find a position. A recruiter can create this possibility by having a potential candidates portal on the website so when the need arises they can choose from a pool of their already engaged candidates.

2. Managing employee relations

Employee relations is a function of human resources aimed at building strong, positive relationships between employees and the organization. Developing and maintaining positive employee relations is a crucial part of building a healthy, successful organization. The efforts of an organization to develop and maintain its relationships with employees are both on a collective and individual level. The focus of this effort revolves around but is not limited to working conditions, compensation and benefits, performance appraisal, workplace/ employee safety, Incentives rewards and recognition, work-life balance, and conflict resolution.

Some of the ***strategies*** human resources can use to manage employee relations are;

- Creating or advising on workplace policies around employee issues and needs
- Create an open dialogue.

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- Preventing and resolving issues between employees and management
- Improving and maintaining positive working conditions (pay, benefits, work-life balance, etc.)
- Sharing company news, announcements, or policy updates
- Scheduled social hours for team members
- Systems for feedback and recognizing team members
- Professional development programs
- Mentorship programs
- Employee engagement events
- Diversity initiatives
- Review cycles

In addition to the strategies some of the *best practices* for employee relations that human resource professionals can incorporate are;

- i. ***Investing in people beyond recruitment.*** This can be achieved by providing room for personal growth. An example would be career coaching or personal development coaching
- ii. ***Let your employees know you trust them,*** creating confidence in their abilities. A balance between offering them support and guidance and avoiding micro-managing them.
- iii. ***A well-defined company culture*** will foster inclusion and belonging that empowers employees to develop both professionally and personally.
- iv. ***Open and honest communication*** encourages transparency and clarity of objectives the organization wants to meet.
- v. ***Promote inclusivity*** to achieve a greater sense of harmony moreover; employees will feel more of a purpose.

3. Creating Company Policies

Policies are rules and processes that govern the relationship between the employer and employee. Developing company policies is crucial for maintaining structure, compliance, and effective risk management within your organization. Human Resource policies are an important part of how your business is structured and regulated to ensure compliance and actions consistent with culture.

There are benefits to Human Resource Policies

- i. ***Consistency and Fairness*** to ensure a sense of justice and equality is maintained which is important for employee morale and satisfaction.
- ii. ***Clear Guidelines*** that guide in decision-making. This clarity helps in reducing confusion and misunderstandings among employees and management.

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- iii. ***Legal & Regulatory Compliance*** which helps organizations comply with employment laws and regulations provides guidelines on how to handle sensitive matters like harassment, discrimination, and employee grievances. This helps in mitigating risks related to employment issues and is crucial to avoid legal issues.
- iv. ***Conflict Resolution***: They provide a framework for addressing and resolving workplace issues and conflicts. This is important in maintaining a harmonious work environment.
- v. Performance Management contributes to the overall productivity of the organization by setting clear performance standards and providing a basis for evaluating employee performance.
- vi. ***Organizational Culture*** by setting expectations for behavior and interactions, can foster a positive and productive work environment.
- vii. ***Employee Development*** ensures that employees have opportunities to learn and grow, which can increase job satisfaction and retention.
- viii. ***Recruitment and Retention*** help an organization to be more attractive to potential employees.

4. Compensation and Benefits

This is a human resource function that is focused on monetary and non-monetary rewards an employee receives from an employer in exchange for their work. Compensation and benefits hold a significant role in human resource management and play an important role in attracting and retaining employees.

A well-designed compensation and benefits program can also help to align employee goals with the company's strategy, ensuring that everyone is working towards the same objectives. To ensure that a compensation strategy will be successful, it should take into account the following best practices:

- i. Establish a fair and equitable compensation structure that aligns with the organization's values and objectives.
- ii. Consider the talent market, economic trends, and internal equity when setting compensation levels.
- iii. Develop performance-based incentives to reward individual contributions to organizational success.
- iv. Utilize a combination of base pay, merit increases, and bonus structures to maintain competitive levels of compensation.
- v. Leverage technology to streamline the administration of the organization's compensation program.
- vi. Monitor market trends and adjust compensation accordingly.

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5. Training and development

Training and development is the continuous process of improving skills, gaining knowledge, clarifying concepts, and changing attitudes through structured and planned programs. The program instills greater motivation to enhance job performance. A human resource professional understands that it's more beneficial and cost-effective to develop their existing employees instead of seeking out new talent.

A human resource professional may consider the following processes in creating a training and development program:

- i. Identify training needs to align with the company's goals and objectives.
- ii. Establish specific objectives & goals which need to be achieved.
- iii. Select training methods
- iv. Conduct and implement the programs for employees
- v. Evaluate the output and performance post the training and development sessions
- vi. Monitoring and evaluating the performances and again see if more training is required

The marketplace is quickly changing, and businesses must be flexible and easily adapt. Technology is one of the key drivers of this rapid change. Some of the trends that can be embraced in determining the training needs and conducting the training and development programs are:

- Remote mobile training
- Artificial intelligence training
- Agile learning
- Remote flexible learning models

Having looked at the functions of Human resources which form the backbone of their very existence, the best practices around the functions, and key trends to keep attention to, we can now look at what importance human resources play in the organization.

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Important role played by Human resources towards organization effectiveness

Human resource management has shifted roles from that of a business administration department to a true partner in overall business strategy.

- i. ***Fosters exceptional corporate culture*** by establishing values, norms, and behaviors that align with the organization's mission and vision. Additionally, it creates and sustains a positive work environment that supports a positive work culture that results in increased employee productivity, satisfaction, and retention. Moreover companies that put employee experience first through tough times see both short-term success and sustained growth in the future.
- ii. ***Drives strategic planning with a greater focus on company goals.*** In collaboration with senior leaders, human resources align human resource strategies with the organization's objectives. This proactive approach helps everyone see how their work contributes to larger goals, making it easier for employees to understand not only their impact but also that of their coworkers in the organization which fosters business growth and success.
- iii. ***Increased employee engagement is established*** through human resource strategies that promote effective performance management systems, clear job expectations, and provide regular feedback and coaching. Altogether this contributes to increasing employee productivity; operational efficiency and overall business performance are enhanced.

Conclusion

Through the above overview of what comprises human resources, we have an understanding of the functions and responsibilities assumed by human resource professionals and their key contribution to the success of any organization, institution or business. Human resources plays an important part in managing the company's most valuable assets which are its employees. Maintaining best practices in human resources brings about productivity, efficiency, and excellent business performance.

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