



THE IMPORTANCE OF HRM IN INDIA

Dr. M. Venkateshaiah.

Associate Professor & HOD of Commerce and Management,

GFGC, Yelahanka, Bengaluru-064

Abstract: Human resource management is a significant strategy in the organizational structure that holds greater importance in managing the workforce and internalizing the organization's values in employees, which would further enhance the overall positivity, productivity, and profitability of an organization. Human resources are crucial assets for a company, as major workflow in an organization is dependent on its workforce performance and efficiency. So, human resource management is vital for any organization to keep up with the organization's ethos and accomplish the desired objective of development without dilemmas, disputes, and conflicts. Let us know in detail about what is human resource management and the importance of human resource management (HRM) in an organization's functioning. A good HR department works to create an employee-oriented workplace in which employees work effectively and efficiently to achieve personal and organizational goals. Following are some reasons. In the area of management, Human Resource Management plays a vital role in any concern. HRM plays a focal role in confirming organizational accomplishment. In India, with its diverse workforce and rapidly evolving business landscape, effective HRM is essential for maintaining competitive advantage. This article explores the significance of HRM in Indian organizations, highlighting its impact on organizational performance, employee satisfaction, and overall business growth. By examining the unique challenges and opportunities within the Indian context, this article underscores the strategic importance of HRM in driving organizational success.

Keywords - Human Resource Management, Performance Management, Advantage and Profits,

1. INTRODUCTION:

Human resource management is a systematic and strategic approach in managing the most vital asset of an organization, which is its workforce or employees. It is a multifaceted system that involves strategic planning, organization, staffing, direction, controlling, and coordination. It aims to streamline the employee's functioning in an organization and also maintain a healthy work culture. Furthermore, it is an essential department in the organization's departmental hierarchy which is piloted by HR managers in association with a vibrant team of enthusiastic HR professionals. Human resource management of the organization plays a vital role in enhancing positivity in the work environment, as the workforce of an organization consists of diversified internal as well as external public. Diversified employees from different backgrounds, possessing contrasting thoughts and approaches to perform, require inclusivity, which is managed by the HR professionals for the overall growth and development of the company.

What is the Importance of Human Resource Management (HRM) for an Organization?

Now that we have an insight into what is human resource management, let us know about the importance of human resource management in the organization or why human resource management is important for organizational growth and development.

1. Organizational Strategy and Planning

Human resource management in an organization is important for strategizing the employees' workflow as well as acquiring the best talents suitable for organizational growth and development.

Planning the organization's strategy by HR management involves:

- Anticipating HR needs
- Confirming the needs by evaluating the resources available
- Budget planning for accomplishing the needs of HR.
- Staffing
- Employees engagement planning
- Strategizing employee retention
- Framing policies that promote inclusivity in the workplace
- Internalizing employees in the work environment
- To ensure the work-life balance, etc.

2. Talent Acquisition

The importance of Human Resource Management (HRM) is important for the recruitment of qualified and skilled professionals who would contribute to the goal attainment of the organization.

HR managers along with HR generalists and recruiters shortlist candidates for the organization who are eligible for the designated posts and make hires to ensure the continual workflow of business processes without any hindrance due to under-staffing.

Talent acquisition plays a vital role in the success of an organization, as the productivity of a company is defined by the right quantification of employees and quality of work output, for which it is essential to hire the right people for the right work.

▶ *AI in Talent Acquisition: Role, Benefits & Challenges*

3. Employee Retention

Retaining top talents in the organization is arduous, which requires well focused and strategic approaches that can be achieved by engaging employee in productive tasks and framing policies that would enhance and maintain work-life balance.

It is the role of HR managers to retain employees and work on the persisting gaps that are distancing employees from the organization. This makes human resources management severely essential for the organization to have a seamless workflow of business processes with appropriate vigilance and development.

4. Employee Development

Employees are considered the backbone of an organization's system. A positive workplace not only focuses on self-growth and development but also elevates its employees' career progression and advancement. Employee development can help retain employees, as it would provide them with career progression along with confidence to perform efficiently. One of the major importance of human resource management (HRM) is to embark on the employees' interests and provide them a platform to justify their skills as well as to ensure the overall development of the organization.

5. Employee Engagement

Employee engagement decides the involvement of employees in an organization's work culture. Employees who tend to be more engaged are radically inclined towards the organization, hence nullifying the chances of taking an exit from the company. To ensure that, HR managers are responsible for conducting activities, workshops, events, conferences and so to enhance team-dynamics within the organization. As the saying goes, "Teamwork makes dreams work", employee engagement contributes to team building, hence adding to the importance of human resource management in the organization.

6. Performance management

Managing performance in the organization is a significant role of HR managers and associates to navigate the efforts of employees towards goal attainment of the organization. In a workplace of diversified employees, human resource management (HRM) is essential to manage performances in order to reach the preset objective that would enhance organizational growth and development.

7. Conflict Resolution

The next in a row is conflict resolution. The importance of human resource management is to mitigate conflicts that arise due to faulty management, discrimination, biases, competitor tactics and more. HR managers are

responsible for drafting policies that would best suit the organizational needs as well as contribute to a positive work environment. An employee spends the majority of their time in the workplace, so it is essential for their mental as well as professional well-being to work in a positive and enthusiastic work culture. This makes the importance of human resource management (HRM) more crucial to deal with conflicts and frame norms that would lessen the scope of conflicts.

8. Enhanced Quality of Work Assigning the right tasks to the right employees boosts the employee's morale and motivates them to achieve more.

For Example: If an HR manager is assigned to do tasks such as payroll processing, event planning etc., the result would be adequate and excelling whereas if an HR manager is assigned to do the job of administrator or HR generalist, then the capability and efficiency will downgrade hence affecting the overall growth of the organization adversely. This makes Human resource management (HRM) extremely important to keep a check on employees' quality of work in their respective departments and resolve their work-related queries or address their issues in case of divergence.

9. Ensuring Safety & Security

Ensuring the safety and security of employees in the workplace adds to the importance of HRM. In a workplace of populous audiences, guiding the safety of the employees in the work environment from harassment, physical injuries, fire outrage, etc., and securing employees' data from being leaked, hacked, or malware is an essential task of HR management.

HR manager is responsible for ensuring, structuring, and implementing robust procedures that would protect the interests of employees, make the workplace safe for them to work by keeping a check on safety hazards measures, and maintaining confidentiality to ensure that employees' data are not compromised.

10. Training and Development

In the fast-evolving market environment, the significance of training and development elevates to improve the efficiency and skills of employees, so that they can perform efficiently without perplexities. Human resource management play a vital role in developing the knowledge of employees by providing them with adequate workshops and training, as well as keeping them updated with ongoing technological development and trends.

11. Reducing the gap between demand and supply of Human resources

Reducing the gap between the demand and supply in human resources is essential for sustainable business growth and development. Factors that initiate gaps between the demand and supply of human resources are evolving job market dynamics, skill deficiency, workforce demographics, etc

HR management mends the gap by adapting to suitable techniques such as:

- Collaboration and industries association
- Automation and technology enhancement
- Knowledge transfer
- Mentorship
- Networking with professional organizations and talent pools to get quick access to skilled individuals when required.
- Global talent sourcing from out of the country to explore diversity, prioritize creativity, and welcome new ideas to the team.
- Providing upskilling and re-skilling among the existing and new workforce.
- Welcoming new employees with orientation and training etc.

12. Building a corporate image

Building the corporate image of the organization and retaining its reputation is a vital aspect of human resource management, which emphasizes the importance of HRM in an organization's workflow.

13. Motivation

The importance of HRM in the company strengthens when it comes to motivating employees' morale and boosting their enthusiasm to be productive.

Monotonous work-life burnout is the employees' enthusiasm to work actively. To enhance their motivation HR managers and generalists plan activities such as corporate philanthropy, fun activities, etc. to keep up with employees' interests in the workplace.

It also ensures fair recognition and rewards to deserving employees and adequate training for development to encourage employees' enthusiasm and keenness to work.

14. Escalating Productivity and Profitability

Human resource management professionals elevate the productivity of the employees by enhancing employee connection with the organization and the profitability increases along with the surging of efficiency in employees.

15. Building a Healthy Work Culture

- Work Convenience
- Manage your workforce from anywhere with ease!
- Helping employees achieve the set goals.

16. Compliance and Risk Mitigation

The human resource management team mitigates the risks of legal lawsuit, and conflicts from internal and external audiences by making the employees comply with the policies and procedures that is significant for organizational development.

17. Payroll Management

Processing payroll on time is an essentiality as it works as a motivating element for the employees. Human resource management includes processing payroll and managing the same on time which enhances the impact of its importance.

18. Compensation and benefits

Compensation and benefits management is vital for the employees' morale as it instigates their efficiency and motivates them to perform better hence increasing the productivity of the organization.

19. Surging Employee Connection

Human resource management has greater importance in connecting the employee with the organization and building a healthy professional relationship that would further enhance productivity, employee retention, and overall growth of the organization.

Why Human Resource Management is important for any organization?

Human resource management is an integral part of any thriving organization. Following points will do justice to the obviousness of HRM in an organisation.

1. QUALITY OF WORK-LIFE

Quality of work life is the total quality of an employee's work environment in an organization. It tells about the employee's impression about its physical and psychological wellbeing at an organization.

The HR Management needs to make conscious efforts to maintain the quality of work-life as undoubtedly it is directly proportional to the employees' productivity. This can be done by managing and reducing workplace stress, providing financial reimbursements, recognition, freedom, and belongingness.

2. MEETING DEMAND-SUPPLY GAP FOR HUMAN RESOURCE

Apart from managing the Resources in an organization, HR is also responsible for ensuring the availability of sufficient human resources. They are responsible for finding competent personnel for the job to ensure high performance by putting the right person at the right place.

“One machine can do the work of fifty ordinary men. No machine can do the work of one extraordinary man.”— Elbert Hubbard

This can be done by conducting recruitment drives whenever needed. Also, they perform the function of laying-off unproductive employees.

3. TRAINING AND DEVELOPMENT

The training and development department of an organization must put in continued efforts to boost its employees' performance. Investing in training and development not only increases the employee's potential and motivation but contributes to the overall growth of the organization.

“Train people well enough so they can leave. Treat them well enough so they don’t want to.”

– Sir Richard Branson

New employees must be welcomed with orientation and training sessions to equip them with the workflow of the organization. All the employees must be given the training to boost their job skills and development sessions to work on life skills like communication, decision making, and leadership.

4. EMPLOYEE MOTIVATION AND RETENTION

The essential task of Human Resource Management is to build a sense of belongingness in the employees of the organization. It is also important to motivate each and every person to work up to their full potential. This can be done either by recognizing and applauding the employees for their work.

An employee getting recognition increases meaning and purpose in their job, thereby motivating them to work better the next time. Another method is to provide them with regular monetary benefits like rewards, compensations, fringe benefits. This not only helps in retaining employees but also achieving the organization's goals effectively.

5. BUILDING A HEALTHY WORK CULTURE

Healthy work culture is important for the employee as well as the organization. It should be the place when the employees must feel valued, safe and comfortable. It is needed to bring the best out of the employees.

HR makes sure that there is clean and transparent work culture, leading to employees achieving individual goals in particular and the organization's goals at large. The more the employees are happy and motivated, the more productive they are.

6. WAGES AND SALARIES

HR is needed to prepare an extensive and realistic compensation structure with respect to the job's worth, wages offered by other similar organizations for employees with similar skills. It may be in the form of direct financial payment like wages, salaries, incentives, bonuses or indirect like health benefits, paid insurance or vacation packages, etc.

CONCLUSION;

Effective HRM is key to business success, employee engagement, and organizational growth. By recognizing the importance of HRM, organizations in India can unlock their full potential, drive business results, and create a good work environment to attract and retain the best talent. Implementing the Best HR Software in India can help streamline HR processes, automate routine tasks, and provide valuable insights to make informed decisions. With the right HRMS software, Indian businesses can enhance their HR capabilities, improve employee experience, and stay ahead of the competition. By leveraging the HRMS software, organizations can focus on strategic HR initiatives, drive business growth, and become employers of choice.

REFERENCES;

- [1] Amaratunga, D., Baldry, D., Sarshar, M., & Newton, R. (2012). Quantitative and qualitative research in the built environment; application of mixed research approach. *Work Study*, 51(1),
- [2] Anya, C.J.P., Umoh, G.I., & Worlu, G. (2017). Human Resource Planning and Organizational performance in Oil and Gas firms in Port Harcourt, *International Journal of Academic Research*,
- [3] Anyim, F., Mba, S. & Ekwoaba, J. (2012). The imperative of integrating corporate business plan with manpower planning. *International Journal of Business and Management*, 7(8), 56- 62.
- [4] Arsad, M. (2012). Human Resource Management Practices and Organizational Performance: A study on Administrators in Universiti Teknologi Mara. (Unpublished MSc Dissertation). Universiti Utara Malaysia.
- [5] Aslam, H.D., Aslam, M., Ali, N., Habib B., & Jabeen, M. (2013). Human Resource planning practice in managing human resource: A literature Review. *International Journal of Human Resource Studies*, 3(1), 200-212.
- [6] Bogdan, R. C., & Biklen, S.K. (2012). *Qualitative Research for Education: An Introduction to theory and Methods*. Boston; Allyn and Bacon.
- [7] Bulla, D.N., & Scott, P.M. (1994). Manpower requirement forecasting: A case example in (eds) Ward, TP Bechet & Tripp, *Human Resource forecasting and modeling*, The Human Resource Planning society, New York.