

Importance of Human Resource Management

- Good human resource practices help in attracting and retaining the best people in the organisation.
- To encourage people to work with diligence and commitment.
- To reduce costs, save scarce resources, enhance profits and offer better pay.

Functions of HRM

- ❖ Conducting Research.
- ❖ Creating work culture.
- ❖ Identifying and developing persons.
- ❖ Retaining suitable persons.
- ❖ Developing a communication System.
- ❖ Educating managerial personnel.

Limitations of HRM

- ❑ HRM is of recent origin.
- ❑ Some organizations do not have requisite information about their employees.
- ❑ HRM is implemented half heartedly.
- ❑ Lack of top management support.
- ❑ HRM programmes are confined to class room lectures and expected results are not coming out from this approach.

Environmental Factors

The environment of a business refers to the aggregate of conditions, events and influences that surround and affect it.

External Environment

- Economic factors like suppliers, customers, competitors etc.
- Political legal factors like Factories Act, 1948
Trade Unions Act, 1926, The Payment of Bonus Act, 1965 etc.
- Social and cultural factors.
- Trade unions constitute one of the major power blocks in many countries.

Internal Environment

- Organizational culture.
- Mission.
- Policies provide safe working conditions for employees.
- Organizational conflicts.
- Organizational structure.