HRM functions

[Author Name(s), First M. Last, Omit Titles and Degrees]

[Institutional Affiliation(s)]

HRM functions

An employee or human resource is one of the most important assets of an organization. Highly successful organizations consider human asset as the most valuable one and apprehend that organizational success is highly dependent on its personnel. Human Resource Management is a discipline that deals with management of skills and talent of the people in an organization so that they can effectively contribute to organizational aims and goals. Every organization, whether profitable or non-profitable, has to perform the functions of recruitment, selecting, training and development. HR department is solely responsible for performing these essential functions. This research paper seeks to discuss essential HR functions and their contribution to an organization’s success, alongside the associated laws and regulations (Youssef-Morgan, 2015).

# HR Planning, Recruitment, and Selection

The strategic HRM process consists of planning, hiring and training and development of employees. Planning of human side of an organization is a pivotal function of HR department. The planning requires a precise assessment of the number of employees needed to perform necessary operations and future tasks. Planning is vital to avoid access and shortage of human capital which create challenges for the entire organization. Planning involves linking the strategic plan of an organization with the strategic HR plan. This phase consists of several steps such as environmental scanning, external and internal analysis, finding the gap, crafting HR plans and implementation of plan. Planning is used as a foundation to recruitment and selection of employees. The next step after planning is to perform strategic job analysis and job design. This analysis results in giving all the necessary information about the job. After completing the job analysis job description and speciation is designed through which the job is advertisement seeking the appropriate people for the post. The recruitment process consists of many phases such as publicizing job, searching and attracting required talent through variety of platforms. The selection of the most suitable candidate depends on selection criteria, assessing the reliability and legal compliance of candidate and fining the perfect job fit. Employees’ reliability and aptness is assessed alongside consideration of laws governing HR practices. Selecting right candidate is the most critical factor in creating competitive advantage through humans.

# Performance Management

Job performance of an employee determines the value that an organization is obtaining from the employee’s behavior. This fact is undeniable that an organization wants its people to show a relatively high performance. This calls for an effective system to determine and assess the work performance of employees. Such as system is known as performance appraisal system, aimed at continuous performance improvement. Performance appraisal or management is essential to ensure effective performance by assessing the current performance and adopting ways to enhance performance. The first step is to measure the current performance and for this purpose performance measures are developed. It is worth mentioning that performance appraisal is not merely to improve performance but is vital to manage compensation, making informed job placement decisions and to provide feedbacks to employees. There are various methods of appraisals such as narrative technique, management by objective, forced-distribution method, 360-degree feedback method, and behaviorally anchored rating scale (BARS). An amalgamation of performance measurement methods must be used to ensure precise assessment. Performance management is also an imperative function of HR and it enhances many other HR processes. Recent developments have created new challenges and openings in performance management such as legal implications, cross-cultural considerations and preventing biasness.

# Human Resources Development

It is noteworthy to mention that performance appraisal is not merely to improve performance but is vital to manage compensation, making informed job placement decisions and to provide feedbacks to employees. It is also the basis of training and development decisions of employees. Human resource development is the HR function dealing with training and career development efforts to enrich employee and organizational efficiency. The goal of HRD is to assist employees in developing competences for the current and future jobs via pre-arranged learning programs. Knowledge is the key to organizational success and training impacts awareness of employees. It adds value to the organization by building intellectual competency of employees. Providing training and development opportunities to employees is a great way to retain and attract talented personnel (Falola, Osibanjo, & Ojo, 2014). Talented employees are on the lookout of employers who offer career development and invest in their people. The performance appraisal system underpins the strengths and weaknesses of workforce and it is also referred to as the training needs assessment (TNA) of employees. Once TNA is completed, the next step is training design i.e. setting training goals and objectives. After training design the following step is development i.e. the answer of “how these goals are going to be accomplished? Different methods can be employed to deliver the training to employees which is followed by an evaluation of training impacts.

# Compensation and Benefits

Pay, compensation and benefits are crucial to attract, inspire and preserve talent in an organization. Pay and rewards play a motivational role for the employees and stimulate them to perform better which eventually results in organizational success. Different motivational theories contribute to the factor that pay and benefits are a great way to motivate employees. Maslow’s hierarchy of needs (1943) theory argues that fulfillment of needs is a motivator for the employees. The hierarchy begins with physiological needs and goes up to self-actualization inferring that need of each employee has to be satisfied to keep them motivated. Herzberg’s two-factor theory suggests that absence of compensation and benefits results in decreased satisfaction and motivation (Bryant & Allen, 2013). Several other theories highlight different factors based on employees needs such as goal attainment, fair treatment, need of power and affiliation that motivate employees to exhibit a certain conduct. According to the behavioral perspective, rewards and compensation must be connected with the preferred behavior that could lead to favorite performance. Effective pay structures balance internal and external equity across the factors inside and outside an organization. Employers must also be offered mandatory and non-mandatory benefits to employees linked with the other HR functions such as hiring, training and reimbursement. An organization must address legal, demographic and economic aspects alongside performance while rewarding their employees.

# The Role of Performance Management System in Effective Training and Development

The systematic process of performance management and appraisal act as a guide for the employers to design an effective training programs. Appraisal is a method of measuring the strengths and weaknesses of employees so that training programs aimed at removing the weaknesses can be designed. Functions performed in the performance evaluation and management contribute to effective training and development in many ways. In the process of performance appraisal, first of all performance measures are established and their reliability and validity is also assessed. The performance appraisal also helps to determine the training needs and knowledge gaps based on which training and development programs are designed. In this way, training is provided to meet the goal of desired performance. Employees are provided with the feedback to inform them where they stand in terms of performance and in what ways they can improve it. Based on the results obtained from the process of employee evaluation, training programs are directed at improving the areas of deficiency. In addition, development programs results in effective job placement based on employee strengths and appropriateness for a job.

# Role of Performance Management System with Other HR Functions in Attracting and Retaining Talent

The ultimate goal of HR of an organization is to enhance the employee performance and effectiveness. An effective performance management system together with reimbursement and benefits motivates employees and persuades them to perform better (Lawler III, Benson, & McDermott, 2012). In addition, employees are always looking for employers that not only invest in their careers and provide them training but also rewards them for their excellent performance. The compensation is primary reason a person performs a job while benefits are non-monetary. Benefits and right pay structure has always been a great way to attract and retain talented employees. Benefits and compensation combined with the opportunities to enhance knowledge and skills is something every employee is looking for. Talented employees stick to those employers who fulfils these requirements. In addition, compensation and benefits do not work in isolation. These are linked with the other functions such as recruitment, selection and this integration results in the overall source of competitive advantage.

# Employment and Labor Laws

Labor and employment law deals with the laws and rules that govern the relationship between employees and firms. Labor laws mainly governs the relationship between groups of employers and workers whereas the employment law oversees the individual relationship. The he United States Department of Labor enforces about more than 180 laws to regulate the behaviors of employers and various workplace activities such as hiring, wages and compensation decision, employee benefits and other important matters. The Fair Labor Standards Act fixes the minimum wage for employees and also governs matters lined with child labor. The Employee Retirement Income Security Act (ERISA) is responsible for regulating the pay and pension plans of employees. The Family Medical and Family Leave Act gives the right of taking unpaid leave to fulfil family responsibilities and maintain a work-family balance. The Occupational Safety and Health Act (OSHA) oversees the health and safety circumstances and training necessities in dangerous work environments. Several laws protect employees from discrimination grounded on age, gender, and ethnic background. These laws include Equal Pay Act of 1963, Title VII of the Civil Rights Act of 1964, and the Civil Rights Act of 1991. Organizations have to take care of the requirements of these laws and regulations while performing the necessary HR functions to prevent any lawsuit in future.

# Laws and Regulations Impacting HR functions

All the necessary HR functions are governed by different labor and employment laws and regulations. The labor discrimination and protection laws protect job candidates from any form of discrimination based on age, color, sex, ethnic background and physical disparity. These laws related to HR Planning, Recruitment, and Selection are governed by the Equal Employment Opportunity Commission. Title VII of the Civil Rights Act of 1964 is also the foundation of training and development and performance appraisal programs (“Laws Enforced by EEOC,” n.d.). Employee Retirement Income Security Act (ERISA) and Fair Labor Standards Act guides an organization in designing compensation and benefits plans. Legal concerns are rising an employers are expected to conform to all the regulatory requirements while performing HR functions. These laws also influence the nature of relationship between an employee and employers.

# Role of HRM Functions to Improve Employee and Organizational Conduct

There are eight activities involved in HRM process. The aim of all the eight activities is to motivate, retain, and attract qualified employees. These actives result in excellent performance, reduced production costs, low employee turnover, and greater profitability (Noe, Hollenbeck, Gerhart, & Wright, 2017). Besides, these activities will align HR with organization's strategic goals, if carried out effectively. The functions of HR department ranges from HR planning, hiring and selection, training and developing and eventually retaining and motivating the employees to perform better. The ultimate goals of all these activities is to attract and retain talented employees by regulating their behavior. The employee behavior is influenced by the HR activities and functions eventually leading to the betterment of an organizational behavior. All the HR activities are linked with the strategic objectives of an organization, for instance, planning and selection is linked with the strategic demand of people in an organization. People are hired according to the organizational needs while training and development will enable to identify and remove any gaps in the performance. Compensation and benefits increases employee morale and motivates them to do better, while training and development enhances their knowledge and skills. In this way employees’ behavior keeps on improving eventually leading to the desired behavior in entire organization.

# Conclusion

To sum up the discussion, HR is an essential function of an organization since it deals with managing the human capital, one of the pivotal assets of a firm. This paper has discussed all the essential functions of HR department of an organization along with the rules and regulations that govern these functions and decisions. A detailed overview of each function reveals its standing in keeping employees that make a significant contribution to fulfillment of organizational goals and objectives. HR plays a strategic role in the organizational success by contributing to employee retention, inspiration, self-confidence, productivity, and enhanced performance. However, HR is not only the responsibility of HR department but every manager has some HR responsibilities. HR professionals must closely monitor the changing needs and opportunities in the area to promote organizational success.

# References

Bryant, P. C., & Allen, D. G. (2013). Compensation, benefits and employee turnover: HR strategies for retaining top talent. *Compensation & Benefits Review*, *45*(3), 171–175.

Falola, H. O., Osibanjo, A. O., & Ojo, I. S. (2014). Effectiveness of training and development on employees’ performance and organisation competitiveness in the nigerian banking industry. *Bulletin of the Transilvania University of Braşov*, *7*(1), 161.

Lawler III, E. E., Benson, G. S., & McDermott, M. (2012). What makes performance appraisals effective? *Compensation & Benefits Review*, *44*(4), 191–200.

Laws Enforced by EEOC. (n.d.). Retrieved July 31, 2019, from https://www.eeoc.gov/laws/statutes/index.cfm

Noe, R. A., Hollenbeck, J. R., Gerhart, B., & Wright, P. M. (2017). *Human resource management: Gaining a competitive advantage*. McGraw-Hill Education New York, NY.

Youssef-Morgan, C. M. (2015). Human Resource Management. Lachina Publishing Service.