

3 *Human Resources Management*

Human resources management is the process of evaluating human resource needs, finding people to fill those needs, and getting the best work from each employee by providing the right incentives and job environment, all with the goal of meeting the objectives of the organization.

Human resources managers handle the staffing function and deal with employees in a formalized manner. Once known as personnel managers, they determine an organizations' human resource needs; recruit and hire new employees; develop and administer employee benefits, training, and performance appraisal programs; and deal with government regulations concerning employment practices.

If a business is to achieve success, it must have sufficient numbers of employees who are qualified to perform the required duties. Thus, managing the quantity (from hiring to firing) and the quality (through training, compensating, etc.) of employees is an important business function. Meeting the challenge of managing increasingly diverse human resources effectively can give a company a competitive edge in a cutthroat global marketplace.

“You can get capital and erect buildings, but it takes people to build a business.”

—*Thomas J. Watson, Founder of IBM*

This chapter focuses on the quantity and quality of human resources. We will look at how human resources managers plan for, recruit, and select qualified employees; training, appraising, and compensating employees; aspects of human resources designed to retain valued employees; and along the way we will also consider the challenges of managing unionized and diverse employees.

This quote summarizes the importance of people to any organization. Human resource management (HRM) deals with formal systems for managing people at work and is much more than hiring and firing personnel. Human resources management plays a vital strategic role as organizations attempt to compete through