

## Importance of Human Resource Management

Human resources are the valuable assets of the corporate bodies. They are their strength. To face the new challenges on the fronts of knowledge, technology and changing trends in global economy needs effective human resource management. Significance of HRM can be seen in three contexts: organisational, social and professional.

### (i) Organization Significance

HRM is of vital importance to the individual organization as a means for achieving their objectives.

It contributes to the achievement of organisational objectives in the following ways:

- (i) Good human resource practice can help in attracting and retaining the best people in the organization.
- (ii) Developing the necessary skills and right attitudes among the employees through training, development, performance appraisal, etc.
- (iii) Securing willing cooperation of employees through motivation, participation, grievance handling, etc.
- (iv) Effective utilization of available human resources.
- (v) Ensuring that enterprise will have in future a team of competent and dedicated employees.

### (ii) Social Significance

Social significance of HRM lies in the need satisfaction of personnel in the organization. Since these personnel are drawn from the society, their effectiveness contributes to the welfare of the society. Society, as a whole, is the major beneficiary of good human resource practice.

- (i) Employment opportunities multiply.
- (ii) Eliminating waste of human resources through conservation of physical and mental health.
- (iii) Scarce talents are put to best use. Companies that pay and treat people well always race ahead of others and deliver excellent results.

### **(iii) Professional Significance**

Professional significance of HRM lies in developing people and providing healthy environment for effective utilization of their capabilities.

This can be done by:

- (i) Developing people on continuous basis to meet challenge of their job.
- (ii) Promoting team-work and team-spirit among employees.
- (iii) Offering excellent growth opportunities to people who have the potential to rise.
- (iv) Providing environment and incentives for developing and utilizing creativity