**Human resource management (HRM)**

Human resource management (HRM) is the practice of recruiting, hiring, deploying and managing an organization's employees. HRM is often referred to simply as human resources ([HR](https://searchhrsoftware.techtarget.com/definition/human-resources-HR-generalist)). A company or organization's HR department is usually responsible for creating, putting into effect and overseeing policies governing workers and the relationship of the organization with its employees. The term human resources was first used in the early 1900s, and then more widely in the 1960s, to describe the people who work for the organization, in aggregate.

HRM is really employee management with an emphasis on those employees as assets of the business. In this context, employees are sometimes referred to as human capital. As with other business assets, the goal is to make effective use of employees, reducing risk and maximizing return on investment ([ROI](https://searchcio.techtarget.com/definition/ROI)).

The modern [HR technology](https://searchhrsoftware.techtarget.com/definition/HR-technology) term, human capital management ([HCM](https://searchhrsoftware.techtarget.com/definition/human-capital-management-HCM)), has come into more frequent use than the term, HRM, with the widespread adoption by large and midsize companies and other organizations of software to manage many HR functions.

### Human resource management functions

HRM can be broken down into subsections, typically by pre-employment and employment phases, with an HR manager assigned to each. Different areas of HRM oversight can include the following:

* Employee [recruitment](https://searchhrsoftware.techtarget.com/definition/recruitment-management-system), onboarding and retention.
* [Talent management](https://searchhrsoftware.techtarget.com/definition/talent-management-software-TM-software) and [workforce management](https://searchhrsoftware.techtarget.com/definition/workforce-management).
* Job role assignment and career development.
* [Compensation](https://searchhrsoftware.techtarget.com/definition/compensation-management) and benefits.
* Labor law [compliance](https://searchdatamanagement.techtarget.com/definition/compliance)
* Performance management.
* Training and development.
* [Succession planning](https://searchhrsoftware.techtarget.com/definition/succession-planning).
* [Employee engagement](https://searchhrsoftware.techtarget.com/definition/employee-engagement) and recognition.
* Team building.

### The importance of human resource management

The role of HRM is to manage the people within a workplace to achieve the organization’s mission and reinforce the [culture](https://whatis.techtarget.com/definition/corporate-culture). When done effectively, HR managers can help recruit new professionals that have skills necessary to further the company’s goals as well as aid with the training and development of current employees to meet objectives.

A company is only as good its employees, making HRM a crucial part of maintaining or improving the health of the business. Additionally, HR managers can monitor the state of the job market to help the organization stay competitive. This could include making sure compensation and benefits are fair, events are planned to keep employees from burning out and job roles are adapted based on the market.