

Human Resource Management

Trinath Meher

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BBA, MBA, B.Com, BMS, M.Com, BCA, MCA
and many more courses for Various Universities



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HUMAN RESOURCE MANAGEMENT

MEANING, NATURE, SCOPE AND SIGNIFICANCE OF HUMAN RESOURCE MANAGEMENT (HRM)



INTRODUCTION

All the organisations has three basic resources, that is, men, material and money. Out of these, the Human Resource occupies a vital position, because it is through the men on the job that the organisation is able to utilise the material and machine resources for the maximum benefit of the organisation. In every organisation, public or private, big or small, old or new, human resource management is of crucial significance. Human Resources Management has two aspects:

- (1) The management or administration aspect.
- (2) The development aspect.

Thus, Human Resource is the collectivity of the individuals. In a broader sense Human Resource is managed by the personnel and for the personnel. Organisations are the creations of human beings and are made to perform for the benefits to the community, policy, and society. From the long period, the men at work have been contributing in a manner, which suits the organisation to achieve their goals and objectives.

Origin and development of Human Resource Management is explained by the various scholars. According to **Alan Price**, HRM has evolved from a

number of different strands of thought that is methodology. **Patrick Gunninge**, in his book, *Human Resource Management in Ireland*, has laid specific emphasis on employee attraction and retention, job design, employee motivation, reward systems and employee relations.

Therefore, HR Management is the art and science of managing people in an organisation. Its significance lies in the fact on physical and monetary resources. It is not just on area of personnel administration any more, but rather a central and pervasive general management function involving specialised staff as assistants to main line managers.

HRM: EMERGENCE AND GROWTH

Historically, the beginning of HRM from the writing of **Robert, Owen, Charles Babbage** and **Henry Towde**. Especially, the HRM growth was particularly marked in the inter-war era. It has branched out specifically along the domains of applied psychology and sociology. The latter in turn has evolved around the concept of the “welfare state”. While the former has proceeded as the behavioural science movement.

There are three stages for the growth of Human Resource Management, such as–

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First, Welfare Management,
Secondly, Personal Management, and
Thirdly Human Resource Management.

The theory and practice of Human Resource Management is based primarily is sociology and economics. Organisation Development, Human Resources Accounting and Quality of work life are the most essential for precursors of HRM. **Flamholtz** popularized human resources accounting.

In India, the origin of Human Resource Management can be traced to the concern for welfare of factory workers during the 1920s. The Royal Commission on Labour recommended in 1931 the appointment of labour officers in order to protect the workers from the evils. Welfare officer was concerned mainly with recruitment and welfare of workers. But after the independence, the Factories Act, 1948, made it mandatory for Factories employing 500 or more workers to appoint welfare officers. The Act also prescribed the qualifications and duties of welfare officers.

In the 1970s, concern for welfare shifted towards higher efficiency. A change in professional values of Human Resource Management was visible. During the 1980s, due to new technology and other environmental changes, Human Resource Development becomes a major issue.

Thus, the human resource function in India has grown through several stages, *e.g.*, labour welfare, industrial relations, labour administration, personnel management and finally to human resource management and human relations and human resource development.

HRM: MEANING AND DEFINITIONS

Human Resource Management (HRM) may be defined as a set of policies, practices and programmes designed to maximise both personal and organisational goals. It is the process of building people and organisations together so that the objectives on each are achieved. It is known by different names, *e.g.*, personnel management, manpower management, and personnel administration, staff management, etc. Human resource management is not something, which can be turned over to a human resource department. It is a responsibility of each and every manager. It has emerged as a distinct discipline. It seeks to accomplish societal, organisational and individual goals.

In the HRM, different thinkers gives their views in various ways, which is explained in the following:

- According to **Mazarrese**, HRM involves with compensation benefit, staffing, HR forecasting, succession planning, management and executive development, performances management, employee relations, organisation development, total quality management, needs analysis, instructional design and development training programme evaluation, Return On Investment, (ROI) impact studies to name a few.
- From **Keeney**: HRM is the conceptual, which describe all the transformative changes in the management of employee relations.
- In the opinion of **Blunt**, HRM is the discipline, which concerned with the human side of the enterprise was largely regarded as covering moribund house keeping operational activities. Thus, there was no status and influence of the discipline.
- From **Guest**, HRM concern with the personnel management, which based on scientific management or welfare management.
- **Flippo**: “Replanning organising directing and controlling of the procurement, development, compensation, integration and maintenance of human resource to the end these individual organisational and social objectives are accomplished.
- According to **Tracey**, “.....The organisation function that focuses on the effective management, direction, and utilisation of people, both the people, who manage produce and market and sell the products and services of an organisation and those who support organisational activities. It deals with the human elements in the organisation, people as individuals and groups, their recruitment, selection, assignment, motivation, empowerment, compensation, utilisation, services, training, development, promotion, termination and retirement.”
- According to **Alan Price**, in his book, “Human Resource Management in a Business context,” HRM has become the dominant approach to people management and it basically related to the human behaviour in the work place. It also deal with various activities and functions just like human resource planning, recruitment,

MEANING, NATURE, SCOPE AND SIGNIFICANCE OF HUMAN RESOURCE MANAGEMENT (HRM) / 3

training, compensation packages, moral boosting, discipline and conflict resolution, etc.

- According to **Patrick Hurringle**, in his work, “*Human Resource management in Ireland*,” HRM emphasis on modern trends such as employee attraction and retention, job design, employee motivation, reward system and employee relations.

From the above definitions, there are some most important aspects of HRM, which emerge could be started as:

- There is an explicit link between managing human resource and success of administrative or management strategy.
- Sector strategies cannot be appreciated in isolation, but only as parts on the integral whole.
- Senior line managers are required to assume more responsibility with regard to managing human resource.
- There is a stress on inter-personal relations as a determinant of performance.

Human Resource Management plays a significance role in management regulatory and policy planning functions. It also related in advising, implementing and organizing change. Human resource management is the art and science of managing people in an organisation.

It is basically related with compensation benefit, staffing, HR forecasting, succession planning, management and executive development, performance management, employee relation, organisation development, total quality management and development training programme evaluation. According to **Simon**—Management is the art and science of “getting things done.” According to **Fayol**—Management function is universal in public and private organisations.

HRM: SALIENT FEATURE

Keithsisson explains, some of the main features of HRM in the following:

- Human resource management is stress on the integration of HR policies with overall planning and underplanning latter with the former.
- HRM is responsible for personnel management with specialist managers.
- It is also assumed by the senior line management.

- It mainly focus on shifts from management trade union relations to management employee relations, from collectivizing to individuation; macro to micro.
- It is also related on commitment and initiative on the part of the employees.

Armstrong, explains, four fundamental principles of the HRM, in the following:

- Human Resource is the organisation’s most important asset.
- Personnel policies should be directed towards achievement of corporate goals and strategic plans.
- Corporate culture exerts major influence on achievement of excellence and must therefore be tempered with consideration of employee welfare.
- Whilst integration of corporate resources is an important aim of HRM, it must also be recognised that all organisations are “pluralist societies” in which people have differing interests and concerns, which they defend and at the same time function collectively as a cohesive group.

IMPLICATIONS OF HRM

The implications of HRM has been discuss in the following points:

(a) With respect to organisation design

Simon’s concept of ‘mean–end’ and ‘fact’ and ‘value’ has giving “purposive behaviour”. Decision are taken at all levels within an organisation, and each decision has both mean (more fact) and end (more value). So there is no doubt that if human resource management is means to the end of organisational development, it functions as a section under organization development.

(b) With respect to personnel Administration

Generally, Human Resource Management deals with Personnel Administration. Administration is the activities of groups cooperating to accomplish common goals. At the enterprises level, good human resource practices help attract and retain the best people in the organization.

(c) With respect to policy

Policy formulation is the basic aims and objective of the Human Resource Management. The Human Resource Department involved in business strategy and it accepted as a fact or a “given” of organisational life. The focus is directed instead to utilizing it to the maximum.

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HRM: MAIN OBJECTIVES

The primary objectives of human resource management is basically deals with workforce on employees in an organisation. The objectives of HRM can be classified into four categories, which are analysed as follows for a better understanding:

(1) Societal Objectives: The modern society deals with human resource decisions through the laws of the Constitution. For example, reservation and other laws that address social discrimination, health and safety of workers, morale, ideological bias and other such issues of social concern.

Therefore, the aim of the society is to give equal rights to all the workers in an organisation without social discrimination. Health care and safety of workers is most essential for each and every workers. It is the duty of an organisation to take care of all workers and provide this types of facilities and also reward, so that, they are more interested for their work.

(2) Organisational Objectives: Organisations are not mere structural entities, but social units. It has been observed by scholars that an organisation is not a complex of matter but rather a complex of humanity. An organisation must make appropriate use of human capital for achievement of both collective organisational and individual goals. The organisational objective is organisational strategy, coordinating and harmonizing organisation wide efforts and stressing on the role of human resource management in contributing towards organisational effectiveness. Human resource management's aim is to balance the equation and bring about required synergy to reinforce mutuality of effort towards the common purpose. HRM is not an end in it self. It is a means to the end of increasing organisational capability. Primary objectives of individual are fulfilled by an organisation.

(3) Functional Objectives: On the functional role of HRM, resources are wasted when human resource is neither in excess or too scarce. The department function is to gain organisational fit with respect to human resource requirements.

Empowerment is a core concept of the new management model. In this way, powerment is preferred to delegation, ownership to responsibility. It is contended that authority and responsibility are formal aspects of organising. So that they are based on organisational properties and not on individual capabilities. Empowerment and ownership are social aspects of organizing. They are based on efficacy and initiative, and not just on roles and requirements.

According to theorists, two main concerns regarding competitive philosophy are (a) people-centered philosophy, and (b) unity and focus. Wider philosophy is needed for success of any organisation and that also success of the free market. Philosophy internally provides a focus to collective effort and helps competitors anticipate future moves of a company.

Therefore, sound human resource management should determines the level of innovation or creativity in an organisational processes. It is no doubt that, organisational capability is a dynamic concept. It depends on the premium attached to the HR function by the management. In the opinion of **Bob Garratt**, theory of organisations as “*learning systems*” in which success depends on the ability of managers to become “*direction-givers*” and on the organisation’s capacity for learning continuously.

4. Personal Objectives: It is basically related to employees in achieving their personal goals and these goals depend on an individual’s contribution to the organisation. Personal objectives of employees must be met if workers are to be motivated towards better performance. In this way, employee performance and satisfaction are likely to decline and employees could even contemplate leaving the organisation. Managing approach to employee benefits and compensation, employee records and personnel policies is an important aspect of human resource management.

William Werther Jr. and Keith Davis discusses the objectives and functions of HRM in the following table:

HRM Objectives	Supporting Function
Societal Objectives	1. Legal compliance 2. Benefits 3. Union-management relations
Organisational Objectives	1. Human resource planning 2. Employee relations 3. Selection 4. Training and development 5. Appraisal 6. Placement 7. Assessment
Functional Objectives	1. Appraisal 2. Placement 3. Assessment
Personal Objectives	1. Training and development 2. Appraisal 3. Placement 4. Compensation 5. Assessment