CHAPTER III

REVIEW OF LITERATURE, CONCEPT AND DEVELOPMENT OF HUMAN RESOURCE MANAGEMENT
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3.1.1. Introduction

In this section, an attempt has been made to review the literature in the historical aspects and in-depth study on concept, development and functions of Human Resource Management (HRM), keeping in view of the present research work.

The management of human resources has now assumed a strategic importance and application. It is now widely acknowledged and observed as a competitive edge and an ultimate resource. However, in order to understand better and analyse critically, the literature on the concept of HRM and its practice is sparse. However, relatively critical body of academic literature on HRM has emerged particularly in the USA, UK and Japan. It is quite encouraging to find a few such studies in the USA and Great Britain by Paul Blyton, Peter Turnbull, Barbara Townley, P.B. Beaumont, David A De Cenzo, Stephen P. Robbins, Johns M. Ivancevich, Raymond J. Stone, Michael Armstrong, David Guest, Shaun Tyson, Karen Legge, Dereck Turnington, etc. Currently, three categories of books are available to teachers and practitioners on HRM—(i) specialist books for HRM professionals, which emphasize more on knowledge rather than skill, (ii) critical review of HRM developments, which need more research and (iii) popular management books which are an Anecdote, prescription but short on
Whereas in India literature or books on HRM is sparse, particularly critical analysis or research work as its importance is realised and practice only recently. The available literature in India try to link or relate the event of the business or the industrial development with human of management as in India business is even less develop. The establish HRM practices of other countries or organisations are accepted and applied to suit the India system, keeping widely accepted principle of management.

Each country or organisation has its own approach towards HRM concept and philosophy. Whatever it may be, it is a universal management concept and application. The only difference is the advance knowledge on HRM and its application due to advance industrial development of a country as compared to other.

Whereas in India literature on coal, that too, on HRM is exceptionally scanty except a great care and amount of initiative have been taken to be at per with the international standard and shed light on HRM in the present context Dr. S. N. Pandey, the former Executive Director (Industrial Relations) of Tata Steel and also the other sister concern of Tata Steel, is one of the pioneers whose contribution to this field is remarkable. Besides many other professionals also contributed to their ideas and experience. Some research works on coal industry in India have been conducted by International Labour Organisation (ILO), Geneva in 1984 under “Coal Sector Manpower in India”, and, some on accidents a Doctorial thesis by Dr. Ash Satchidananda, Ranchi University, entitled “Problems of Accident Prevention in Coal Industry”- an enquiry into the sociological and technological factors. Some of the books related to coal industry are - Shri A.K.Srivastava’s “Coal Mining Industry in
India”. Shri A.K.Vasudevacharry’s “Problems and Prospects of Coal Industry in India”. Shri P.B.Sengupta’s “Coal Industry and Labour in India”.

But the literature or research on HRM of Coal Industry is sparse. In the case of NorthEastern coal fields the only literature available is the book published by the erstwhile Assam Railways & Trading Company(AR&TC), which highlights the historical accounts of the industrial development and other allied industries under AR&TC with a touch on coal mining, covering upto pre-nationalisation period of coal industry. But it does not discuss or highlight in details the human aspects of coal industry. All the more the research on the coal fields of NorthEastern region is scanty and no research work particularly on HRM has been done. The above review brings out the paucity of literature and research.

This research work needs to have an indepth study and understanding of HRM concept and its development for analysing the different aspects.

3.1.2. Importance of Human Resources

We have entered a new millenium which is acknowledged as highly scientific, computerised and high-tech era of human civilisation, symbolising modern mankind striving with an expectation for super human being. It is the age of man verses machine and conflict will continue as more and more human activities are replacing by machines, computers, robots, telecommunications and sophisticated technology. Garry Kasparov, the greatest chess player in history, challenged the IBM computer Deep Blue, the most sophisticated then machine hyperbole. In this when he resigned in their sixth and final game of the match, he said, “I lost my fighting spirit”.

The world champion resigned to the technology because of human weakness and indomitable human fighting spirit. But such machine was invented by the superior human creative ideas and application. "Technology will continue to improve human productivity" Bill Gates, the computer wizard, said in an interview.\textsuperscript{2} But the technology alone is not the answer at the cost of human resources. Dr. Amartya Sen, the Nobel Laureate for Economics (Welfare Economics) stated that machine/technology would be within the control of human and he put the issue of human capabilities on the social consciousnes despite being a great supporter of market economics. It is not possible to achieve rapid economic operation with social justice without optimum utilisation of resource incudes human resources. Lord Sieff said, "Ultimately, whatever the form of economic activity, it is people that count most".\textsuperscript{3} Peter F. Druckar, the father of management, says whole economics is around human beings.

Although it is hard to digest but every organisation realise that computers, sophisticated machines and technology do not run business or organisation.

It is the people within the organisation who do. No organisation can exist and survive without human beings. They only can give life, meaning and help the growth of the organisation. Otherwise it is a 'dead wood'. Works and its management are human activities. Whatever may be the scientific progress in the ultimate analysis human being is the prime mover. No machine is superior to human beings. Rajiv Gandhi, the former Prime Minister, while presenting Eight Five Year Plan stated, "The human factor, the human context is the supreme value. We must pay much greater attention to these questions in future". Sam Pitroda, the former Advisor to the Prime Minister


on Science and Technology Mission, Government of India, predicted that the success and achievement of an organisation in such competitive environment, would be the proper management of the resource with an innovative ideas and practices and the loss of any company is due to the mismanagement of resource particularly human resources. Hence, in a competitive environment when a company try for a change it does not look for just capital alone, but towards human resources.

It is difficult to mobilise right resources for any organisation, but the most difficult of all is the human resources. Any organisation which treats human resources as a machine, to produce as and when desired is a stagnant organisation and calls for an urgent application of drastic change or thinking.

In order to run an organisation Man, Machine and Money are required. It is, however, the ability to manage man that makes the other factors work automatically. That means effective utilisation of all other factors of production depend on man. The introduction of highly sophisticated and sensitive machines with high expectation would not give the desired results if we do not put the right man on the machines as the human beings are the backbones of such activity. Technology alone, however, sophisticated it might be cannot bring about economic development unless human potential is fully tapped for productive purpose.

In such a competitive business environment, because of high technology, concern for quality, productivity and tough market strategy, no company is making huge profit but make marginal profit except those companies which have a monopoly of their products. It is, therefore, the business organisation's greatest challenge in building organisational capability and only such company can survive in such competetiveness which is supported and rely strongly on its own human resource
potential. The world over, business is moving into a new era, where competitive advantages come only from intangible assets. Intangible assets are abstract and living where future lies. It is about people, processes, relationships, etc., say employee satisfaction, customer satisfaction, share talent, captive organisational knowledge.

The human resources have, therefore, assume increasing significance in modern organisations. The major problems are human and social rather than physical, technical or economic. The failure to recognise such realities cause great loss to the organisation and individual. The importance of human resources can be examined from two standpoints: (i) Economic and (ii) Non-economic

(i) Economic: The human resources have been considered as a form of capital and as the product of investment whereby production is acquired. Ginzberg points out that human resources are the key to economic development.\(^4\)

(ii) Non-economic: The importance of human resource arise from the noneconomic factors.

The potential for the development of human resources is unlimited. It has been indicated that the most intelligent individual uses only 10 percent of his capacity and the average employee’s apply of his mental powers on his job is only about 15 to 20 percent capabilities available to him.\(^5\)

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The value of human resources, however, has become particularly relevant now as almost all organisations are reorganised themselves through acquisitions, merger, disinvestment and joint strategic alliances. It is the philosophy of human resource management which emerges whenever people are perceived not as a cost for doing business but as "The only resource capable of turning inanimate factors of production into wealth. People provide the source of creative energy in any direction the organisation dictates and fosters".  

3.1.3. Human being a Complex Creature

The employees working in any organisation reveals that they are complex creature and the biggest challenge to the modern man is “management of mind”. It is easier to deal other resources, but to deal human being is most difficult, complicated and unpredictable. Alfred York and Shaun Tyson rightly stated as, “Of these resources people are the most important, the most valuable, the most complicated and the least predictable.” Behind such mystery, creative, resource and wonders of human brain is the 'magic box'- the human brain. The brain, the soft grey coloured material, is the most resourceful power house and possession of human beings.

This distinguishes human from other creature. It is absolutely essential to human life, although it is not essential to every creature.


3.1.4. Background of the Evolution of HRM

"The literature in business history is sparse particularly that tracing the development of the functional aspects of business." The social sciences program with the civilization of mankind unlike any other scientific based subject. When we attempt to establish the development of the human resource functions and the role it needs to trace the historical background particularly the development of industries, labour, legal aspects, behavioral scientists, practical knowledge of the experts, writings on management, etc. It also needs to study the different stages, trend of the development and association of different field knowledge.

Business history emerged at the beginning of twenty century with Richard Ethenberg’s history of the Siemens Brothers, as a separate branches of history viz., political history, social history, etc., The term "business history" emerged in the 1920s. But it encountered the problem of definition which constitute history.

In India business history is less developed as compared to other countries. Although there was some attempts were made to record the history of business and biographical histories of various businessmen and entrepreneurs were written. But all these writings have ignored the development of various organisational functions. Among the writers like (i) Amin B.D. (1939), (ii) Edward, S.M. (Ahmedabad Textile Mills Association), (iii) Harris, F.R. (1958), (iv) Hodgson, G.H. (1938), (v) Jaju Ram Nivas (1985), (vi) Arun Joshi, (1975), (vii) Kaji Hiralab Lalubhai (1934), (viii) Khanolkar, G.D. (1969), (ix) Sinha (1976), (x) Tripathi (1981), (xi) Wacha (1913 and 1915), (xii) Wadia (1964),


9. Ibid. p. 197.
etc. although tried to trace the development of personnel management it has been flunked on welfare side and upto certain extent of personnel practices. It covers from the days of welfarism to scientific management and tried to trace the development from industrial labour side.

As HRM deals human beings, unlike any other branches of management, which deals indirectly human side of the organisation a number of significant change has taken place in the philosophy of dealing the human beings since 1960s and has undergone sea changes.

The changes from 1960s of high-technology programme and rapid corporate expansion, which created a demand for managerial, professional and technical personnels. This was followed by some important court decisions and strict compliance of the decisions and governmental regulations. The term 'manpower' was recognised and realised. Later on it was substituted by the concept of human resource. This concept led to a shift from more quantitative forecasting to qualitative and scientific approach with broader programme of career planning, activity analysis and reshaping of work.

In the process of development of HRM, the USA and Great Britain academics and management gurus have contributed largely to the body of thought which produce the concept of HRM it has little to offer Europe because it roots lie in the 'American Dream' and a different cultural context. It is also true in the case of Asia's industrial giant Japan.

They analysed the development of HRM and studied its importance in the relation to other country but the exception is that they adopt the suitable practices and practice religiously by assimilation with their culture and traditional values.

This form the back bone of their management concept and style. Any study and analysis of HRM need to examine with the background of the American and Britishs HRM development. This is because of - (i) the motion of human resources management originated in the USA in the 1980s and influenced Great Britain. Thus, there is considerable more relevant literature and experiences to draw than as in the case of other advanced industrialized countries, (ii) many questions about HRM in the USA and UK contains a number of potential important lessons for other countries, (iii) In UK and the USA, the business school and business community inter activities are part of history and (iv) the USA has the strongest empirical foundation of HRM.

To understand the development of HRM it needs to study the stages, events, movements and contributions of the pioneers or management thinkers who influenced to the emergence of HRM -

(i) **Industrial Revolution**: The Industrial Revolution compelled rapid technical change and three prominent characteristic were noticed. They were:- (i) linking of human power to the machine, (ii) development of machine and (iii) establishment of factories and employment of large numbers of people. This led to great demand for job specialization, division of labour and pressure on workers for the increase in production. The earlier concept and practice of considering the labour as commodity to be bought and sold had changed. The government instead changed the political philosophy of laissez-faire and introduced more legislation to protect the worker's interest. That is, there was great changes in the outlook and treatment of labour although not fully realized and accepted human resolves potential as a great asset of the organisation. It led to the change in the attitude and foundation in HRM.
(ii) **Trade Union Movement and Collective Bargaining**: With the formation of trade unions the workers organised to protect themselves and improve their life against the illtreatment and abuse of management. Later on strike became a weapon for them. However, afterwards several acts formed largely on labours right to organize and provided the appropriate forum for "collective bargaining". It became free and unfair labour practice for employer to restrain employees in the exercise of their right to bargain. This gave an opportunity to express and settled difference with management amicably and gave the workers through union to the opportunity to grow and achieves the goal of the organisation. Thus, opened a new ways of properly channelising the human resources.

(iii) **Scientific management movement**: The Scientific management movement also created a need for effective human resource movement. Frederick Winslow Taylor was the prophet of scientific management and pioneer in the scientific study of jobs i.e., time and study. He argued that person selected for a job should be perfectly matched physically and mentally. He emphasized for proper training by the supervisors for performing the work exactly as specified by scientific analysis. Employees, however, should not be called upon to work that would affect the health. Employees should be provided incentives to those who did the work right and within the specified time limit. F.W. Taylor's scientific management showed the importance of human resources and capabilities, if properly managed and taken care.

(iv) **Government personnel practices**: In many countries like the USA and Great Britain, the Government formulated several personnel practices to regulate the people at work. In instance the U.S Civil Service Commission in 1910, later on known as U.S. Office of Personnel Management, introduced Pendleton Act of 1883. It provided competitives examination as a basic for employment in the public service and provided employment security, prohibited discharge for refusing to engage in political activity,
employment promotion policies on the basis of merit. All those have influenced in the progress of human resource practices.

(v) **Emergence of personnel specialists and formation of personnel department**: According to historians the modern personnel department emerged approximately by 1912. The term personnel with its modern connotational managing people in organisation, began to appear about 1909. A number of personnel specialists emerged in companies in the USA. The specialists managed such area as employment, employees welfare, wage, safely, training and health. The combination of such specialists framed the basis for the organisation of the modern human resource department. According to Berridge (1992) in Great Britain the evolution of personnel management has been a haphazard process, occur in an uneven, unplanned, almost random fashion and depend on the force in industry, business and society than to rational, logical or central development. The American thoughts and practices indeed have influenced the practices introduced in the 1960s and 1970s.

The practices on the human side of management in different countries and specialization formed the basis for the organisation of the modern human resource department.

(vi) **Human Relations Movement**: The Hawthorne Works of the Western Electric Company in Chicago at the beginning of 1923 and early 1930s was one of the most famous behavioral research efforts of all time. The research led to identify factors for high productivity. The most important of this experiment was the realization of the importance of human resource and in the process of production and productivity. Later on group behaviour and workers' feelings were characterised with morale and productivity and related to human relations movement. Many company started
mainpulating workers to increase output and satisfying worker needs while meeting organisational needs. This led to the improvement of human relation or industries relation and established the importance in the management of human resources.

(vii) **Legislations and court decision**: Several court rulings and general legislations passed the way in shaping the HRM. This had directly gave compulsory directive to strictly follow and imposed restriction against the violation. For instance, 8 hours working per day, safety legislation, compulsory compensation, Sunday rest etc. In the United States the social legislation and court decisions of 1960s and 1970s influenced and contributed largely to the HRM.

(viii) **Behavioral Science Movement**: The knowledge about HRM and most of its practical applications came from different discipline of behavioral source like (i) Industrial/organisational psychology (ii) social psychology (iii) organisational theory and (iv) organisational behavoir (OB). To deal with people at work and understand their behaviour, it cannot be explained simply by human relationships, but require wider discipline. The behavior of and performance of people at work is affected by its unique culture, constrains, organisation structure, authority and responsibility, job and technology. It deals the most sensitive human problems, which cannot be solved by technology. This helps to understand the human problems and find solution for the management of human resource effectively.

The behavioural science movement came into prominent in the 1960s. The pioneers were Maslow, Likert, Argyris and Herzberg. Maslow’s hierarchy of human need placed self-fulfillement as self-actualisation at the top of needs pyramid. Likert developed his intequeating principle of supportive relationship. Argyris believed that organisation should be designed and planned for integration and involvement of all
the individuals. Herzberg was the most influential member of the movement. He advocated job enrichment as means of increasing organisational effectiveness and improvement should be centre as a source of motivation.

The movement had an idealistic approach, but it made two useful contributions to HRM - (i) underlined the importance of integration and involvement of individuals and (ii) highlighted the importance of quality of working life as a means of obtaining increase motivation and improved results.

(ii) **Organisation Development Movement**: The organisation development (OD) movement was given impetus by Bennis in 1960s and 1970s. The OD movement advocated to improve the effectiveness of an organisation and responds to change. This new concept emphasis on how people carry out their work and interact with one another. The important emphasis of OD programme is the management of change and team development. It is based on increased knowledge, power based collaboration and values based organisation on humanistic democratic ideas. It is idealistic but it systematically analysed the important changes and problem affecting it. They concentrate on culture as a control issue in the management of human resources.

(x) **Corporate Culture Analysis**: This movement is partly derived from the organisational behaviour specialist, but major thrust are from empirical studies of corporate success. Among the exponents of this movement, Richard Pascale & Anthony Athos and Peters & Waterman have contributed outstandingly.

Richard Pascale & Anthony Athos’s works “**The art of Japanese management**” study the secrets of Japanese business success. From the creation of powerful organisational cultures gave the value of sharing between management and
workers which mutually shared the common interest incorporate excellence.

Peters & Waterman's work noted that the excellent companies were people with a wide range of people programme. Whereas companies whose goals were financial as well as broader sets of value did not do well. It also emphasised Andrew Pettigrew, a British researcher's concept that the process of shaping culture is the prime management.

(xi) **Influence of the Pioneers and Management Thinkers**: Many great management thinkers advocated in shaping the HRM concept by mobilising through different phase of movement. The human resource management is not new in America. It was further developed in the 1970s and early 1980s. Peter Drucker and McGregor in 1960s advocated and contributed pioneering work in the establishment of HRM. Peter Drucker's invention of management by objective (MBO) and its concept is fundamental to HRM.

He criticised Personnel Managers for their obsession with techniques, but failure to get involved in the business and asked "Is personnel management bankrupt"? It was because of the engagement of personnel specialists to other jobs that do not deal with people nor with management. Personnel specialist felt his work as partly a highly paid clerk and to deal with union trouble to settle it. He, therefore, called personnel management as collection of individual techniques without much internal cohesion.


Whereas Douglas Mc Gregor advocated management by integration and self-control was more of managing people which affects the whole business. He believed that management philosophy should be based on attitudes and beliefs about people in achieving integration. He did not consider the process as one of the personnel techniques, manuals and forms.

Both Drucker and Mc Gregor paved the way to the HRM philosophy that human resources policies and programmes must be built into the strategic objective and plans of the business. To achieve the objectives and plans everyone in the organisation should be involved. Thus, both the management pioneers influence in shaping HRM.

Besides, the psychologists, scientists and many management exponents also contributed through series of experiments to understand the human beings at work and manage their resources purposefully. The contributions of Munster Berg to human resource management are noteworthy in the analysis of jobs (i) the abilities required to do the jobs and (ii) the development of testing devices like aptitude tests and work sample tests. This was further accelerated after the industrial revolution and World War-I. During the war the intelligent list ‘Army Alpha and Beta’ was developed and could match each individual more effectively with job requirement. The other psychological measure were also developed such as aptitudes measurement, interest and personality. Besides, the discovery of pro. f. Elton Mayo and Prof. Roethli Abuger’s experiment known as “Howthrone Effect” opened a new chapter and proved the relationship between attitudes of individuals and groups and their work and its influence on the quantity and quality of their output. The theory of Blake and Mouton (1978) known as Managerial Grid Theory had shown the effectiveness of work accomplishment is from committed and high balance of people and task.
3.1.5. Origin of Human Resource Management

It is an elusive excercise to trace the definite origins of HRM and also difficult to arrive to its defining characteristics. It is because of the fact that HRM is a part of the wider nature of general management and the management of employee in particular. It is also not possible to explain the simple derivative of HRM as it has part in many disciplines, based in theories and practices. For instance it has part in organisational theory particularly that of the Human Relations School. Moreover, HRM concerns the important elements of Strategic Management and Business Policy along with Operations Management too.

The philosophy of HRM did not emerge in its complete form until the mid 1980s but its roots go back to the 1960s. It was further developed in the 1970s and early 1980s. HRM appears to have its origins in the United States of America, although it was not widely recognised until the beginings of the 1980s and in the United Kingdom (UK) until the mid to late 1980s. In the 1980s and in 1990s the term 'Human Resource Management' came to be increasingly used by both practitioners and researchers. In the process, this particular term frequently replaced the previously popular terms 'Personnel Management' or 'Industrial Relations'.

This was made popular by the introduction of HRM courses in the universities, media and publications of new journals, new books, etc. particularly publication of two new journals in Britain concerned with HRM issues. Whereas industrial began to loss its charm unlike in the 1970s. There are number of reasons for the emergence of HRM in 1980s. The most important among the certain key changes were the major pressure experienced in product markers during the recession of 1980-82. It was combined with a growing recognition in the USA, the union influence in
collective bargaining had lost its charm and few employee responded. This triggered
a number of change in management and organisational practice. The changes were led
and directed towards the human resource management issues which were more
employee asserted practice like arrangements and design to enhance motivation,
commitment and organisational identification. Whereas the management reduced
priority to collective bargaining and joint consultative arrangements i.e., attached more
priority to individual than groups. Later on by 1990s in Great Britain, Chief executives
placed human resources management issue among their three concerns. At this juncture,
it should also be noted that by the 1989s the US economy was being challenged by
overseas competitives particularly Japan. This had focussed and raised two issues - (i)
the productivity of the ‘American workers’ as compare to the ‘Japanese worker’ and
(ii) the declining rate of innovation in American industries.\(^ {13}\)

When these issue confronted both the American Managements as well as
workers there was a desire to create a work situation free from conflict in which both
employers and employees sorted in unity towards the success of the organisation.

In the United Kingdom also in the 1980s the business climate became
 conducive to changes in the employment relationship. The changes noticed in the
UK business environment as in the USA were- (i) economic pressure due to market
competition which resulted in the increase of production, (ii) recession in the early
part of the 1980s and (iii) introduction of new technology. The only significant factor
which was absent in the USA was the desire of the government to reform and reshape
the conventional model of industrial relations.

\(^ {13}\) Devanna, 1984 p.33 as quoted by Iass Bear Dwell and Len Holden. \textit{Human Resource Management: a}
The slow in development of HRM in the UK was partly due to the poor performances of British management towards the economic development. Although later on taking the experience of Japanese, German and American cities accessed the employees and brought to the notice for ignoring human related issue.

Thus, the decline in the old industries and rise in new industries based ‘high-tech’ products, termed the earlier industrial relation practices as ‘old’ industrial relation. All these directly encourage HRM.

Another important factor that influenced in the development of HRM was the US ‘excellence’ literature e.g. Peters and Waterman, 1982; Kanter, 1984, which not only motivated the employees but also involved management styles and responded to market changes. Consequently, the concepts of employees commitment and ‘improvement also became another source about the management practice and HRM.

The most remarkable approach to the evolution of HRM that popularised and influenced in the management terminology was due to practical approach in the Japanese practice and success. In the modern business world the success of any Japanese company is associated with the Japanese style of human approach. Japan became a giant industrial power and created a competitive environment world wide after the devastating historical shock of World War II defeat. The reasons for its success are simple. Japan has no such labelled HRM practice as such, but they practice and put into effect HRM suitable to their tradition and culture. Although it has been claimed and viewed HRM as purely American phenomenon. HRM in the European context is an amalgam of reaction to both American and Japanese firms. Indeed we also contend that one cannot divorce American HRM in the 1980s from such Japanese influences.


According to Ken Starkey and Alan McKinlay the success of Europe’s Ford Motor Company, one of the world’s largest and most successful corporation, was due to the exploration of HRM ideas and practices and had dual sources - (i) the experience of its American parent and (ii) its own independent analysis of and reflection upon the sources of Japanese firm’s success.\(^{16}\)


The growth stages of HRM differ from one country to another depending upon the economic and industrial progress and other influential factors. It is also experienced that some countries realised the importance of HRM earlier and applied the technique and enriched it to suit the organisational need e.g., Japan. The application and approach of HRM in Japan is a phenomenon. To understand the growth stages of HRM (i) the USA (ii) UK (iii) India are examined below:

(i) Growth Stages in the USA: Wyne F. Casco discussed the growth stages in the USA and classified under four stages. It can be discussed as follows:

(a) First stage: The growth of HRM of this stage is also called ‘file maintenance’ stages. This stage started by the mid 1960s and concerned about employee. There was typical HRM responsibilities and development ‘personnel’ was the responsibility of a special department. The responsibility included screening of application, orientation for new employees, collecting and storing personal data employees and circulation of memos.

(b) Second stage: This period of growth stage started after the passing of civil Rights Act of 1964. This is considered the ‘government accountability’ stage.

\(^{16}\) Starkey Ken and Mc Kinlay Alan, op.cit.,P.1.
Every aspects of employment was affected and accelerated the rise in importance of HRM function due to the court rulings and introduction of antidiscrimination laws, pension laws, health and safety laws, federal regulatory agencies and their interpretive guidelines.

Owing to mismanagement of people there was class action suits and large financial settlements made for winning the suits. During this stage two prominent trend are noticed (i) changes in external outlook and (ii) appearance of specialists and professionalisation within HRM.

(c) **Third Stage** : During late 1970s and 1980s many firms were struggling to survive due to high interest rate, growing international competition, shrinking U.S. productivity growth led to greater and acceptability to all the functional areas of business emphasis including human resource management activities. Although resource methods of assessing the costs and benefits of human resources programme were available it was not widely known and practised. Besides there was great demand and need for prosesing the quality of work life for managing cultural and ethnic diversity and for continuous training as the work force comprise of more women, minorities, immigrants, older worker and poorly educated workers. This period may be regarded as the great awakening phase of HRM.

(d) **Fourth stage** : By 1990s HRM assured a central role in the struggle of both large and small firms to gain and sustain a competitive advantage in the worldwide market place. The top management began to assign to the HR department to control costs, to enhance competitiveness and to add value to the firms. In the fast changing technical and social environment the productivity can be most impressed when all the three factors of production-equipment, capital and labour are used to the maximum potential and wisely.
It is not possible to emphasise any one factor and exclude the rest. In other word there is need for partnership and the most effective approach to HRM is possible from close interaction between the HRM department and those departments responsible for the operations of the business.

(ii) **Growth Stages in the United Kingdom**: According to Berridge (1992) the evolution of HRM in Great Britain has been haphazard process. It developed in random fashion and empaneled rather than to rational and logical, but owning more to the environmental force in industry, business and society. The American academics and management have great influence and contribution to the body of thought which lead to the concept of HRM particularly the practice in the 1960s and 1970s. It was affected by environmental and people factors. Michael Armstrong identified the evolution of HRM in Great Britain. The following stages can be discussed:

(a) **First Stage**: The period from 1915 to 1920 may be considered as ‘Welfare stage’. During this period employees were provided facilities such as canteens and looked after their personal interests. Welfare officers were first appeared in the ammunition factories of World War I.

(b) **Second Stage**: By 1930s in addition to welfare facilities, personnel supports were extended to managements in the force of recruitment, basic training and record keeping.

(c) **Third Stage**: In 1940s and 1950s almost the whole range of personnel services was provided in addition to welfare, recruitment, record keeping, craft and supervisory training. Welfare officers became labour managers and slowly involved and put the responsibility of industrial relations on them. It was done as tactical level rather than the management concept.
(d) **Fourth Stage**: At this stage by 1960s and 1970s, the service provided in third stage were extended into organisation and management development, systematic training under the influence of the training boards and manpower planning. More scientific and sophisticated methods of selection, training, salary & wages administration and appraisal techniques such as Management by Objectives (MBO) were used. Besides, under the influence of the behavioural scientists, organisation developmental (OD) programmes and job enrichment were also done. During this period the industrial relation occupied the business scene and formal productivity bargaining began to play an important role. Slowly Personnel or Industrial Relation Directors began to appear more frequently in boards, but they were hardly involved in business strategy. With the increase in the legislation for employment personnel professional had to be more professional on legal and employment areas.

(e) **Fifth Stage**: The 1980s was the most crucial and turning point in the evolution of HRM. The HRM concept emerges from the writings of American academics. It was taken up in 1980s when personnel specialists were confronted to adjust to the enterprise culture and the market economy. This stage witnessed some major thought provoking changes (i) Impact of personnel or HR management on the bottom line and (ii) development of strategic HRM approaches that integrated HR and business strategy. Unlike in the previous stages (i) personnel management became more business and management oriented, (ii) performance related pay became a major motivating factor, (iii) witnessed the development of performance management systems, (iv) industrial relations became less importance as the power of the trade unions declined, and (v) personnel directors were expected to act as a business partner rather than as a specialist of traditional personnel function.
(f) **Sixth Stage**: The 1990s began with concern for positive outlook towards enterprise culture with its emphasis on individualism. Emphasis were given to the virtue of teamwork, empowerment and continuous development. The role of HR in total quality control and initiative became more important. The competence of an organisation became a real concern as culture management, performance and reward management, management development and performance-related pay were introduced.

(iii) **Growth and Development of HRM in India**: In India there is hardly any paper or text books which tells about the growth stages of HRM except tried to link or relate from the events of the business or industrial development of India. It is because of the fact that in Indian business history is even less developed.\textsuperscript{17} Whereas in other countries business history emerged as a separate brand at the beginning of twentieth century with Richard Eihrenberg’s history of the Siemens Brothers and the term ‘business history’ emerged in 1920s. Some attempts were made to record the history of business particularly biographical histories of various business entrepreneurs. But what we often come across is a loosely collected series of papers with no connecting thread between one contribution and another or a loose journalist’s edition of ideas, neither of which contributing to the corpus of thought.\textsuperscript{18} Some attempts were made to record the history of business. Hence in such sparse business literature, it is difficult to establish the evolution of the recent management concept of HRM and its development.

Some authors had made some attempts to establish the history of HRM or personnel management. Punekar has also traced the history of the development in Britain and European countries as well as in India.\textsuperscript{19}


\textsuperscript{19} Balsubraman, loc. cit., p. 196.
But the focus and trace of the development of HRM or personnel management confined in welfare activities or the days of welfarism. To trace the progress or development of HRM had to begin with the labour. To begin with the Government of India started looking after the condition of labour in various industries through many enquiry commissions during British and free India. The landmark in the development of HRM was the appointment of Royal Commission of Labour in 1929 and the National Commission of Labour to look into the working conditions of the industrial workers.

The above two commissions studied the conditions of labour and personnel practices. The Royal commission submitted the report in 1931 and one of the remarkable recommendations was the appointment of labour officers or labour liaison officers to -(i) deal with recruitment and dismissal of labour, (ii) improve their working conditions and (iii) eliminate the evil practices of jobbers who used to engage and dismiss workers. The report of the National Commission of Labour in 1966 also highlighted -(i) to look after the welfare of their workers, (ii) welfare officer should form part of the administration to discharge their responsibilities effectively and (iii) welfare officers should not be called upon to handle disputes on behalf of the management. Subsequently during the World War II the government and industries began to appoint officers to look after labour's interests. The World War II and the consequent shortage of manpower for industrial organisations identified the desire to attract the best available talent and called for the scientific and more sophisticated management policies. There was a need for the increase of personnel officers throughout the industries. It is worth mentioning that in 1923 for the first time in the organised sector, Tata Steel appointed K.A. Naoroji as Labour Welfare Officer to look after labour issues in the various departments on the steel works.20 The main concern and involvement of the welfare officer was to improve the welfare of the

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labourers like working conditions of labour, providing recreational and medical facilities, housing, etc. Upto this stage, the development of HRM and attention of the early writers were concentrated on labour welfare.

In India although the concept of an officer and manager existed in organisations from the 1920s onward, the significant professional development took place in India in the 1960s against the background of the labour and welfare officer of the 1930s and the Factories Act, 1948, the Mines Act, 1952, the plantation Act, 1951, etc. The slow growth of the personnel profession can be attributed to colonial rule.21

On the other hand the attitude and outlook towards personnel was not encouraging. The chief of organisation considered and treated personnel or human resource management as insignificant management and looked down upon the profession. The HR or Personnel Managers were treated as “glorified clerks”. This approach and outlook was quite natural as the British legacy which was predominantly authoritarian and autocratic managerial tradition was continued after the British left India, after several years of Independence, although called for immediate reform in management approach. The need for the development of a good personnel system was not felt before the British came to India and unify. This was further aggravated by the lack of trade union’s approach in order of priority towards the working class as they grew out of the Independence movement and continued to be organised and led by non-employee politicians.

With the industrialisation the need for the personnel function began to be felt in India. A.G. Balasubramaniam asserted with conviction that it would be incorrect to say that personnel management did not exist in India prior to the 1850s as even in the Arthasastra, vestiges of what could be termed personnel management can be found.

The personnel management although is relatively a new concept in India it has taken firm roots in India. The function of personnel management has came into its own and is legitimately claiming and receiving the recognition that rightly deserves.

Although the function of HR or personnel Management has developed, its status and scope depends mainly upon the expansion of business and industries, government policies, application and positive results of the management philosophy and other factors. This period saw the important role of Personnel management in Indian industries.

In the early seventies, according to S.D. Panikar, the personnel field covered three major areas of professional discipline labour welfare, industrial relations and personnel administration. These three areas showed the chronological order of the development of the personnel field. These area were looked after by three professional fenchmen - welfare officer, labour officer and personnel officer.

By the early eighties the area of labour welfare was merged into personnel administration. These two areas are referred to as personnel management. The 1980s brought transformations and development in the attitude and behaviours among all the people concerned with industrial organisations. The Government of India in 1960s introduced the workers participation in management in many public sector organisations. Private industrialist began to recognise and gave emphasis on professional management and introduced the latest and modern techniques, due to the introduction of high tech industries, a class of knowledge workers has emerged.


There was a great shift in the personnel management’s role in 1980s. The role of human resource became more complex and had to deal not only the complex human problems but also had to develop, use and plan human resources.

The limited traditional personnel functions like staffing, compensation, trading and welfare means are being slowly replaced by an approach where more attention is paid to human resource. In addition to concentrating on production aspects, managements began to recognize the importance of human resources and their vital contribution to the organisations viability. This was because of the increase in cost of labour, government legislation, strike and lockout in early 1990s, more of a beyond market with emphasis on quality, concern for increasing employee’s quality of life, etc., All these mounting pressure and change in behaviors, attitude and development trend forced management to practice and adopt humanisation approach - human resources management.

On the whole the development of human resource in India can be broadly classified as - (i) Pre-1850 (Dark period), (ii) 1930 to 1950 (Legalistic period), (iii) 1950 to 1960-65 (Welfarism period), (iv) 1965 to 1980s (Professionalism period), and (v) Post-1980 (Human Resource Management Period).

The growth of HRM profession in India is highly remarkable. Some indicators of the growth were the growing need of quality, number of educational institutions and the emerge of National Institute of Personnel Management as a pioneering professional body on human resources in India. The current fast growth rate and interest of HRM reflects past ignorance and persistent failure of the personnel management and departments to innovate on personnel policy and to contribute to the pursuit of competitive advantage.
No wonder many organisations in India today have already renamed the personnel management department as human resource management department. Human Resources Development, a subsystem of Human Resource Management came into existence prior to human resource management due to political clout and there is considerable research on human resources development in India.25

It was also due to peoples over enthusiasm and excitement. In India approach to human resource are not inform throughout. The variations are the result of difference in organisations approach to human resource, government, legislation, size of the organisation, technology adopted by the organisation and position of human resource executives in the organisational hierarchy.

3.1.7. Factors for the growth of HRM in India

The factors behind the dynamic growth of HRM was due to the industrialization, the trade union movement, management schools, Government policies, social work & school and influence of international bodies such as International Labour Organisation (I.L.O). The factors can be discussed under the following heads :-

(a) Social and Institutional factors : It was the demands of industrialisation and the social and institutional changes which prompted the development of HRM. This was particularly true after the introduction of factory system in 1850. The workers became more demanding because of better education, improvement in the standard of living and are conscious of their rights. The workers no longer considered industry as a temporary alternative to village life. They hold a permanent position in the organisations where they worked and their expectations were also higher.

This was strengthened with the establishment of the first trade union in India in 1921, there was unity among the employees and thus increased bargaining power with the employers.

(b) **Impact of ILO**: The International Labour Organisation had great influence in the development of HRM. By virtue of India as a signatory of the Treaty of Versailles and a member of the League of Nations became a member of ILO automatically. It was, therefore, followed the conventions and recommendations of the ILO on the ‘hour of work’ of 1919 (Report of the National Commission on Labour). The convention included employment of women during night time, minimum wage fixation, disorientation in employment, etc., besides the hours of work. The most important aspects of the ILO’s recommendations was the pointing of the wrong practice prevailed in India by the study team of both the Indian and foreigners. The ILO’s major role in the development of HRM was the spreading of labour practices globally and speeding up the HRM evolution process. From this India also benefited to a great extent.

(c) **Impact of legislation**: The legal enactment passed before independence covered about the basic needs and comforts. These acts prohibit the exploitation of children and controlled the employment of women. But most of the welfare provisions were enacted in India after independence. To some extent this was the result of popular sentiments in the world expressed towards the workers through the ILO. According to A.G. Balasubramaniam, it was, however, mainly a result of the changes of thinking within the country.

(d) **Government Personnel Practices**: The public sector organisations copied the personnel practices prevalent in the Government as well as the private sector practices. In
1967 an attempt was made to bring about some uniformity through Administrative Reform Committee. This committee recommended the formation of a separate department of personnel in the government of India. The idea was for better training of its manpower and include all levels of bureaucracy and include management culture into government officials.

The Government's concern for the human resources management was clearly reflected in most of the government's planning, policy and action. The Government on 8th April, 1948 in the Parliament emphasised in industrial policy, the proper role of labour in industry and the need for adequate wages and working conditions. Correspondingly, it also urged the labour for its part to give equal recognition to its duty to contribute to the increase in the national income for a permanent rise in the standard of living to be achieved.

(e) Factors Affecting HRM: Many factors also equally influenced in the functioning and growth of HRM. They are: (i) Internal environment such as company's objectives, policies and organisational climate and (ii) External environment such as legal consideration, labour force, public, unions, share holders and owners, competition, customers and technology.

3.1.8. Meaning and Definition of Human Resource Management

HRM has been widely used in the management parlour, industries and by experts, it is yet to have an acceptable definition. Different experts have given different restricted concepts and viewpoints of HRM. In other words it is yet to convince and come into an acceptable, satisfactory and amicable definition that fulfil all the criteria. Besides we are dealing with certain aspects of management which is never static but always dynamic. It develops its own creative and innovative ways and means to counter the changes and corresponds to the needs of other fields of management.
HRM is a recently popularised management of people within organisations. The term signifies new emphasis on the management of people in order to achieve strategic organisational objectives. It covers as a management practice all the conventional areas of personnel management and industrial relations as well as the relatively new areas such as communication, counselling, training and development and job enrichments. The concept of HRM signifies as an integral part of enterprise management. It assumes that management of people is an integral part of the resource management within enterprise for achievement of organisational objective.

The HRM has undergone several changes with the attitudes of management towards labours and also as the profile of the working class has been changing steadily with the entry of people from higher social and educational strata. This process is further enhanced with the advancement of technology and is still continuing. It will continue to do so as the human needs continue. But the rate of change vary from country to country, industry to industry and from time to time. In this process, the 'human' aspects of human resource management is slowly gathering form. By examining the explanations and definitions given by different management experts, academicians and others we can understand better about HRM. Some of such prominent explanation and definition are analysed below:

(i) Michael Armstrong, one of the pioneers of HRM concept, has stated HRM as an approach to the management of people, based on four fundamental principles:

(a) Human resources are the most important assets of an organisation.

(b) Success of an organisation depend upon the closed link of personnel policies and procedures of the enterprises with corporate objectives and strategic plans.


(c) Corporate culture and the value, organisational climate and managerial behaviour, emanate and exerts a major influence on the achievement of excellence and
(d) HRM is concerned with integration - getting all the members of the organisation involved and working together with a sense of common purpose.

He further described HRM as essentially a business oriented philosophy, concerning the management of people in order to obtain value from them and thus achieve competitive advantage. It is a philosophy that appeals to management who are striving to beat off increasing international competition and insist to invest without fail in human resources as well as new technology.

(ii) Pettigrew and Whipp provides and suggests HRM as the total set of knowledge, skills and attitudes that firms need to completes. It involves concern for and action in the management of people, including selection, training and development, employees relations and compensation. Such actions may be bound together by the creation of an HRM philosophy. This suggestion of HRM, therefore, emphasis on (i) the interest of management, (ii) adoption of a strategic approach, (iii) obtaining added value people by the processes of human resource development and performance management and (iv) gaining the ir commitment to the objectives and value of the organisation.

(iii) P. Subha\,Rao explained HRM as a dynamic discipline as it mostly deals with the ever changing human resources. The word dynamic is akin to dynamite and used to replace something in a revolutionary manner, i.e., HRM is not only static, but also a revolutionary concept in the management parlour.28 He further explained and meant HRM as(a) a crucial subsystem in the process of management and also as resource like any natural resource.

It means that management can get and use the skill, knowledge, ability, etc., through the development of skills, tapping and utilising them again and again and. (b) regarded as human factor, human asset, human capital and the like. The term devotes the employes as a whole, but it does not clearly denote various components of human resource like skill, knowledge, values, etc.

(iv) R.S.Dwivedi considered HRM as a specialised profession such as that of medicine and law, in addition to the industrial relations functions, the personal functions, training, safety, wage, salary administration and Resource Development.29

(v) Ken Starkey and Alan Mc Kinlay represented HRM as a policy agenda, in many cases, of professional management in source of a new role and even a justification for its very existence. It present with a radical rethinking of personnel function which has traditionally been seen as ‘something performed on subordinates by managers’. HRM focuses not only on the development of employees but also on the development of managers themselves.30

(vi) John Storey regarded HRM as a set of interrelated policies with an ideological and philosophical underpinning. After analysing various scholars’ definitions he stated that HRM as one of the following two ways:

(a) Hard version of HRM, that is, as a narrower version of personnel which emphasises the quantitative, calculations and business strategic aspect of managing resources in rational way.

(b) Soft version of HRM which traces its roots to the human relations school of Herzberg and Mc Gragor. It emphasize communication, motivation and leadership.


(viii) Ian Bear Dwell and Len Holden treats HRM as a significant of recent arrival in the analysis of employment issues, rather than merely as an adjust to an established set of personnel principles. It has become a powerful and influential perspective which has to be taken into account not simply as yet another means of carrying out the personnel function but as both a stances and a prescription in its own right. One of the key elements in the coordination and management of work organisations.

(viii) Shaun Tyson reviewed HRM as a set of practices, activities and philosophies designed to manage the employment relationship. The review takes the form of a critical examination of the constituent parts of the field and a debate on where this field move on as the new century dawns. 31

(ix) Stone J. Raymond, focussed HRM on managing people within the employers employee relationship. Specially, it involves the productive use of people in achieving the organisations's strategic business objectives and the satisfaction of individual employee need. 32

(x) Wyne F. Casco described HRM as a field in transition and involves four major areas - (i) Staffing, (ii) Retention, (iii) Development and (iv) Adjustment. Together they compose the HRM system and describe a network of interrelated components. It enhances competitiveness and should be used strategically to maximize productivity, quality of work life, and profit through better management of people.

(xi) According to Judith R. Gordon, HRM refer to the use, development, assessment, reward, and management of individual, organisational members or worker groups. It includes the design and implementation of systems for planning, staffing,


developing employees, managing careers, evaluating performances, compensating workers and smoothing labour relations. HRM tries to find the best way of using people to accomplish organisation goals and to improve organisational performance. It also accomplish their personal goals. It finds to increase employee satisfaction, commitment and involvement in organisational life, improve the quality of working life and increase worker efficiency and productivity. It can increase organisational effectiveness, productivity and production of goods or services in an organisation.  

(xii) Tom Peter, the world's best selling business author from Australia, emphasised and expressed HRM as everyone's first job and responsibility and emphasized that they had “damn well better keep up with best people practices or face extinction in this age”.  

(xiii) Barbara Townley described HRM as the necessary act of tasks and role for the efficient achievement of organizational objectives. It is a systematic characteristic of organizations functioning in a model of means and rationality, an organizational mechanism through which goal achievement and survival may be promoted.  

(xiv) According to Keith Sisson, editor of Human Resource Mangement Journal refers the term HRM in the most general of senses of HRM to the policies, procedure and processes involved in the management of people in work organizations. The term is able to embrace more traditional subject areas such as industrial relations, personnel management, organizational behaviour and industrial sociology.  

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35. Ibid, p.1 4

(xv) Michael Poole, editor of International Journal of Human Resource Management (IJHRM), stated beyond the central aspect of HRM being the link in business policy and strategic management, the subject is perhaps best regarded as involving a synthesis of elements from international business, organizational behaviour, personnel management and industrial relations'. Both the editors of HRM and IJHRM established HRM as a field of study rather than a theory of management. 37

(xvi) Harvard Model which is widely recognised as its academic linkage from the human relations school. Michael Poole endorses the model as the most influential and familiar approach to HRM in both academic and business circles. The Harvard model viewed HRM as (a) strategic, (b) involves all managerial personnel and especially general managers, (c) regards people as the most important single asset of the organisation (d) proactive in its relationship and (e) seeks to enhance company performance, employee needs and social well being. 38

(xvii) David Guest defines HRM essentially in terms of four key policy goal: (a) high commitment, (b) high quality, (c) flexibility and (d) strategic integration.

He argues that only when a coherent strategy, directed towards these four policy goals, fully integrated into business strategy and fully sponsored by line management at all levels is applied, then the high productivity and related outcomes sought by management be achieved. He seeks to give HRM the status of a 'theory' and devotes any or all of the policies, procedures and processes involved in the management of people at work to a full blown theory of management.

37. Blyton Paul and Turnbull, op. cit., p. 3.
(xiii) According to Paul Blyton and Peter Turnbull, HRM represents a qualitatively different approach to the management, employee and distinct from those of personnel management. HRM represents neither the latest management whim nor simply the preference for a new label, but rather constitutes a key issue within contemporary work organisation. He stressed HRM is- (a) rather than a general theory of employee management and is more appropriately viewed as a term for a series of practices that have come to prominence during the past decade. It should be considered as a superior replacement for other practices and approaches, associated with the management of employees and (b) a set of practices.

HRM does not represent a conceptual ‘tool kit’ for the analysis of the more fundamental issues of management worker relations; issues of inter alia power, control, conflict, compliance, consent and dependence, HRM is the latest management response of human resources with limited issues, not an explanation of them.39

(xix) John M. Ivancevich describes HRM as the effective management of people at work. It examines what can or should be done to make working people more productive and satisfied.40

Inspite of several attempts to define HRM, there still remains the residual problem and none of the definition can conclusively define an acceptable HRM. All the definitions propounded by different individuals define in their our terms to the exclusion of the others. This is because (i) HRM is dynamic and still in transition and under process, (ii) individual expression of definition is based on experiences,


and the analysis practice of organisation and country is influenced (iii) it is a wide field. and vast arena of management like a solar system. We are still trying to discover unveils within it the unlearned planets of any meteors, comets and other debris besides the eight known planets which were already discovered. A standard joke about HRM teachers and researchers is that they are individuals in search of subject area. Indeed it appears there is no limit as in human mind and human resource management.

3.1.9. HRM Concept Development Model

In addition to the above contributions, comments and expression by different writers, academics and managers, the development of HRM concept model in two major countries - the USA and UK can be examined as follows:

(i) **USA Model**: The American academics and writers were largely responsible for the detailed analysis of HRM emergence as the dominant philosophy or concept for managing people in the 1980s.

HRM emerged as a clearly defined concept in the mid-1980s when two models were produced by American academics. They were

(a) **Matching model of HRM**: Fombrun and others were the first exponents who made the first explicit statements of HRM. It was asserted that HR systems and organisation structure should be managed in a way that should be harmonious relations with organisational strategy.

(b) **Harvard framework model**: The harvard framework had considerable influence over the theory and practices of HRM by virtue of its contention that HRM is the concern of management in general rather than the personnel function in particular.
M. Beer, another father of HRM along with others, framed this model which is based on belief that it can only solve the problems to historical personnel management. It was expressed that HRM is likely to remain a set of independent activities each guided by its own practice, tradition and belongs to lines managers. They emphasized the need for coherence in HRM policies and further stated that HRM involves all management decisions and action that affect the nature of the relationship between the organisation and its employees and its human resources. Besides some major decisions like financial decisions, introducing of new technology or decision of growing the organisation’s need to involve HRM decisions. But such decision and action do not include in the personnel function. Such problem can be solved and should be included in HRM.

(d) Walton of Harvard also developed the concept of mutuality. This model is composed of policies that promote mutual goals, mutual influence, mutual respect, mutual reward and mutual responsibility. The theory emphasized that policies of mutuality will elicit commitment which in turn will yield both better economic performance and remain develop.

(ii) UK Model: Many academicians have contributed to the concept of HRM. Most of the models are the version of American model. Some of these works are discussed below:

(a) David Guest: David Guest has taken the Harvard model and developed by defining four policy goals (i) Strategic integration and plans, (ii) High commitment in terms of behavioral and attitudinal commitment, (iii) High quality in respect of managerial bahaviour and (iv) Flexibility in terms of functional flexibility and organisation structures.
(b) Karen Legge: Karen Legge emphasise for integration human resource policies with the strategic business planning and use to reinforce an appropriate organisational culture. According to him (i) human resources are valuable and a source of competitive advantage (ii) effective by mutual consistent policies and commitment. She refers on the rhetoric of HRM and consistency with the enterpise culture.

(c) Chris Hendry and Andrew Pettigrew: Hendry and Pettigrew developed on the Harvard model and extend the analytical elements. According to them better descriptions of structures and strategy-making in complex organisation and of framework for understanding them are an essential 'underpinning' for HRM.

(d) John Purcell: Purcell felt that the adoption of HRM is both a product of and a cause of a significant concentration of power in the hand of management. While the widespread use 'of the language of HRM', if not practice is a combination of its intuitive appeal to managers and a response to the turbulence of product and financial markets. According to him HRM policies and practices are associated, when applied within a firm with a break from the traditional, but the danger of description of HRM as modern best-management practice is that they stereotype the past and idealize the future.41

(e) Keith Sisson: According to Sisson, four main feature are increasingly associated with HRM:

(i) Stress on the integration of personnel policies and business planning.

(ii) Focus of responsibility for personnel management no longer resides with a relegated to specialist managers.

(iii) Focus shifts from manager-trade union relations to management-employee relations, from collectivism to individualism.

41 Armstrong, Michael, Personnel Management and practices, Part II, P. 146.
(iv) Stress on commitment and the exercise of initiative.

(i) **John Storey**: Storey suggests four aspects which constitute HRM. They are:

(i) particular beliefs and assumptions.

(ii) strategic decisions about people management.

(iii) involvement of line managers.

(iv) reliance to the employment relationship which are different from the typical classical industrial relations systems. According to him the concept locates HRM policy firmly at the strategic level and the characteristic of HRM is its internally coherent approach.

From the above combined contributions, suggestions, analysis and explanations of the writers and practitioner, the following points are the characteristics feature of HRM:

(i) Interest of the management, how people can best be managed, developed, contribute better in the interest of the organisation,

(ii) Strategic approach adoption and integration with business strategic to meet the challenges,

(iii) To treat people as assets to be invested in the interest of the organisation,

(iv) A field in transition,

(v) Value addition to people by the process of human resource development, performance oriented and emphasize for higher achievement to meet new challenges,

(vi) Improves the commitment to the objective and value of the organisation,

(vii) Gives life, meaning and broaden the scope of traditional personnel management. But it has developed to meet the new challenges merging out of the new changes,
(viii) Needs for a strong corporate-culture expressed in mission and value statements and re-enforced by communication, training and development, etc.,

(ix) Not yet able to have a widely and generally acceptable ‘definition’ as such,

(x) It brought changes in the management of union relationship. Employee relations are unitarist and individual rather than collective with high trust,

(xi) Top management driven and management oriented activity,

(xii) Performance and delivery of HRM is a line management responsibility,

(xiii) ‘Commitment-orient’ stresses the importance of going commitment to the organisations’ mission and values,

(xiv) Can take either a ‘hard’ or ‘soft’ form as defined by Storey,

(xv) Involves a comprehensive and coherent approach to the provision of mutually supporting employment policies and practices,

(xvi) Flexible roles and team work are important policy goals,

(xvii) Strong emphasis on the delivery of quality to customers up to satisfaction, and

(xviii) Reward are differentiated according to performance, competence or skill.

3.1.10. Observation of Indian Writers, Experts, Executives and Institutions on HRM

In India although the concept of HRM has influenced much later with the expansion of industries and challenges ahead, after subjugation of more than 100 years under the British. This was true in the 1960s particular after the emerging welfare personal office. Whereas in other countries like the USA and the UK as stated earlier, already awoke and reacted the importance of HRM by 1980s. Never the less, there is a clear change in the approach and outlook towards human resources. Today top bosses, chiefs of organisations realised the importance of human resource and to looked down upon or treated personnel managers as “glorified clerkes” and the yeoman’s concern is noticed with the introduction of Human Resource Development Ministry. This was entrenched due to the coming of multinational companies having an edge over the others with new approach towards human
resources besides superior new technology. In India many organisations have already renamed the personnel management department as human resource department. We live in the "age of uncertainty" as Galbraith puts it- "Wondering how and by whom and to what end the organisations are rented". According to Dr. K. Ramesh "If the present and future human resource managers became attend to changing trend and development .... ... will be golden for the Indian human resource management field". He also felt that since the Indian culture, and philosophy - Hindustan- is akin to Japanese culture, it is quite suitable to human resource management. The present conditions and changes taking place are quite conducive and favourable to the introduction of HRM in major way. We have all the qualities, what we required is a joint and constructive effort from all the factors in an organisation creating trust, loyalty to a firm, and commitment to a job - and consciously leaving aside the destructive elements such as caste, religion and corruption which are prevalent in the Indian’s minds. It is worth mentioning the contribution of National Institute of Personnel Management (NIPM), the only professional body of such formed after the amalgamation of two established institute that existed in the field of personnel management and industrial relations. These two institute namely Indian Institute of Personnel Management formed in 1948 and the National Institute of Labour Management founded during 1950s, raised together and formed NIPM with affiliation to ASI, a federation of personnel management and other institute of UK. The Institute has been contributing in the promotion of HRM.


44. Dr. K. Ramesh, ibid. p.36.
Some of the academicians and exponent’s opinion and observation on HRM are given below, based on personal letters addressed to the research scholar:-

(i) Dr. Dibakar Panigrahy, the faculty member of the Department of Business Administration, Berhampur University, Orissa on the book entitled Dimension of Modern Management states: “In this changing scenario, personnel management has become redundant and outdated. This concept is a bit feudalistic and had little meaning in the post second World War but not now. At present in this practical world ‘Knowledge is power’ so organisations thinks of investing in personnel, as they invest in assets. More the personnel are experienced, exposed, trained and developed, more the organisation is enriched and become fittest to survive in this competitive world”.

He further states that in our country we have realised the importance of HRM very late due to unemployment, under employment and low industrialization. Our country’s economic is mostly agrarian in nature, most of the work force are engaged in unorganized sector e.g. agriculture field, construction activities and transportation, etc. But unlike us other western countries have realised the importance and relevance of HRM much earlier and have already taken steps to shape thin organisation and enrich their work force. The dimension of HRM is more wider than the PM. As it covers not only wage and salary administration but also employee morals, compensation, recognitions performance evaluation, work stress and strain conflict and crisis, trainee, etc. It covers the whole spectrum of employer/employee relation and organisational behavior and organisational developments.45

(ii) Dr. V.P. Michael, Director of the Centre for Management and author of book

entitled "HRM & HR Development". Maharashtra. said, National Institute of Personnel Management is primarily responsible for an emerging 'HRM Awakening,' unfortunately a clear approach to HRM is yet to emerge in India. We, HRM professional, must go a long way on this respect. 46

(iii) Dr. Sita C. Amber Rao, Prof. Management division of Business and Economics, Indiana University, Kokomo, USA, writes "Basically HRM refers to identifying and developing the growth potential of the individual through various employment practices, so that both the individual and the organisation are benefitted. Thus, it is implied, a link between the objective of the organisation and the human resource management". 47

(iv) Dr. S.N. Pandey, Management consultant and former Executive Director (IR), Tata Steel and other sister concern of steel writes, "HRM and Personnel Management are conceptually same thing. Unfortunately all over the world Personnel Management had been practised to mean only recruitment, placement, disciplining, record keeping, litigating and finally performing the work of a policeman in the organisation. The correct meaning and contents of Personnel Management has now been realised all over the world in the name and style of HRM. The only difference is that the concept of human development was totally ignored in past. For HRM human development is the key word in training, motivation, morale and satisfaction has been made the rule for work commitment. The success of an organisation is going to be measured in future by the practices followed by HRM in the industry." 48

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and well known trade union leader of INTUC, writes, "Human Resource Management means best utilisation of manpower by giving them proper education, training and better working conditions and also incentives and similar encouragements from time to time so that they may work more intelligently and intensively than before". 49

3.1.11. Reservations of HRM

On the face of HRM it appears to be free from all problems and reservations of management. There is little doubt that HRM became a fashionable concept but also a controversial subject in the 1980s with its boundaries overlapping widely the traditional area of Personnel Management, Industrial Relation, Organisational Behavior and Strategic and Operational Management. Its emergence created controversies and strong reservations have been expressed about it by academics and by practitioners, even though the concept of HRM has been enthusiastically embraced by a lot of chief executives and management experts especially in the United States. Some of the basic especially in the United States reservation are pointed out which is based on one side the theoretical, conceptual and other practical or application problem.

3.1.12. Analysis of HRM

The above several definitions or explanation provides the following points in common :-

(i) Human resources policies should be integrated with strategic business planning and used to reinforce the appropriate organisational culture.

(ii) Human resources are valuable and a source of competitive advantage,

(iii) It may be tapped most effectively by mutually consistent policies that promote commitment and foster a willingness in employees with flexibility for adoptions organisation’s pursuit of excellence.

3.1.13. Similarities between HRM and Personnel Management

There are some similarities between HRM and Personnel Management as suggested and noticed if we closely examine. They are:-

(i) *Integration of business strategy*: Personnel management and HRM strategies form the business strategy and both emphasize the integration of personnel and HRM practices with organisational goals.

(ii) *Line managers responsibility*: Both recognize that line managers are also responsible for managing people. The personnel function provides the necessary support and advice service to managers to carry out their responsibilities.

(iii) *Individual concern and respect*: Both emphasize the importance of individuals Personnel Management values particularly the ‘soft’ version of HRM, are identical with regard to respect for the individual, balancing organisational and individual needs, developing people and their abilities for their own personal satisfaction and to make their best contribution to organisational success.

(iv) *Matching people with business requirements*: Personnel management and HRM recognise and consider matching people with ever-changing business requirements as one of the most essential function or matching available human resource to the organisational need. The rate of environmental and organisational change should match the people by selecting, developing and envying the adaptability and flexibility of the change.

(v) *Some basic roles*: Some basic roles like selection, competence analysis, performance management, training, management development and reward management
techniques are used both in HRM and personnel management.

(vi) **Employee relations system**: The ‘soft’ version of HRM and Personnel management attaches importance to the processes of involvement, participates and communication within an employee relations system.


(i) Hendry and Pettigrew in 1990 put the difference of HRM and personnel management and not personnel management itself. 50

(ii) According to Michael Armstrong the differences between HRM and personnel management is a matter of emphasis and approach rather than are of substance. 51

(iii) K. Legge 1989 identified three distinguishing features of HRM and Personnel Management is an activity aimed primarily at non-managers. Apart from management development, Personnel Management, appears something expressive by the managers themselves, within a set of rules and procedures which constrain their freedom in managing their subordinates. Whereas HRM emphasizes the importance of employee development but focuses particularly on development of the management team or more concerned with managerial staff.

(iv) Although both HRM and Personnel Management highlight on line management but the focus is different. That is HRM is much more of an integrated line management activity whereas personnel management seeks to influence line management.

(v) HRM emphasizes the management of the organisation’s culture as the central activity for senior management and Personnel Management always treat organisations development as standing slightly apart from mainstream.


51 ibid., p. 153.
(vi) Michael Armstrong felt that the strategic nature of HRM is another difference whereas the idea was that traditional Personnel Management was ever really involved in the strategic areas of business. Hendry and Pettigrew also supported the distinctive character of strategic as in HRM.

(vi) According to Michael Armstrong the most significant difference is the concept of HRM which is based on a management and business oriented philosophy. In support of the Beardwell and Holden the concept of personnel management is 'liberal' and stands between employer and employee, moderating and soothing the interaction between them, is viewed as 'untenable' whereas HRM is about shaping and delivering corporate strategies with commitment and results.

(vi) David Farnham, Principal Lecturer in Industrial Relations, Portsmouth Polytechnic Business School, emphasis HRM by contrast in directed mainly towards managerial needs for people resources in organisation, with great emphasis being placed on "planning, monitoring and control, rather than on problem solving and mediation". While the traditional personnel management is underpinned by the ideas that employees need looking after, and are only effective when thin need are being met, HRM reflects a different set of beliefs.

3.1.15. Changes from Personnel Management

In the ultimate analysis, as Fowler in 1987 identified, the real difference between HRM and personnel management is not what it is, but which is saying it. In a nutshell HRM represents the discovery of personnel management by chief executives.

Another major debate is whether a new role is emerging or change in practices in dealing with human resource, whose frame of reference and activities differ from those of the traditional personnel function. In this regard Mr. Graham Andre Wartha, President, Australian Human Resources Institute (AHRI) observed that HR
has certainly changed. According to him the change of name represents at least 10 significant changes in practical from the days of personnel (1940-80s) to today's human resource management (1990s and beyond) and they are put in tabular form as follows:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>From Personnel Management</th>
<th>To Human Resource Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Controlling practices and reactive activities, with no risk taking</td>
<td>Consulting practices and proactive activities, with risk taking</td>
</tr>
<tr>
<td>2.</td>
<td>A short term rigid focus not linked to the organisational goals</td>
<td>Strategic flexible approach, linked to the organisation's goals</td>
</tr>
<tr>
<td>3.</td>
<td>Management of human resource is the responsibility of personnel department entirely</td>
<td>Management of human resource is the responsibility of all line managers with assistance from HR Department</td>
</tr>
<tr>
<td>4.</td>
<td>Discrete personnel functions with little overlap of responsibility</td>
<td>Generic comprehensive interrelationship between functions</td>
</tr>
<tr>
<td>5.</td>
<td>Staffed by surplus line managers with few qualifications</td>
<td>Staffed by professionally trained graduate in management and human resources</td>
</tr>
<tr>
<td>6.</td>
<td>Concentrated on the implementation of super annuation, remuneration and similar schemes</td>
<td>Utilises remuneration and recognition as a dynamic process of motivation and best practice</td>
</tr>
<tr>
<td>7.</td>
<td>Seen as aligned with management</td>
<td>Seen as aligned with the profession and not favoring management or employees</td>
</tr>
<tr>
<td>8.</td>
<td>Little contact with senior management or Chief Executive</td>
<td>Involved as a coaches or advisor to senior managers and Chief Executive (CEO)</td>
</tr>
<tr>
<td>9.</td>
<td>The department is seen as a non-productive drain on the organisation's resources</td>
<td>The department is seen as an investment in best practice and high performance</td>
</tr>
<tr>
<td>10.</td>
<td>Operated in traditional hierarchy organisations with an industry view</td>
<td>Operates in developing collaborative and varied organisation, with a societal and world view</td>
</tr>
</tbody>
</table>

Source: Australian Human Resource Institute (AHRI), April, 1995.

The most prominent easily noticeable change has been the conceptual approach to labour management which treats labour as a valued asset rather than a variable cost and accordingly invested in the labour resource through training, development and other designed to attract and retain a committed workforce. This is a great shift from the earlier stand of treating labour as an liability and commodity.
Derek Torrington also agreed that theoretically the concept of HRM provides a major shift of direction in the employment of people; moving away from the traditional emphasis of personnel management on conciliation and motivation of employees as a potentially uncooperative cost.

3.1.16. Whether HRM is a Model or a Theory or Philosophy

Another area for debate, the terminology HRM is a theory or concept or philosophy. This is particularly true in academics and practitioners. Some practitioners and academicians believe that HRM is a full-blown management theory with practical implications, while to others it remains as uncertain and imprecise notion. Indeed in academic world the confusion is quite evident as even books are changing their titles from Personnel Management to HRM. Some business schools particularly in UK and the USA used HRM as a separate discipline of industrial relations, Organisational Behaviour and Personnel Management as a programme propounded by the universities or institutions. Some journals like Human Resource Management journal use the term in the most general of senses to refer to the policies, procedures and process involved in the management of people in work organisations's. Academicians in the United State use the terminology inter changeably with Personnel management with an liberal attitude to the terminology. This is important to decide which label to be carried as each has its different expectations, and important philosophical and practical implications.

If the HRM is examined on the light of Dubins theory, it fails in two counts: (i) in terms of adequacy because of the inconsistencies and (ii) in terms of reality because it does not model the empirical world or cannot adequately be tested. This may not be agreed by the followers of HRM theory and should be interpreted in a far more liberal manner.
It is also further agreed by Mike Noon that if HRM is labelled as a theory it raises expectations about its ability to describe and predict. Academies are therefore disappointed because of little empirical evidence to substantiate to status of HRM whereas practising managers may welcome HRM theory for its prescriptive utility.

It is, therefore, in the whole the danger of reconceptualising HRM as a theory is that it raises its status and denies its history. According to Dubin, a theoretical model is a scientific model if and only if it is greater than the subject of empirical test. Otherwise it falls in the realm of philosophy or theology. Mike Noon also considers HRM may be as a new management philosophy or a management technology as some people has adopted it but much work is still needed to develop the empirical units for analysis in order to establish HRM as a management theory. It had not yet been termed as theory but when we realised and confronted with HRM, as Armstrong rightly pointed out we may feel rather like Molière’s M. Jourdain, who exclaimed to philosophy teacher: “Good heavens! for more than forty years I have been speaking prose without knowing it”. P.B. Beaumont personally viewed HRM as a useful generic term and one which accords well with the practical experience of recent times. At the same time he accept the relevant literature is highly descriptive and prescriptive in nature.

3.1.17. Deduction and a Personal View on HRM

From the above ongoing debate, discussion, observation and criticisms, there are few definite answers to be offered as an answer to several burning question, particularly to academic literature as the debate is still open for finalisation. It is beyond the scope of this study to have an indepth analytical research work on such ongoing debatable topic on HRM- “whether HRM is a theory or philosophy or what”, but there is enough scope to pursue further research work on such burning subject, keeping the limitation or reservation as discussed earlier.
Even then, the fact remains that the term HRM and its advantage has been widely recognised and used in business schools, other institutions and industries by fully exploiting its advantage and utility. In the process they ignored and kept aside the debate on unsettled question whether HRM is a concept or theory, etc., and other relevant question on the terminology. It is quite inevitable as the process of industrialisation, economics development and changes in organisations appear to move much faster and cannot wait the ongoing unsettled debate. This is inspite of a relatively critical body of academic literatures on human resource management has emerged particularly in the USA, UK and Japan. Currently three sort of books available to teachers and practitioners in HRM- (i) specialist books for HRM professionals, which have strong orientation towards knowledge rather than skill (ii) critical review of HRM developments, which needs more research and (iii) popular management books which are on anecdote and prescription and short on evidence and analysis.

HRM in the present context with references to the above discussions, criticisms, etc., may be put as follows:

1. Realised and accepted human resource as a virtual and valuable for an organisation with an edge in competition.

2. HRM is transforming and is in transition as the human beings is a dynamic and complex ultimate resources. Its approach is different and more practical oriented in the present context as compare to Personnel Management although some certain functions are still overlapping.

3. There is overlapping of HRM and the traditional personnel functions, HRM is the latest aspect of dealing human resources beyond personnel functions to have an edge in competition.

4. HRM is a stage or role of a continues evolutionary process of dealing of human side of management and changing role of Personnel Management. It is highly
sensitive to change and response faster. It is wider in scope and different in approach, but still covers or overlapping in certain functions a larger area of traditional personnel management i.e., subject matter which help in human resources. But it definitely is not the same as such traditional personnel management.

5. Different management critics, academicians and writers addressed HRM in different terms or connotations such as philosophy or concept or theory or style of management. The nature of human resource management is not yet clear. Like most innovations it tends to be whatever the person speaks at the time, they want it to be. It has not been accepted as a management theory. ‘We should bring HRM down from the lofty heights of a theory to, at best, a style of management’. It may be put as a practical utility management concept of dealing human side. Even then, we cannot deny its result oriented practical utility approach to the most important aspect of human resource management.

6. It concentrates to individual, and need to go beyond rules, norms and procedures, if necessary to allow contribution of individuals' capabilities and creativity. It is strategic and practice in approach. Strategy in the same direction in which an organisation intends to move and establishes the framework action through which it intends to get there.

7. It needs to be incorporated in the organisational objectives and cannot be kept aside for a result oriented HRM process.

8. In the process of research scholar study on HRM certain aspects of HRM are observed and deducted. It is not only managing the known resources of the people, but also to find out and use the hidden resources or faculty within them for the success of the organisations goal and edge in competition. The larger portion of human resources has not been exploited in general.

It is the responsibility of HRM and professional or manager to find out this hidden area of individual. It can be further explained by the following five models viz., (i) HRM Approach, (ii) Eclipse Model, (iii) HRM Cycle Model, (iv) Hidden Resources in Johari Window Model and (v) Iceberg Model.

(A) HRM Approach

![Diagram 3.1.](image)

In HRM approach the hidden or unknown resources as shown in the above diagram can play a vital resource or potential for the organisation. This area is kept hidden to employers or boss or the superior, and employer also never tries to identify such hidden potential of the employees working in the organisation. The employers take it for granted. In the process, identification of resources and methods/techniques are closely related and substantiated.
(B) **ECLIPSE MODEL**: The relationship between known and hidden or unknown human resources can be explained diagrammatically as under:

![Diagram 3.2.](image)

The area of hidden resource in an individual covers a large area. The known resources area can be increased or expanded towards the hidden area depending upon the organisation or department. This may be true in the case of growing organisation. Whereas the organisation struggling or survival or on the verge of side to confine in the known area only, it does not increase. Hence an individual should be allowed to grow and not subdued or suppressed or have an autocratic approach for releasing his hidden resources. Both the area known and unknown resources, are
influenced by several external factors and affects the resources of an individual or groups. It can squeeze both the area, making the individual or groups to resist or constrain the contribution towards the organisational goal.

Human Resource Development can be done successfully in the known human resources area for further development or improvement to enhance the individuals or groups performance. It would not be fruitful to develop the doubtful area or partially known area in other words it needs to identify exactly the known area and develop for a successful development programme. It is also true that the introduction of machines is necessary and require only when the human resources and potential needs to be assisted. However machine or technology is not the answer in place of human capabilities or potential.
The process of HRM consists of (i) Selection, (ii) Performance, (iii) Appraisal, (iv) Reward, and (v) Development. In this, performance is the key variable and all the other factors depend upon the performance. It is influenced by the working atmosphere, structure, and system present in and outside the organisation.

Diagram 3.3.

The figure shows an unexpected performance and development in the specific performance of a job on duty assigned to the person. Such unexpected performances are not known at the time of selection as the person is selected to perform specific job. This contributes to the development and competition to achieve the organisation objectives. Such resources should be tapped and properly utilised at the benefit of the organisation. This process starts after the selection and performance begins and the process of human
resource management cycle continues in chain reaction.

(D) Hidden Resources in Johari Window Model (Conceptual Model for Studying Interpersonnel Awareness)

Effectiveness is the quality of being effective and refers to the attainment of an optimum performance or result with the minimum use of resource at minimum cost. It further means getting best out of people by winning and many thing whole heated support and cooperation. It is also should be noted that the performance of an individual is not the sum total of individuals ability or skill to perform the job and motivation to use his ability or skill in actual performance of job, but rather the product of these two variables i.e., ability and motivation. For this it needs to understand each individual and relationship between various individuals. That is to decrease one’s hidden area and increase the known potential area. This can be examined under “Johari Window”- the tool of inter personal effectiveness and productivity. As in Johari Window consists of four quadrants representing four aspects of an individual in relation to other.
The various quadrants represent as follows:

<table>
<thead>
<tr>
<th>KNOWN TO SELF</th>
<th>NOT KNOWN TO SELF</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>QUADRANT I</strong> (ARENA)</td>
<td><strong>QUADRANT II</strong> (BLIND SPOT)</td>
</tr>
<tr>
<td>FREE TO SELF AND OTHERS</td>
<td>BLIND TO SELF; SEEN TO OTHERS</td>
</tr>
<tr>
<td><strong>QUADRANT III</strong> (FACADE)</td>
<td><strong>QUADRANT IV</strong> (UNKNOWN)</td>
</tr>
<tr>
<td>HIDDEN AGENDA</td>
<td>UNDER THE TABLE</td>
</tr>
</tbody>
</table>

**Diagram 3.4.**


In this Quadrant IV is the most important for HRM. It reflects psychodynamic data, unknown potential and the database creativity. It represents the area of unknown activities where behaviour and motivation are unknown to the individual or the others. The existence of this quadrant is known both the individual and persons with whom he is associated discover from time to time, new behaviour or new motives or activities which are all along with the individual. The individual also surprised by his hidden potential when he successful, take over the group's direction during a critical period from another person.
(E) **Iceberg Model**

Competency of an individual for the job assigned is very important for the successful completion of the organisational objective. Competencies are more restrictively defined as 'the ability to perform activities within an occupation to the standard expected employment or as 'the observable behaviours that are required to job incumbents to perform their jobs effectively.

The competency profile and characteristic of an individual can be classified under (i) Visible (surface) and (ii) Hidden (core personality). This is further explained by 'The Iceberg model' as given below:

![Diagram 3.5.](image-url)


The knowledge and skill competencies to be visible while self-concept, trait and motive competency tend to be hidden and more central. Therefore, it is easier to notice and develop such competence. Whereas it is difficult to assess and develop the hidden competence. Some prefer to concentrate and develop the visible area (surface) some of them prefer hidden area (core personality). To improve the
performance, the organisation should use the superior performance, or select and train the mediocre. In other words, it is the responsibility of HRM to find the hidden area and develop the hidden resource.

Besides, the other management tactics, methods of management, etc., say motivation also substantiates. It is true that motivation does not change the individual’s capacity to work, but it simply determines the level of effort of individual. It is personal and internal. The force of motivation is a dynamic force setting a person into motion or action. People with less ability but stronger will are able to perform better then people with superior ability and lack of will. All the methods of motivation say Maslow’s Need Heirarchy Theory or Theory X or Y or Z all these help to ignite the dormant resolves. The following sequence of human performance also should be noted:

Knowledge X skill = Ability
Situation X Attitude = Motivation
Ability X Motivation = Human Performance
Human Performance X Physical Factors Business performance.

Hence, within HRM it needs to understand and find the hidden resources of the people, encourage to grow, tap and guide properly as an advantage of the organisation. A large area of human resources lies unused and waste unnoticed.

On the whole HRM is management, but management is more than HRM. It is that part of management dealing directly with people. Its purpose is to improve the productive contribution of people, it is intimately related to all other aspects of management.\footnote{Stone, J.Raymond, \textit{Human Resource Management}, John Willey & Sons, New york, 3rd. edition. 1995,p.5.}
If HRM is focus on record maintenance and employee recreation activities, it is a cost and irrelevant to the success of the business, otherwise it would be a organisation’s ‘dead wood’. With the changing scenario organisations must manage their employees quite differently if they are to compete sucessfully in a world where human resource are the competitive advantage. As noticed several sub-management programme, method etc. are introduced such as (i) Human Resources Organisation (ii) HRD, (iii) Human Resources Utilisation and (iv) Human Resources Accounting etc., Aspiring new entrance and those already in HRM in the 1990s, who seek a role of relevance and influence into the next century, must exercise HR mythologies, reject traditional role models and equip themselves to confront the current and anticipated realities of how people and organisations are responding, coping and striving to manage in increasingly global, social and economic settings.46

3.1.18. Human Resource Cycle

The above discussion and deduction on the concept of HRM it leads to understand what constitutes the field of HRM for further study of the following chapters.

Human Resource Management (HRM) does not operate in a vacuum. It is influenced and in turn influence changes in technology, laws, social value, economic conditions etc., and influenced the internal factors such as the organisations’s objectives, strategy, culture and structure. All of these have significant influence on the organisation’s HRM objectives, strategies and action plan. The management activities, external influences and important outcomes are associated in model.

In recent years there have been relative agreement among HRM specialists as to what constitutes the field of HRM.47
