CHAPTER 2

HUMAN RESOURCE MANAGEMENT –
A THEORETICAL BACKGROUND

2.1. Introduction

2.2. Evolution of Human Resource Management

2.3. Human Resource Management – Related Concepts

2.4. Objectives of Human Resource Management

2.5. Scope of Human Resource Management

2.6. Functions of Human Resource Management

2.7. Effectiveness of Human Resource Management

2.8. Organization of Human Resource Department

2.9. Image and qualities of Human Resource Manager

CHAPTER 2

HUMAN RESOURCE MANAGEMENT –
A THEORETICAL BACKGROUND

2.1 Introduction

Human resource management practices and policies are vital for organizations that are serious about resolving personnel issues and finding HR solutions. Every organization requires sound, straightforward HR practices and policies and clear and concise job descriptions. The main reason of any organization should have policies and procedures, relevant job descriptions and a job evaluation system is to ensure that all employees are treated equally across a variety of employment issues. In addition, written policies help if any legal situations arise. Chances are very good that any organization is required by law to provide written policy information to their / its employees.

Absence of HR practices and policies results employee and employment related practices challenges, grievances and possibly lawsuits, particularly if an organization is inconsistent in implementing policies and pay structure/system. Challenges, grievances and lawsuits mean:-
A) Increased manpower costs
B) Increased turnover
C) Low motivation and negative morale
D) Labour unrest, absence of industrial peace and filing of lawsuits between employee and management in the court
E) Low profitability slow development and business growth
It is easy to avoid these potential problems if an organization has established good human resource practices policies, procedures and job descriptions. The most important resource of an organization is its human resource – the people who work in the organization and give their talent, creativity, and drive. People are vital for effective operations of a company. To meet the challenges of managing, managers must understand the potential of human resources and then secure, retain, and develop these resources. This requirement is the basis of Human Resource Management.

In today’s knowledge driven society of human resource provides the cutting edge to the organizations, as all other resources are equally accessible. In other words to create either structured or consumer capital, it is the humane capital which is required. So there is lot of focus and pressure on the human resources to give their best. Management has become an essential feature in day-to-day life at home, in the office or factory and in government. In all types of organization, where a group of people assemble for a common purpose, management principles come into play through the management of resources, finance and planning, policies and procedures. Management is a systematic way of carrying out activities in any field of human effort. Lack of management causes disorder, confusion, wastage, delay, destruction and even depression. Deploying men, money and materials in the best possible way, according to circumstances and environment, is the most important factor for a successful management.

Human Resource Management is the management of various activities that are designed to enhance the effectiveness of an organization’s manpower in achieving organizational goals. “HRM may be defined as the organization function of planning for human resource needs, and recruitment, selection, development, compensation, and evaluation of performance to cope up with these needs.” The HRM
process is an ongoing procedure that tries to keep the organization supplied with the right people in the right positions, when they are needed. International competition, the rapidly growing size and complexity of organizations, the changing values, career concerns and structure of workforce and other factors have changed the traditional approach of Human resource Management.

**Role played by Human Resource Management in the organization**

![Diagram of Human Resource Management process]

**2.2 Evolution of Human Resource Management**

History stands firm that "all changes that have shaped society for right or wrong have been through the participation of man in the process of change". HRM as management is, above all, a form of applied social science.

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*2 Personnel and Administration – Paul Pigors, Charles Myers*
However, employers understood importance of HRM a long time ago. Development of HRM on systematic lines is however, of recent origin. The revolution of HRM can be studied into two parts viz. in ancient times and in the modern times.

2.2.1 **Human Resource Management in ancient times:**

The western philosophers like Henry Phyla, Fredric Taylor, Lindale Airwick, Daggles Macgregor, Brown, Emerson. Peter Drucker described the management as the art of getting the work done by the society and thereby to achieve the aimed goal. For these factors like planning, leadership, organization, workers, guidance to workers, co-ordination, harmony amongst workers, to prepare a report, and budget, are thought over. Indian management also had a thought over all these factors but one main drawback of western philosophy that is to use the worker selfishly is overpowered in Indian philosophy and the main intention is the welfare of Mankind.

Lord Krishna is said to be a progenitor of Indian philosophy. In Bhagwat Gita a body is called a home and the God residing in it is called a man. Cores of cells are the part of the body. The organs having capacity to work, the organs having capacity to think, the heart, the mind, the brain and the inner mind are working continuously. This body factory is working for all the 24 hours. In the sixth chapter of Bhagwat Gita, importance is given to the co-ordination amongst the various important organs mentioned above. In other words the Indian Philosophy concentrates upon the development of human being. According to the Western Pattern it is sufficient that you behave yourself properly in the society irrespective of your loose behavior in your private life. On the contrary in an Indian way of life, purity in private life is of utmost importance. Lord Shrikrishna endowed the importance to working skill. The principle of *Yoga Karmasu*
**Koushalm** *(To perform the job skillfully is a making of one’s fortune) is the master key of management.*

We have heard western management gurus and their concepts. When the western world was still in the stone-age era, India was the world’s richest civilization of the world? Management, Governance, warfare, Politics, science and arts - we had mastered them all thousands of years back.

Among the various gurus in Indian history one teacher stands out among others – Chanakya. The art of how to run and govern a country was his core competency. He mastered this art and taught it to students across the globe. World history is not complete without Chanakya’s leadership models. Born in 3rd Century B.C. Chanakya is known as the world’s first management and leadership Guru. The thoughts regarding state servants, their quality and appointment, different services in public sectors are as much relevant today as they were during the days of Chanakya. In ‘Ramayana’ written by sage Valmiki, there was mentioned that people who performs difficult and important task should be given due respect and they should be given freedom of action. Saint Tukaram of Maharashtra who lived in the 17th Century has stated in one of his ‘Abhangas’ that the servants should be given the same treatment as one would give to his sons. Saint Ramdas [17th Century] in his book ‘Dasbodh’ has also pointed out the need of carefully selecting the employees and interesting jobs given to them only after they have been tested properly *4*. In the ancient times, Greek and Roman Empires were built by making the use of the human resources for organizing work. Employees in these empires enjoyed prestige.

*3 Ramdas and Self Management – Datta Bhaiya Kulkarni, R.K.Kulkarni  
*4 Sprinklings of Management from Dosbodh – W.G. Tambwekar
In the 5th Century B.C., Chinese writer wrote books on wisdom. These books provide information regarding recruitment procedure for honest & capable employee. They also provide information about the role of a good leader in managing human resources and point out that a leader should process the qualities of compassion and equality.

Human approach towards employees can be seen in many places in Bible. It is stated in the Bible that employer should treat their employees with justice and equality and employer should adopt a benevolent approach towards them. The Bible regards that workers are given by the God and they are assets to the employers and employers should consider themselves merely as stewards of the employees and while using the human resource the employers and managers should show affection towards them and should use the resources honestly and economically. Lord Jesus Christ has stressed that there should be an appropriate and equitable wage system for the employees. The amount of wage should be sufficient to take care of the needs of employee and wage should be paid to him irrespective of time spent by the worker on the job.*5. If the amount of wage paid to a worker is not sufficient to take care of his present and immediate future needs, it will lead to dissatisfaction among the worker and as a result the productivity of the worker will decline. The system of wage payment suggested by Lord Christ 2000 years ago is very much similar to the concept of a living wage, which is put forward in the present times. The Bible also regards that in the full or part of the wages payable to a worker for the work performed by him, are not paid to him or even if, there is delay in paying such wages, it is a fraud committed by the employer.

*5 Ancient Wisdom & Modern Management – Jagdish Kumar, UBS P. Distributors
Management existed even during the days of the Mahabharata. Along with American and Japanese models, Indian management has now become a distinct brand. The Indian Institutes of Management (IIMs) today apply principles enunciated in the Vedas and the Epics in solving crucial corporate problems.*6

Human Resource Management (HRM) in Modern Times *7

Concept of human resource has given serious thought after the introduction of scientific management by F.W.Taylor. 8 He has pointed out the necessity of selection of employees on scientific lines, their training and also co-operation between management and employees. The labour shortage of the First World War, the growing attention by management to the welfare of employees and most of all the 'scientific management;' movement inaugurated by F.W.Taylor led to what we know today as H.R.M. In subsequent years, other development left their imprint on the growth of HRM. The spread of unionism, the great depreciation increase in government intervention in employee-employer relationship, personnel research using the social sciences of psychology, sociology, anthropology and economics and labour problems of the Second World War have helped HRM to grow.

HRM management has gained wide recognition in 1980s. The first reason is the increasing international competition especially from Japan faced by American industries and the second reason is declining rate of

*6 The Geeta and the Art of Successful Management – Ajanta E. Chakravarty – HarperCollins Publishers India Pvt. Ltd., Delhi

*7 R.N. Singh -Management Thought & Thinkers-Sultan Chand & Sons Publishers, New Delhi

*8 Scientific Management – F. W. Taylor
innovation in American industries. Due to these reasons, American industries were facing a difficult time during the recession period of 1980-1982. To overcome these difficulties it was decided to create a work situation where there will be no conflict between employees and management and both of them will work together to achieve the same objective viz. the success of the organization.

In early 1990s, world wide new hi-tech, software industries and service industries were set up in large number in place of the conventional industries and in these new industries, new labor practices were adopted and collective bargaining was done on new lines. To make the industries competitive, therefore, more emphasis was placed on the training of the employees and executives and thus, the importance of human resource management was brought in to the notice.

Credit should also be given to Peter Drucker and Douglas McGregor, modern management thinkers, whose contribution in the field of management laid foundation of development of HRM. Peter Drucker stated "An effective management must direct the vision and effort to all managers towards a common goal."\(^9\)

This goal directed leadership mentioned by Mr. Drucker is very important in HRM. McGregor advocated management by integration and self-control. He suggested that people should be managed by considering their attitudes and belief and management has to play the role of integration. This is regarded as the basis of HRM. The organization development movement, which regarded that man has complex and

\(^9\) Drucker Peter, "Managing for the future –The 1990's & beyond"
Tata McGraw hill Publishing, New Delhi, 1992
shifting needs and pointed out that organization values should be based on humanistic and democratic ideas, has also helped in the development of HRM.

2.3. Human Resource Management Related Concepts

In the study of HRM, we come across various concepts, which enable us to understand the nature of HRM. Functionally HRM is divided into five distinct sub functions as follows –

(a). Human Resource Planning (HRP)

This takes care of the optimum allocation and utilization of human resources. Hence it has concerned with ascertaining the needs of the organization and establishing ways and means to meet these needs so that the objectives of the organization are met and production continues unhampered. Recruitment, promotions, transfers and resignations are to be dealt by this sub function.

(b). Human Resource Administration (HRA)

This takes care of the erstwhile establishment function in some parts and the legal compliance in others. It has to make sure that all the returns are filled up and submitted to the concerned authorities in order and in time. Pay roll functions come under the preview of this sub function. Peripheral functions as safety, canteen, transport, crèche and conveniences would also fall under its purview.

*10 C.B. Memoria, Personnel Management
(c). Human Resource Development (HRD)

This is the most proactive sub function of the specialization. It begins at the level of training need identification, conducting climate surveys and actually conducting training programmes. Training is an ongoing but short-term process while organizational development is the goal directed and long term. Both have a direct role in the organization corporate cultural building.

(d). Industrial Relations (IR)

This is essentially related to power relationship between the owners of capital and the dispensers of labour. It is not a system concept or a process or regulation concept but more of power and control concept.

(e). Human Resource Information System (HRIS)

This is a bodyline of the specialization because it stores information and renders it easily accessible so that decision making could be facilitated. The keyboards are a balance between secrecy and transparency.
### Table showing HRMs sub-functional areas

<table>
<thead>
<tr>
<th>HRM FUNCTIONAL AREAS</th>
<th>IR</th>
<th>PERSONNEL</th>
<th>HRD</th>
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<td>Negotiations and bargaining</td>
<td>IR</td>
<td>Manpower planning</td>
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<td>Settlement</td>
<td>IR</td>
<td>Recruitment and selection</td>
<td>Performance management</td>
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<td>Liaisoning and PR</td>
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<td>Promotion</td>
<td>Potential development</td>
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<td>Transfers and separations</td>
<td>Career development</td>
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<td>Draft Rules and orders</td>
<td>PERSONNEL</td>
<td>Wage and salary administration</td>
<td>Role analysis</td>
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<td>Implement IR programs</td>
<td>PERSONNEL</td>
<td>Time management/office</td>
<td>Role efficacy/effectiveness</td>
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<td>Power and status equations</td>
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<td>Welfare administration</td>
<td>Succession planning</td>
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<td>HR</td>
<td>MIS/Records</td>
<td>Feedback system</td>
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<td>Absenteeism</td>
<td>PERSONNEL</td>
<td>Personnel Audit</td>
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<td>Reward system</td>
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#### 2.4. Objectives of Human Resource Management

The primary objective of Human Resource Management is to ensure the availability of competent and willing workforce with an organization. Beyond this there are other objectives too, specifically HRM objectives are four folds:

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1. Societal
2. Organizational
3. Functional
4. Personal

1. Societal Objectives: -
   a) To be socially responsible to the needs and challenges of society, while minimizing the negative impact of such demands upon the organization.
   b) The failure of organization to use their resources for society’s benefits may result in restrictions. For example, society may pass Laws that limit human resource decisions.

2. Organizational Objectives: -

   HRM exists to contribute the organizational effectiveness. HRM is not an end in itself; it is only a means to assist the organization what its primary objectives. Simply stated, the HR department exists to serve the rest of the organization.

3. Functional Objectives: -

   To maintain the department’s contribution at a level appropriate with the organization’s needs. Resources are wasted when HRM is more or less sophisticated than the organization demands. An HR department’s level of service must be appropriate for the organization it serves.
4. Personal Objectives: -

To assist employees in achieving their personal goals, and will focus these goals enhance the individual’s contribution to the organization. Personal objectives of employees must be met if workers are to be maintained, retained and motivated. Otherwise employee performance and satisfaction may decline and employees may leave the organization.

2.5 **Scope of Human Resource Management** *13

The scope of HRM cannot simply define, as it is so vast. HRM is related with Human aspect that’s why no one can restrict it. Employee works for 8 hrs from morning to evening. Major portion of his life will dedicate to Work. HRM serves all major activities in the working life of a worker from the time of his or her entry into an organization until he or she leaves. Human approach of management to its own people would go a long way in effectively actuating. It facilitates in identifying the right kind of people, socializing them in the most appropriate way, training and developing them in the right direction, assigning the tasks which are best suited for every individual so as to bring out their best, motivating them to make their best contribution and creating conditions for the people to enjoy their work.

Human Resource Managements approach improves the organizational efficiency, work culture, job satisfaction of people, better understanding and human relationships resulting into cordial industrial relations and better productivity. While the management

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* 13 N.S. Gupta - Organization : Theory and Behavior*
incorporates Human Resources practices and Policies backed by great human values, understanding, concern for the welfare of their people, and constant efforts for Human Development, people to reciprocate with better behavior, self co-ordination, sincerity, achievement, motivation and greater cooperation. The employees may be able to gain self-confidence that their competence and performance can be improved and they would have prospects for better career growth and to use their competencies and talents. Management gets enlightened workforce. A good communication channel would become possible as a result of mutual understanding and better coordination. A good HRM policy could improve the possibility for industrial peace, which is badly needed in India now-a-days.

2.6. **Functions of Human Resource Management** *14*

The functions of HRM can be broadly classified into two categories viz.

I. Managerial Functions

II. Operative Functions

1. **Managerial Functions :-**

A managerial function of HR management involves planning, organizing, directing and controlling. All these functions influence the operative functions.


[a] **Planning : -**

It is a predetermined course of action. Planning is determination of personnel programmes and changes in advance which will contribute to the organizational goals. In other words, it involves planning of human resources, requirements, recruitment, selection, training, etc. It also involves forecasting of personnel needs, changing values, attitudes and behavior of employees and their impact on organization.

[b] **Organizing : -**

An organization is a structure and a process by which cooperative group of human beings allocated its task among its members identified relationships and integrates its activities towards common objectives. Organizing is major function, which contributes to the attainment of company goals.

[c] **Directing : -**

The next logical function after completing planning and organizing is the execution of the plan. The basic function of HR management at any level is motivating, commanding, leading and activating people. The willing and effective cooperation of employees for the attainment of organizational goal is possible through proper direction. Thus direction is an important managerial function in building sound industrial and human relations besides securing employee contributions.

[d] **Controlling : -**

Controlling also involves checking, verifying and comparing of the actual facts / situations with the plans, identification of deviations if any correcting the deviations.
Thus, action and operation are adjusted to predetermined plans and control.

I. **Operative Functions**: -

The operative functions of HR management are related to specific activities of HR Management viz.

1. Employment and Recruitment
2. Training and Development
3. Wage & Compensation
4. Welfare & HR Maintenance

1. **Employment and Recruitment**: -

   It is the first operative function of HRM. Employment is concerned with securing and employing the people possessing required skill and level of human resources necessary to achieve the organizational objectives. It covers the functions such as job analysis, human resource planning, recruitment, selection, placement and induction.

   [A] **Job Analysis**: -

   It is the process of study and collection of information relating to the operations and responsibilities of a specific job. Preparation of job description, job specification, job requirements and employee specification will help in identifying the nature, levels and quantum of human resources.
[B] Human Resource Planning : -

It is a process of determination and assuring that the organization will have an adequate number of qualified persons, available at proper times, performing jobs which would meet the needs of the organization and which would provide satisfaction for the individuals involved. It involves: -

(i) Estimation of present and future requirements and supply of human resources being on objectives and long range plans of the organization.
(ii) Calculation of net human resources requirement based on present inventory of human resources.
(iii) Taking steps to mould, change and develop the strength of existing employees in the organization so as to meet the future HRM.

[C] Recruitment : -

It is the process of searching for prospective employees and stimulating them to apply for jobs in an organization. It deals with: -

(i) Identification of existing sources of applicants and developing them.
(ii) Creation or identification of new sources of applicants
(iii) Stimulating the candidates to apply for jobs in the organization
(iv) Striking a balance between internal and external sources.

[D] Selection : -

It is the process of ascertaining the qualifications, experience, skill, knowledge etc. of an applicant with a view to appraising his/ her suitability to a job appraising. This function includes:

(i) Framing and developing application forms
(ii) Creating and developing valid and reliable testing techniques
(iii) Checking of references
(iv) Setting up medical examination policy and procedure
(v) Sending letters of appointment and rejection
(vi) Employing the selected candidates who report for duty.

[E] **Placement** :-

It is the process of assigning the selected candidate with the most suitable job in terms of job requirements. It is the matching of employee specification with job requirements. This function includes: -

- Counseling the functional managers regarding placement
- Conducting follow-up study, appraising employee performance in order to determine employee adjustment with the job
- Correcting wrong placement, if any.

[F] **Induction & Orientation** :-

Induction and orientation are the techniques by which a new employee is rehabilitated in the changed surrounding and introduced to the practices, policies, purposes and people, etc. of the organization. It includes: -

- Acquaint the employee with the company philosophy, objectives, policies, career planning and development
- Introduce the employee to the people with whom he has to work such as peers, supervisors and subordinates
- Mould the employee attitude by orienting him.
2. **Training and Development**: -

   It is the process of imparting the employees the technical and operating skills and knowledge.

   (a) **Job Rotation**: -

      It is the process of placing employees in the same level jobs where they can be utilized more effectively in consistence with their potentialities and needs of the employees and the organization. It also deals with: -

      (a) Developing transfer policies and procedures
      (b) Guiding employees and line management on transfers
      (c) Evaluating the execution of transfer policies and procedures

   (b) **Promotion**: -

      It deals with upward reassignment given to an employee in the organization to occupy higher position, which commands better status, and/or pay keeping in view the human resources of the employees and the job requirements. It deals with: -

      1. Formulating of equitable, fair and consistent, promotions and up gradations
      2. Advising line management and employees on matters relating to promotions
      3. Evaluating the execution of promotion policies and procedures.
(c) Demotion: -

It deals with downward re-assignment to an employee in the organization. It includes:

1. Developing equitable, fair and consistent demotion policies and procedures
2. Advising line managers on matters relating to demotions

3. Wage & Compensation:

This is the process of developing and operating a suitable wage and salary programme. It covers:

(i) Conducting wage and salary survey
(ii) Determining wage and salary rates based on various factors
(iii) Administering wage and salary programmes
(iv) Evaluating its effectiveness.

A. Incentives: -

It is the process of formulating, administering and reviewing the schemes of financial incentives in addition to regular payment of wages and salary. It includes:

(i) Formulating incentive payment schemes
(ii) Helping functional managers on the operation
(iii) Review them periodically to evaluate effectiveness.
B. **Bonus** : -

It includes payment of statutory bonus according to the Payment of Bonus Act, 1965 and its latest amendments.

C. **Fringe Benefits** : -

These are the various benefits at the fringe of the wage. Management provides these benefits to motivate the employees and to meet their life’s contingencies. These benefits include: -

- Housing facilities
- Educational facilities to employees and children
- Canteen facilities
- Recreational facilities
- Conveyance facilities
- Credit facilities
- Legal clinic
- Medical, maternity and welfare facilities
- Company stores, canteens

D. **Social Security Measures** : -

- Workmen’s compensation to the workers in case of accidents
- Maternity benefits to women employees
- Sickness benefits and medical benefits
- Disablement benefits/ allowance
- Dependent benefits
- Retirement benefits like Provident Fund, Pension, and Gratuity etc.
4. **Welfare & HR Maintenance**

Due to scarcity of talented & trained employee, it is necessary to maintain existing employee. The efforts made to retain the employee are called as HR Maintenance. Various welfare measures are used to retain & motivate the employees.

1. **Employee Turnover**

   Employee Turnover is rate of employees leaving the job. It can be calculated on number of employees leaving the organization, which will affect the productivity of the organization. Turnover affect the spirit of department or teamwork, it will decrease the productivity. HR department must make all its efforts to minimize the labour turnover and keep the attrition rate low.

2. **Job Satisfaction**

   Job Satisfaction is a predictor of how much pressure and stress someone can handle while on the job. If employees are enjoying their job, they are more likely to be more effective in handling the daily stressors they experience. If they are satisfied with their job, it will provide them with a positive buffer to deal with the other daily stressors that they will encounter.

3. **Retention Policies**

   Retention policies are the policies, which are implemented to increase the level of satisfaction among the employees. In the scenario of tough competition, Organization is giving importance for maintaining good quality. They don't want to loose any competent employee. New and innovative retention policies are introduced to maintain employees and to keep their satisfaction level high.
2.7. **Effectiveness of Human Resource Management** *15*

Effectiveness of various personnel programmes and practices can be measured or evaluated by means of organizational health and human resources accounting. Organizational health may be studied through the result of employees’ contribution to the organization and the employee job satisfaction. The result of the employee satisfaction can be understood by labour turnover, absenteeism, and commitment. Employee contribution to the organizational goals can be measured through employee productivity of different types.

**Human Resource Accounting, Audit and Research**:  
Effectiveness of HRM can also be found out through (a) human resource accounting, (b) audit and (c) research and surveys.

(a) **Human Resources Accounting (HRA)**:  
It is a measurement of the cost and value of human resources to the organization. Human Resource Management is said to be effective if the value and contribution of human resources to the organization is more than the cost of human resources.

(b) **Human Resources Audit**:  
HR audit refers to an examination and evaluation of policies, procedures and practices to determine the effectiveness of Human Resource Management.

(i) Measures the effectiveness of human resource policies and practices

* 15 C.B. Gupta, Management and Organisation, Sultan Chand & Sons Publishers, New Delhi
(ii) To take corrective actions and to determine what should or should not be done in future.

(c) **Human Resources Research/ Employee Satisfaction Surveys (ESS):**

It is the process of evaluating the effectiveness of human resource policies and practices and developing more appropriate ones. It includes

(i) Conducting morale, attitude, job satisfaction and behavior surveys

(ii) Collecting data and information regarding wages, cost benefit analysis of training, benefits, productivity, absenteeism employee turnover, strikes, accidents, operations, working hour's shifts etc.

(iii) Tabulating, computing and analyzing the data and information

(iv) Report writing and submission to the line managers

(v) Find out defects and short - comings in the existing policies, practices etc.

(vi) Develop more appropriate policies and practices of HR management

The effectiveness in performing personnel and HRM functions, results in contributing to the objectives of the organization, individual employees and the goals of the society and/ or Government. The objectives of HRM are formulated on the basis of organizational objectives, individual employee goals, social goals and the functional analysis of personal and HRM.
2.8. **Organization of Human Resource Department**

Status of the Human Resource Department in the total organizational structure depends on whether a unit is small or large. In most of the small organizations, there is no separate department to co-ordinate the activities relating to personnel. On the other hand in big corporate and multi national companies we found structured and well established HR department involved in strategic business policies of the organization. In fact it was this arrangement, which was followed in the past, irrespective of the size of the organization. Fortunately, things have changed for the better and the status of the personnel department has improved enormously over the years.

Where the company has multiple plants located in different parts of the country, there may be centralized Human Resource/ Personnel Department at the main or registered office and each plant will have separate Human Resource/ Personnel Department attached to the work, whereas the broad policies, matters concerning executives, etc. are handled by the corporate department.

2.9 **Image and Qualities of Human Resource Manager**

What sort of an image does a Human Resource or a personnel manager project? Usually HR manager is caught between the conflicting interests of management and labour and weighted down by his/her loyalty to the management and duties to the workers. The Human Resource manager does not have one permanent image. It changes from one set to another set of people and from one situation to another. The Human Resource functions

* 16 Herald R. Pollard, Development in Management Thought, Tinling Ltd., London
* 17 Dr. P. Subba Rao, Essentials of Human Resource Management and Industrial Relations, Himalaya Publishing House, Mumbai and
give us some ideas of the qualities, which a successful Human Resource Manager must possess. The most important quality is his/ her ability to deal successfully with people who have likes and dislikes, whims and fancies, who favours some and are prejudiced against others. He/ she have to deal with workers who refuse to see reason and who believe that violence pays and nothing else does. The other qualities are stated below: -

1. **Fairness and Firmness** :-

   This is a basic quality of the Human Resource Manager. He/ she should be fair in matters of selection, promotions, demotions, transfers layoffs, and be firm in enforcing discipline.

2. **Tact and Resourcefulness** :-

   The Human Resource Manager must be tactful in dealing with difficult situations. Tact implies determining what is good and fair in trying conditions and skill dealing with the most demanding situations. Often tact is misunderstood as cunning. People with these wrong perceptions resort to unethical practices of dividing workers, setting one group against another using unlawful means to deal with bold workers or strong union leaders.

   The Human Resource Manager must be resourceful too. He/ she should have an open mind, objectivity and adjustability to tackle a difficult situation from different angles.

3. **Sympathy and Consideration** :-

   The Human Resource Manager must be guided by sympathetic attitude towards employee demands. True, several of the demands are unreasonable, but patient listening, open mind, and concern for
employees' welfare make recalcitrant workers relent. Similarly, intentions and actions of the Human Resource Manager must be tempered with consideration for others.

4. **Knowledge of Labour Laws and Other Terms**:

The Human Resource Manager must possess a sound knowledge of the constitution and other acts that influence labour intersects. He/ she must also be aware of the Government's policy towards labour and the general economic conditions prevailing at a given time. However, the Human Resource Manager is not directly concerned with the compliance of provisions in the constitutions and other acts.

There is a separate manager in charge for the above job still in many industries. The Human Resource Manager is concerned about the Human Resource activities and it is desirable that he/ she is familiar with the legal provisions affecting labour.

5. **Broad Social Outlook**:

Social responsibility of business is a topic much discussed these days. Business units undertake several activities in the name of social responsibility. It is desirable that the Human Resource Manager has a social outlook and contributes towards the betterment of quality of life of the employees and those who live around and beyond the company.

6. **Communication Skill**:

Communication skill is yet another quality which the Human Resource Manager must be endowed with. Great oratorical skill is not what is needed, but the ability to express a viewpoint clearly and
concisely. What makes the Human Resource Manager successful is the ability of quick decision making. Vacillation in decision making is a sure way of becoming unpopular. The Human Resource Manager must be even-tempered, however trying the situation may be losing temper means losing balance. Besides, anger betrays the weakness of an individual, unselfishness pays rich dividends to the Human Resource Manager.

7. **Academic Qualifications** :-

We have put academic qualifications at the Human Resource Manager as the last in the series. The reason is simple. The Human Resource Manager needs no specialized academic degrees, unlike a Cost Accountant and Graphered Accountant, Doctor, Engineer or a Professor in a university who must possess the prescribed qualification to enter their respective professions. The apex bodies of personnel management in India, namely, the National Institute of Personnel Management (NIPM) & National HRD Network are also silent about the qualifications of Human Resource Managers.

8. **Others** :-

The Human Resource Manager must have the competence to perform activities relating to personnel better than his/ her subordinates. This would earn him/ her enormous respect. Competence gives robust confidence to the Human Resource Manager about himself/ herself and about his/ her team. It is confidence which equips him/ her to face adverse situations with courage. It enables the manager to kindle hope in subordinates when their spirits are down which is usually the case when the organization is passing through a lean period. The Human Resource Manager must have a long-term perspective, so as to map out a future for the organization 5 to 10 years ahead and even beyond.

-40-
2.10 Principles of Human Resource Management

If policy is a guide for managerial decisions and actions, principles are the fundamental truth established by research, investigation and analysis. Many personnel principles have been established through practice, experience and observation. Principles are universal truth generally applicable to all organizations. Policies, on the other hand, vary from organization to organization. Principles guide managers in formulating policies, programmes, procedures and practices. They also come handy in solving any complex problem. Some of the human resource management principles are:

- Principle of individual development to offer full and equal opportunities to every employee to realize his/her full potential.
- Principle of scientific selection to select the right person for the right job
- Principle of free flow of communication to keep all channels of communication open and encourage upward, downward, horizontal, formal and informal communication.
- Principle of participation to associate employee representatives at every level of decision-making.
- Principle of fair remuneration to pay fair and equitable wages and salaries compensating with jobs.
- Principle of incentive to recognize and reward good performance.
- Principle of dignity of labour to treat every job and every jobholder with dignity and respect.
- Principle of labour management cooperation to promote cordial industrial relations.

*18 L.M. Prasad, Principles of Management of Practices, Sultan Chand & Sons, New Delhi and

* W. Haynes, Principles and Practice of Management, New Centre Book Agency, Kolkata
• Principle of team spirit to promote cooperation and team spirit among employees
• Principle of contribution to national prosperity to provide a higher purpose of work to all employees and to contribute to national prosperity.

The principles are bound to be changed according to change in scenario & the systems.

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-42-