I.1. Importance of Human Resources

The world has become global, digital, herbal and spiritual. At the dawn of 21st century, the predominance of brain power as the value and growth creator at the global level has been widely accepted. Research, for example, indicates that in the late 1990s, the annual US investment in the intangible assets – R&D, business processes and software, brand enhancement, employee training etc., was roughly $1 TN almost equal to the $1.2 TN investment of the manufacturing sector in physical assets. Further, intangible capital currently constitutes between one- and a half to two-third of corporate market value of enterprises. The shifting stands of time have underscored the importance of brain power as the prime driver of value creation. Beginning from the indispensability of land at Adam smith’s time, the prime value –generating tool has traversed through physical assets to culminate in the value creation through intangible means.¹

The Human Resources of an organization represents an enormous, unrealized potential for profit. (Fitzens, 1981)². When put to effective use the physical and financial assets, the organization enables the individuals who together constitute the prime mover of the organization towards attainment of corporate objective, based on the manpower needs, after the employees have been recruited though careful screening and selection procedures just like physical assets are planned and acquired, induction programs and initial training. They are utilized to provide the desired services. Their performances are monitored. These resources will be maintained through equitable compensation, rewards, training and development to enable them to give continuous and efficient services just like the physical facilities.

Leon.C.Megginsm (1997)³ in this book “Personnel and Human Resources Administration emphasis that the Human Resources Management that plays a key role in increasing productivity, ensuring a fair growth of enterprises, and meeting the legitimate needs if workers. Hence, managing the human resource is considered to be the central, important unique management task.

Human Resources play a crucial role in the Development process of modern Economy. Arthur Lewis observed: “There are great differences in development between countries which seem to have roughly equal resources. So it is necessary to
enquire into the difference in human behaviour.” It is often felt that, though the exploitation of natural resources, availability of physical and financial resources and international aid play prominent roles in the growth of modern economy, none of these factors is more significant than efficient and committed manpower. A nation with abundance of physical resources will not benefit itself unless human resources make use of them. In fact, the human resources are solely responsible for making use of physical and natural resources and for the transformation of traditional economics into modern and industrial economics. In essence, the difference in the level of economic development of the countries is largely a reflection of the differences in quality of their human resources. Eli Ginzry (1980) in his --- in the title “Man and his work: viewed that the key element in this proposition is that the values, attitudes, general orientation and quality of the people of a country determine its economic development “. The shift from manufacturing to service and the increasing pace of technological change are making human resources, the key ingredient to the nation’s well-being and growth. And in a service-oriented industry the quality, quantity and utilization of human resources become important.

Peter F Drucker remarked that, whether or not the new economy will emerge, the new society has already emerged ... The society comprises people and it is the people’s issues that HR deals with. Winds of change raise certain issues: Is there a shift in focus from industrial climate to information climate; from restricted market to global market; from financial capital to intellectual capital; from brawn work to brain work; from individual brilliance to group excellence? The list could go on. The moot point is what kind of shift is taking place in the 21st century. Is it a combination of all the above-maintained factors.

In fact, one of the fundamental activity areas of management is the Management of Human Resources. According to M.N. Rudra Basava Raj (1979) in his book “ Dynamic Personnel Administration “ writes that “in the management of four Ms- Money, Machines, Materials and Men-it is needless to labor the obvious point that, considering the nature of man, the management of men...” is not only fundamental but also dynamic and challenging. “Successful Management Depends-not alone, but significantly-upon the ability to predict and control human behavior”. Among other things, if a company is economically successful, it means, the
management has been able to manage human resources effectively. The market leaders like General Electric or Microsoft have been demonstrated that having superior work force is not incidental to business but is a carefully designed strategy. “The human resources are the active forces in industrialization, and strategies for development should concentrate particularly on their enhancement.”

Management of Human Resources includes guiding human resources into a dynamic organization that attains its objectives with a high degree of morale and to the satisfaction of those concerned with it. Earnest Dale views, management is a process of getting things done through other people. In fact it is said that all management is personnel management as it deals with human beings. Although there are different functional areas of management like production management, marketing management, financial management, material management, all these are to be performed by human resources. And, though there is a separate HR manager, all managers have to manage the human resources of their respective functions or departments to get effective results through managers. In short, all managers are HR managers and all management is essentially human resources management.

Drucker remarked that assets have shifted from the tangible to the intangible form. It implies that companies now invest more in employees rather than in traditional assets like plant and machinery. In the Balance Sheet of Microsoft-after all the assets and liabilities are taken into account there is another $350 mn plus in the market value that does not show up in the Balance Sheet. The surplus market value is the knowledge of Microsoft employees carry in their heads.

I.2. Human Resources Management

The HRM concept has generated a lot of controversy and skepticism from the academic community. According to some authors (Brewster & Hegewisch) this skepticism revolves around the lack of precision in the meaning of HRM, the normative nature of HRM, the lack of empirical evidence in support of HRM, the lack of distinction from traditional personnel management theories and the inappropriateness of human resource management prescriptions with regard to industrial relations history and practice. In fact, Noon asks whether HRM is a map model or theory.
Therefore, it would be a best place to list the variety of meanings of HRM:

Primarily, it is sometimes used as a synonym of personnel management. There are two sub-categories of this loose usage. The first is when no particular connotation is implied: that it is merely a naive and trusting substitution for a range of other possibilities – including, for example, ‘employees relations’, ‘people management’, and like. The other sub-category is when this term is preferred simply because it has a more modern ring; thus one can find second and third editions of personnel management text-books being given a title switch so as to capture the prevailing mood, through with no evident alteration in the subject content”.

Next, it may also signal that the various techniques of personnel management are being or ought to be used in a more integrated way. The clearest expression of this is found in the discussion on strategic human resource management (Tichy, Fombrun & Devenna, 1984). They suggest that the human resource managers perform four generic functions of selection, appraisal, reward and development. Performance is a dependent variable; it is influenced by a ‘cycle’ of human resource interventions, which ‘represent sequential managerial tasks’.

Third, it is sometimes used to signal a more business oriented and business integrated approach to management of human resources. According to this view, HRM is fully present when the levels of selection reward and so on are being pulled in an integrated way and his ‘system’ itself fully attuned and integrated, in turn, with a wider business strategy. (Beer et al., 1985; Foulkes, 1986; Hendry & Pettigrew, 1986).

A fourth position in the desideratum that not only ought both type of integration be in evidence, but in addition, if the HRM appellation is to apply, there needs to be some extra qualifying factor such as underlying logic in pursuit of employee ‘commitment’ or some similar characteristic feature (Armstrong, 1998; Guest, 1987; Walton, 1985). A closer examination of the normative definitions given by the various authors mentioned above reveals the value assumptions underlying each of the definitions.
Values

The intellectual antecedents to HRM are from two streams – the first is the human relations stream and the second is the corporate strategy and business policy stream. While the former emphasizes the importance of ‘motivational’, participative and leadership element, the latter gives weightage to environmental scanning, forward planning and the integration of all aspects of managerial action (adapted from Storey, 1992). This emphasis is manifested in the two models of HRM. The ‘hard model reflects a ‘utilitarian instrumentalism’, and the ‘soft’ model is reminiscent of ‘developmental humanism’ (Hendry and Pettigrew, 1990; Storey 1989). The hard model stresses not only HRM’s focus on the crucial importance of the close integration of HR policies, systems, and activities with business strategy but also such HR systems being used ‘to drive the strategic objectives of the organization’ (Tichy et al., 1984). In essence then, the hard model emphasizes the quantitative, calculative and business strategic aspects of managing the head count resource in as ‘rational’ a way as for any other economic factors (Storey, 1989).

In contrast, the ‘soft’ developmental humanism model, while still emphasizing the importance of integrating HR policies, with business objectives, sees this as involving the treatment of employees as ‘valued assets’, a source of competitive advantage through their commitment, adaptability and high quality of skills, performance and so on (Guest, 1987).

I.3. HRM and Personnel Management

The ‘soft’ models of HRM and the normative models of personnel management appear very similar, some shifts in emphasis (Legge, 1995). This has led authors to call HRM a case of ‘emperor’s new clothes’ (Armstrong, 1987) or of ‘all that is solid melts into air’ (Legge, 1995). A close comparison shows that both models emphasize the importance of integrating personnel/HRM goals with organizational goals; both models vest personnel/HRM firmly in line (with) management; both models emphasize the importance of individuals fully developing their abilities for their own personal satisfaction to make their ‘best contribution’ to organizational success. Human Resource Management gives us emphasis on policy making and implementation where as personnel management concentrates on implementation of the decisions only.
The difference between the models is that HRM is aimed at managers and ‘core’ workers, rather than at managerial and the non-managerial work force as a collective; it is vested in line management not as ‘people managers’, but as business managers responsible for co-coordinating and directing all resources in the business unit in pursuit of bottom line results; most HRM models emphasize the management of the organization’s culture as a central activity for senior management (Legge, 1989). These three differences emphasis all points to HRM, in theory, being essentially a more central strategic management task than personnel management. It is experienced by managers, as the most valued company resources are to be managed; it concerns them in the achievement of business goals and it expresses senior management’s preferred organizational values. From this perspective, it is not surprising that Fowler (1987) identifies the real difference between HRM and personnel management in terms of language use: “Not what it is, but who is saying it. In a nutshell, HRM represents the discovery of personnel management by Chief Executives”.

I.4. HRM and Industrial Relations

The HRM in 1980s coincided with a steady decline in the significance of industrial relations as a central feature of economic performance and policy. Both the soft and the hard models of HRM appear to be in contradiction with the pluralistic assumptions of industrial relations. As Guest (1987) points out, HRM values are unitary to the extent that they assume no underlying and inevitable differences of interest between management and workers. Finally, HRM values are individualistic in that they emphasize the individual – organization linkage in preference to operate through group and collective systems. There is little scope for collective bargaining.

In theory at least, it is incompatible with the collectivist and pluralistic assumption of industrial relations. In fact, the ‘soft’ model of HRM could pose a threat to unions in four ways: First, ‘soft’ model HRM policies, through their emphasis on establishing commitment on the part of the individual employee, tend to bypass the collective models of representation and negotiation of unions via attitudinally oriented selection and socialization procedures, individualized forms of appraisal and reward, direct employee communication and so forth. Second, as in the
‘soft’ model of HRM, employees are treated as the organization’s most valuable assets, the need for a union as a protection against exploitative management action is reduced and the role of existing unions is marginalized (Legge, 1995). Third, HRM policies may obviate the need for a union at existing non-union plants and on green field sites. Fourth, if HRM policies do potentially competing focus of loyalty with the union. Many commentators have urged an integrated approach to industrial relations at the prescriptive level (Legge, 1989). Discussions about the conceptual models on HRM so far legitimately laeds to the next question as to whether any of these have actually been put into practice.

I.5. Human Resource Development

Former President of India Sri. R. Venkatraman rightly said that even though a country may possess abundant physical resources, it cannot make rapid economic and social development unless there are people who are enterprising and have developed necessary skills and attitudes. It is being recognized that the real difference between one social organization and other depends largely on the quality of its people, their motivation, satisfaction and productivity. Thus, the Human Resource Development is the key economic development of a country.

The concern for H R D is not of recent origin, even though the term is relatively a new one. Over the long period of time many economist and Behavioral scientists like Robert Owen, T.W Schultz, Simon Kuznets, Andrew Ure, F.W.Taylor, Oliver Sheldon, Elton Mayo, Garden Libert, Mc George, Dr Berne and others emphasized the human approach. Adam smith in his book “The Wealth of Nations” included human capital as fixed capital with the required and useful abilities of all the inhabitants or members of society.

Galbraith, J.K contended that human capital is more essential for developing countries than other forms of capital. Harbisan and Mayers are of the opinion that “progress is basically the result of human effort “and concluded that Human Resource Development is a more realistic and reliable indicator of modernization or development than any other single measure. It is one of the necessary conditions for all kinds of growth. Social, Political, Cultural and Economical.
According to Peter Parkar, human resource constitutes an important and indispensable factor in any economy. He further added that their uniqueness render it practically impossible to substitute them with any other factor, however important it might be, as nothing can match the human mind in working out unprecedented markets at times. Hence, human resource should claim “a paramount importance in the organization of human resources.” In the words of Henry Ford, the founder of Ford Motors, “enthusiasm is at the bottom of all success; with it we can accomplish it, without it there are only alibis.”

I.6. HRD concept

After the HRD has come to stay in the Indian organizational set up, an astonishing list of activities is branded as HRD programmes. In the maze of these exercises and programmes the meaning of HRD has got diffused and broad based. Anything that seems to be different and bold or innovative, dealing with human elements has become an HRD activity, even including the ideas to improve the primary brick of the society. Thus an impression is created that HRD is not only an end all, but the only alternative and answer to deal with all human problems. When we call it a people it a people oriented concept, the question of people to be developed in the larger or national context or in a smaller organizational context. HRD can be applied both at macro and micro level. But the present study limited to HRD in organizational level.

At present the usage of HRD, as it is a commonsense expression devoid of academic rigour and scientific temper. HRD as a concept is a process through which employees of an organization are assisted to realize their full potential in their present and future jobs. The frame of reference then shall be scientific and using such mechanisms as training, performance counseling, career planning, job rotation and potential appraisal.

Leonard Nadler formally introduced the concept of HRD in 1969 in a Conference organized by the American Society for Training and Development. Leonard Nadler defines HRD as, “those learning experiences which are organized, for a specific time, and designed to bring about the possibility of behavioral change. The
term ‘learning experience’ refers to purposeful or intentional learning not incidental learning.

Among the Indian authors T. Venkateswara Rao\textsuperscript{38} worked extensively on HRD. He defines HRD in the organizational context as,“a process by which the employees of an organization are helped in a continuous planned way to:

(i) Acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles:

(ii) Develop their general capabilities as individuals and discover and exploit their own inner potentials for their own and/or organizational development purposes.

(iii) Develop an organizational culture in which superior-subordinate relationship, team work and collaboration among subunits are strong and contribute to the professional well-being, motivation and pride of employees.”

According to Professor P. Subba Rao,\textsuperscript{39} HRD from organizational point of view is a process in which the employees of an organization are helped/motivated to acquire and develop technical, managerial and behavioral knowledge, skills and abilities, and mould the values, beliefs, attitude and aptitude necessary to perform present and future roles by realizing the highest human potential with a view to contribute positively to the organizational, group individual and social goals.

A comparative analysis of these definitions shows that the third definition seems to be comprehensive and elaborate as it deals with the developmental aspects of the components of human resources. Further, it deals with all types of skills, the present and future organizational needs and positive aspects of contribution to not only organizational but also other goals.

The analysis of the third definition further shows that there are three aspects viz., (i) employees of an organization are helped/motivated...(ii) acquire, develop and mould several of human resources, and (iii) contribute to be organizational, group, individual and social goals. The first aspect deals with helping and motivating factors for HRD. These factors may be called ‘enabling factors’ which include: Performance
Appraisal, Potential Appraisal, career Planning and development, Training, Management Development, Organization Development, Social and Cultural Programmes, workers’ Participation in management and Quality Circles. The third category includes the outcomes of the HRD process to the goals of the organization, group, individuals and the society.

The term ‘Human Resource’ refers to knowledge, skills, creative abilities, talents, aptitude, values and belief of an organization’s workforce. The more important aspects of human resources are aptitudes, values, attitudes and belief. But, in a given situation, if these vital aspects remain the same, the other aspects of human resources like knowledge, skills, creative abilities and talents play an important workforce. However, enhancement of utilization value of human resources depends on improvements of the human resource aspects like skills, knowledge, creative abilities and talents and moulding of other aspects like values, beliefs, aptitude and attitude in accordance with the changing requirements of groups, organization and society at large. This process is the essence of human resource development. It is clear from this interpretation that human resources development improves the utilization value to an organization.

The effective performance of an organization depends not just on the available resources, but its quality and competence as required by the organization from time to time. The difference between two nations largely depends on the level of quality of human resources. Similarly, the difference in the level of performance of two organizations also depends on utilization value of human resources. Moreover, the efficiency of production process and various areas of management depend to a greater extent on the level of human resources development.

HRD assumes significance in view of the fast changing organizational environments and need to the organization to adopt new techniques in order to respond to the environmental changes as well with regard to its outcomes.

The outcomes of HRD are four-fold viz., to the organization, to the individuals, to the groups and to the society. HRD benefits the organization by
developing the employees and making them ready to accept responsibilities, welcome change, adapt to change, and enables the implementation of the programmes of total quality management, maintenance of sound human relations, increase in productivity and profitability. The HRD also benefits the individuals in the achieving of potentials, increase in performance, fulfilling their needs and enhancing social and psychological status. The HRD helps the groups in the form of increase in collaboration and team effectiveness. Further, it helps the society in the form of developing human resources and increased contribution of human resources to the society.

I.7. People Management as a Profession

Evolution

HR professional will be critical to have global, strategic, and business perceptiveness, to understand the power and use of technology, to be focused on the customer, and to understand the impact of market changes on the business and the profession. In order to survive as a profession and function HR must take charge of its destiny and its change to cause an insurrection so that the profession resurrected serves as a dynamic, innovative business partner. The HR professional must fill the demand for those services desired by their customers. Their agenda must be HR professional agenda.

Mechanistic Period: 1940-50

The mechanistic period saw the birth of the HR profession. Personnel/industrial relations, as was then known, came about prior to second world war. It was an administrative function, interpreting union contracts, keeping records, hiring people. Later became a great king and adversarial relations were the order of the day. There was little innovation in pay practices, benefit programs were just emerging; and they were dominated in their design by insurance companies. There was little organization development, and employees and management development, were rare. Personnel/Industrial relation managers were not considered part of the senior management team in most organizations, with the exception of labor contracts, strikes, lockouts and boycott. The human asset is predominantly viewed as a commodity. Perhaps there are HR practitioners toady stuck in this time wrap, frozen
into inactivity, not hearing messages sent from their management or from the leaders of the HR profession, not moving their organizations forward.

**Legalistic Period 1960-70**

This period can brought profound change in the workplace and in the roles and responsibilities assumed by the HR professional. The demographics shift: people of color were admitted to jobs other than field hand, labourer, janitor, and assembler. Women were considered for positions without typewriters and they began to move up into managerial roles.

Labor was still king, but the kingdom was changing. While in the mechanistic period, labor law focused on union management issues; the legalistic period gave rise to a plethora of employee relation’s laws having to do with the workplace and with the treatment of the human asset. Civil rights litigants began testing the authority of the laws, and significant financial judgments were rendered against major corporations. Senior management and Boards of directors awoke to the fact that the “human commodity” coming to work each day was costing/could cost more than just the salary and benefits line of the profit and loss statement. The federal government, through equal employment opportunities commission and office of federal contract compliance programs began to question the commitment of government contractors—basically most HR practitioners regarding affirmative efforts and actions to create a diverse work force. Inordinate and expensive management time was spent negotiating conciliation and settlement agreements. Management also been paying attention to the art of managing, recognizing the need for the development of managerial and organizational skills, hence the training and development function and organizational development roles began to emerge. Thus in 20-30 years period, HR had moved from planning picnics and keeping attendance records to a complex function of keeping the ‘organization out of trouble’ role. In some cases, HR managers began to report to the Chief Executive Officer (CEO) and participate on Executive committees, playing a strategic role in their organizations. Perhaps some HR practitioners remain in this period, more progressive than the mechanistic, skilled in command and control behaviors’, but nevertheless not moving forward in vision through action.
Organistic Period: 1970-80

The 1980s brought a time of rapid and constant change, replete with stunning hostile takeovers, leveraged buyouts, mergers and acquisition, and divestitures. Early into these endeavors, HR was not necessarily asked to join in strategy or due diligence. 20th century Fox acquired Aspen Ski Corp., only to find out far into the integration process that the teamsters had attempted to organize the Ski run operators. The due diligence team-accountants, auditors, and investments bankers-had neither thought about nor investigated any HR issues other than CEO’s compensation. We were immediately dispatched to “fix it” and fix it we did. The 1980’s also brought an increasingly diverse workforce; the rise of awareness of work and family issues, the raise of “Wrongful Dismissal.” Now HR was in the thick of it, putting out fires, staving off lawsuits, implementing more command and control policies and procedures, all to save the organization from itself. At the same time, however, on the opposite end of the spectrum, organization was changing dramatically, removing layers, reorganizing work, and alienating the dignity of the individual, hence another important consultative role for HR came into play. Many HR professional to this day do not understand the difference: Human resource is strategic; personnel are operational

Strategic Approach Period 1990

What have the 1990s wrought? This is a period of constant in all dimensions of the workplace:

- The world has drunk, and we are residents the ‘Global Village, “conducting our transnational business electronically, heedless of time difference.
- The workforce is a” salad Bowl,” all ethnicities working together, not necessarily y harmoniously.
- An aging workforce of ‘Baby Boomers’ who will once again change workforce programs and attitude and towards attitudes towards the “older worker.”
- The potential rise in white/pink collar unionism.
The rise of diversity as a state of both mind programs which considers disability, marital status, occupational, gender preferences, and weight, as well as age, race, sex, national origin religion, and so on.
The Catalytic Period 2000

What the features - for the years 2000 plus consider the following:

- Employment will be cross-bordered: corporation will increase their international exposure and will want a work force, comfortable in, with other cultures.

- Organizations will continue to evolve and there will be a fewer of them. Mergers and acquisition will continue as corporate industries look for survival by joining together.

- Staffing will be fluid and contingent: the use of just in time professional workers will become common and a concomitant to out sourcing of administrative and other line support functions that are not considered core competencies of the organizations.

- Unions will be growing. Time will tell if the ongoing attempts to increase union membership will work. This is not time for complacency on the part of the management as union organizers are mush professional in their approach.

- The work force at all levels will be more diverse. Continuing migration to the US will be insured that the talent will be multicultural. There will be many more female CEO’S of major corporations, as they move through or remove the glass ceiling.

- Compensation practices will be innovative. More organizations will be willing to break free of the rigid pay practices of the past to find those that fit the needs of new approaches to planning and managing performance.

- Employees take charge of their destiny and will be more selective in their career, choices, career moves, and their loyalty to their professions.

- Telecommunicating and other forms of the flexible work will be commonplace.

- Benefits will be portable

- Teams will be a way of life. New organization structures will emerge in reality as webs, net works, and cross functional teams become a way of life.

- Members of HR profession, in order to be flourished in the catalytic period, will need the ability to envision, to be comfortable with change, to use a consultative approach, to understand the business of the business, and to have very strong peoples skills.
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