Chapter 2

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2.1. Introduction:

Human resource management is not a new idea but it was developed since the inception of civilization of humanity. It was discussed in great epic “Mahabharata, Ramayana in deployment of personnel.

Since management of human resource is not an easy task as they have different perception, different attitude, different personality, difference psychology and perception therefore it has been a top priority of managerial functions. Though the field of human resource management is not as old as the field of management but as a discipline of study is relatively new. As for example, the ‘minimum wage rate’, ‘incentive’, ‘wage plan’ were included in the Babylonian Code of Hammurabi around 1800 B.C. The Chinese, as early as 1650 B.C. had originated the principles of “division of labour” that is, the concept of specialization which is known today and they understood the meaning and implications of labour turnover even 400 B.C. The “Span of Management” and the related concepts of organisation were well understood by Moses around 1200 B.C. and the Chaldean had incentive wage plans around 400 B.C. The ancients, with their stone axes, adzes and other flint tools, may not have appreciated the principles of ‘transfer of skills from the humans to the machine’, but they were nevertheless applying the principles, and this separated them from large numbers of other human beings. Grouping the activities and allocation of responsibility, reward and promotion schemes, transfer and motivation concepts, all these concepts were evidenced in the regime of the Great Akbar.

Yet, the historical background of human resource can be traced in 2 parts viz Pre-Scientific management era and scientific management era, etc.
In India, Kautilya has observed that there existed a sound base for systematic management of human resource as early as the fourth century B.C. The Government then took active interest in the operation of public and private sector enterprises and provided systematic procedures for regulating employer-employees relationship. The 1950s in India saw the birth of the personnel functions when outdated technocrats and retired army officials were appointed by industries to look after worker’s interest. The 1960s saw a stress on the welfare attitude in the personnel profession. Then Labour Officers became interested in looking after canteens and latrines, meals and uniforms, storing and washing facilities etc. The 1970s witnessed the introduction of the legal angel and the adjudication of disputes became important and personnel officers went about obtaining law degrees to horn their legal skills for use on the shop floor. The 1980s saw an enlargement of the legal aspects, and collective bargaining became the most important skill of the personnel officers. Bipartite negotiations were complemented by union militancy during the first half of the decade and by management militancy during the second half. The 1990s saw the era of participative management on the one hand the slow withering away of unions on the other. To use the terminology of the legendary C. Wright Mills, union leaders became managers of discontent, while the bourgeoisie infiltrated the ranks of the managers.

And the liberalization and globalization process, which has come over the Indian economy in the last sixteen years, has given birth of a fair number of fly-by-night small enterprises which hope to gain legitimacy and foster rapid growth by setting up a human resource department. Now-a-days, participative management in decision making, human resource re-engineering and performance management rather than performance appraisal have been emerged in human resource field.

human resource management as a means of achieving management objectives – at least in enterprises which have recognized, or have been compelled to recognize, the utilization of the human resource in achieving competitive edge – becomes clear from an examination of four important goals of effective human resource management. Human resource management is closely linked to motivation, leadership and work behaviour. An enterprise’s policies and practices in these areas have an impact on whether human resource management contributes to achieving management goals.

Human resource management as a specialised function in organisation began to grow around 1900s (Mathis & Jackson, 1988). However, the decade of the 1980s brought a serious
transformation in the practice and study of human resource management. Intense business competition forced organisations to think about the new source of wealth and competitive advantage—employees. Therefore the field of human resource management was not only “catapulted to critical positions within firms” (Graham & Bennet, 1998), but “has discovered, and indeed begun to embrace, a strategic perspective” (Dyer & Holder, 1988).

Human resource management is commonly defined as a “process of acquiring, training, appraising and compensation employees, and attending to their labour relations, health and safety, and fairness concerns” (Dessler, 2005), and as a “strategic and coherent approach to the management of an organisation’s most valued assets— the people and organisations together so that the goals of each are met,” with the aim of the “optimal degree of fit among the four components— the environment, organisations, job, and individual”.

In order to ensure the objectives, human resource management is responsible to perform certain functions which are the prime job of human resource management. The core functions of human resource management itself broaden the scope of human resource management. To fulfill the objectives, the main functions of human resource management is concerned with the tackling the problems of human resources working in the organisations. Form making a policy of human resources in the organisation to their development aspects, a number of activities come under this process. The human resource management functions are becoming very crucial now-a-days because of globalization. The human resource management functions are very key portion of the organisation today because emphasis has been on doing things right time. One cannot imagine human resource management functions without thorough knowledge of the business issues of its organisation in present context. Every business issues have human resource management implications.

Pertinent to the challenges confronting human resource management professionals trying to cope in the international arena are some fundamental challenges associated with becoming a strategic business partner, as identified by Ulrich (1997). He advises us that becoming a strategic business partner means dealing squarely with what it takes to create an organisation to accomplish business objectives. This process involves overcoming at least five critical challenges, which Ulrich casts within the context of “domestic” human resource management issues. We believe, however, that these are applicable to the international arena as well.
Organisations are facing challenges like social challenge, Psychological challenge, Global Challenge, Technology and Innovation challenge, knowledge challenge etc. Thus human resource management help confronting these challenges effectively.

2.2. Conceptual Framework:-

2.2.1. Meaning and Definition of Human Resource Management:

Human Resource Management may be defined as a set of policies, practices and programmes designed to maximise both personal and organizational goals.

Human Resource Management is management function that helps in managing recruitment, selection, training and development of members of an organization. Thus human resource management is concerned with the peoples dimension in organisation.

Human Resource Management refers to a set of programmes, functions and activities designed and carried out in order maximize both employees as well as organizational effectiveness. It is a process of binding people and organisations together so that the objectives of each are achieved.

Human resource management is a broad concept and human resource development and personnel management are a part of human resource management.

Human Resource Management is also a management function concerned with hiring, motivating, and maintaining people in an organisation. It focuses on people in an organisations.

According to National Institute of Personnel Management of India, “human resource management is that part of management concerned with people at work and with their relationship within the organization. It seeks to bring together men and women who make up an enterprise, enabling each to make his own best contribution to its success both as an individual and as a member of a working group”.

Scott\(^1\) and others have defined as Human Resource Management as follows: “Human Resource Management is that branch of management which is responsible on a staff basis for concentrating on those aspects of relationship of management to employees

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and employees to employees and with the development of the individual and the group. The objective is to attain maximum individual development, desirable working relationship between employers and employees, and employees and employees, and effective moulding of human resources as contrasted with physical resources”.

In the words of Jucius\(^2\), “Human Resource Management may be defined as that field of management which has to do with planning, organizing and controlling the functions of procuring, development, maintaining and utilizing a labour force, such that the (a) objectives for which the company is established are attained economically and effectively; (b) objectives of all levels of human resources are served to the highest possible degree; and (c) objectives of society are duly coincided and served”.

### 2.2.2. Concept of Human Resource Management.

Modern concept of human resource management has developed through the following stages:

1. **The Commodity Concept.** Before the Industrial Revolution, the guild system was the beginning of human resource management. Guild was a closely knit group concerned with selecting, training, rewarding and maintaining workers. Industrial Revolution gave rise to the factory system. Due to the separation of owners from managers, close relationships between owners and employees were broken. Labour began to be considered as a commodity to be bought and sold.

2. **The Factor of Production Concept.** Under this concept, employees were considered as a factor of production just like land, materials and machinery. Taylor’s scientific management stressed proper selection and training of employees so as to maximise productivity. The employees were treated primarily as operating organisations of machines or as mere appendage in the process of production. However, this concept was an improvement in so far as employees gained through better working conditions and higher earnings.

3. **The Paternalistic Concept.** Employees organized together on the basis of their common interest and formed trade unions to improve their lot. The growing strength of democracy gave impetus to collective bargaining. The state also

recognized that workers had a right to protection in the employment. Due to all these forces, employers began to provide schemes to workers. Employers assumed a fatherly and protective attitude towards their employees. The welfare schemes included health facilities, recreation facilities, pension plans, group insurance schemes, housing facilities etc. Employers and employees both began to realize that they cannot survive and prosper without each other.

4. **The Humanitarian Concept.** Under the paternalistic approach, the employer was providing benefits to employees as a favour. The humanitarian approach is based on the belief that employees had certain inalienable rights as human beings and it was the duty of the employer to protect these rights. The industrial psychologists pointed out that an employee was not merely interest in material rewards. Rather social and psychological satisfaction was equally important. Howthorne Experiments generated considerable interest in human problems of the work place. This approach is also known as human relations concept.

5. **The Human Resource Concept.** Several studies were conducted to analyze and understand human behaviour in organisations. These studies led to the application of behavioural sciences to the problems of individual and group behaviour at work. Motivation, group dynamics, organizational climate, organizational conflict, etc. became popular concepts. Employees began to be considered as valuable assets of an organisation. Efforts were made to integrate employee with the organisations so that organizational goals and employees aspirations could be achieved simultaneously. Focus shifted towards management practices like two way communication, management by objectives, role of informal groups, quality circles, etc.

6. **The Emerging Concept.** Now employees are considered as partners in the industry. They are gradually being given share in company’s stock membership. Workers representatives are being appointed on the board of directors. This emerging trend is aimed at creating a feeling among workers that the organisation is their own. Slowly but steadily, human resource management is emerging as a special academic discipline and as a profession. It is growing as a career with distinct specializations like human resource development, industrial relations, etc.

Thus, human resource management began as a record keeping function. Later on, administration of labour agreements became its main task. Then it became
the corporate conscience keeper concerned with morale of employees. After sometime the focus shifted to ‘scientific’ aspect involving use of systematic techniques for employee selection, training and compensation. Under the traditional approach, employees were considered problems, procedures and costs. The modern approach, on the other hand, looks upon them as a resource, an asset and an opportunity.

The expression, Human Resource Management (HRM) is a recent title for all aspects of managing people in an organisation. It represents a broad based understanding of the problems of people and their management in view of the development of behavioural science knowledge. A formal beginning of Human Resource Management (HRM) functions in India was made in 1929, when the Royal Commission submitted its report recommending the appointment of labour officers to look after the employment and dismissal of workers as well as their working conditions. The scope of the function of Labour Officer was widened during the Second World War, when such facilities as housing, medical and recreational activities were added to their existing responsibilities. In this process the labour officer got designated as Welfare Officer (W.O.). the enactment of Industrial Disputes Act, 1949 and Factories Act, 1947 further added the management of leave, wages, bonus and retirement in the scope of the function of the W.O.

2.2.3. Evolution and Origin of Human Resource Management:

Modern human resource management has emerged through many stages which may be summarized as follows:

1. The Industrial Revolution. Industrial Revolution consist mainly of the development of machinery, linking of power to machines and establishment of factory system and mass production. It was characterized by rapid technological change and increased specialization. As a result, the place of work shifted from residence to factory and the employer lost personal touch with his employees. Increased mechanization and specialization made jobs routine and monotonous. It became necessary to appoint a separate person who would handle labour
problems. However, labour was looked upon as a commodity that could be bought and sold. Due to the prevailing political philosophy of laissez faire, government did little to protect the workers.

2. **Trade Unionism.** Workers formed their unions to improve their lot. The basic philosophy underlying trade unionism was that through collective support, the management could be forced to redress their grievances. Unions used strikes, slowdowns, walkouts, picketing, boycotts and sabotage for this purpose. Trade union management gave rise to several personnel practices, e.g., Collective bargaining, grievance handling system, arbitration, disciplinary practices, employee benefit programmes, etc.

3. **Scientific Management.** It was a development of far reaching significance to human resource management. F.W. Taylor developed four principles of scientific management.
   (a) Development of a true science.
   (b) Scientific selection and training of workers.
   (c) Friendly co-operation between management and workers.
   (d) Development of every worker to his fullest potential.

4. **Industrial Psychology.** Industrial psychologists stressed matching of employee skills with jobs. Hugo Munsterberg contributed significantly to analysis of jobs in terms of their mental and emotional requirements and development of testing devices. Advancement took place in selection, placement, testing and training as well.

5. **Human Relations Movement.** Hawthorne Experiments and subsequent research focused attention on the attitudes and feeling of workers and their influence on productivity. The role of informal groups in industry was highlighted. While scientific management viewed an organisation a techno-economic system. It was suggested that interpersonal relations should be improved to realize fuller potential of individuals and groups.

6. **Behavioural Sciences.** Research in behavioural sciences like anthropology, sociology, psychology, etc. has provided the subject matter for human resource management. Behavioural science era led to the development of new techniques of motivation and leadership such as job enrichment, employee participation, two way communication, management by objectives. Management thinkers such as Abraham Maslow’, Douglas McGregor, Frederick Herzberg, Rensis Likert and
others made significant contributions to the development of the behavioural science approach to the study of management.

7. **Human Resource Specialist and Employee Welfare.** With the dawn of welfare era, scope of human resource management increased. It is not only concerned now with recruitment, selection and training of employees. It manages employee benefit programmes and industrial relations system in industry.

### 2.2.4. Features of Human Resource Management.

Human Resource Management (HRM) focuses services and programmes to facilitate employee satisfaction and growth.

1. Development Oriented
2. Pervasive Function
3. Continuous function
4. Future oriented
5. Challenging function
6. Science as well as art
7. Staff function
8. Young (Recent) Discipline
9. Inter disciplinary
10. Nervous System

Some of the features of human resource management (HRM) are explained as follows:-

1. **Comprehensive Function.** Human resource management is concerned with managing people at work. It covers all types of people at all levels in the organisation. It applies to workers, supervisors, officers, managers and other types of personnel.

2. **People Oriented.** Human resource management is concerned with employees as individuals as well as groups. It is the process of achieving the best fit between individuals, jobs, organisations and the environment. It is the process of bringing people and organisations together so that the goals of each are met.
3. **Action Oriented.** Human resource management focuses on action rather than on record-keeping or procedures. It stresses the solution of human resource problems to achieve both organizational objectives and employees’ personal goals.

4. **Individual-oriented.** Under human resource management, every employee is considered as an individual’s so as to provide services and programmes to facilitate employee satisfaction and growth.

5. **Development-Oriented.** Human resource management is concerned with developing potential of employees so that they get maximum satisfaction from their work and give their best efforts to the organisation.

6. **Pervasive Function.** Human resource management is inherent in all organizations and at all levels. It is not confined to industry alone. It is equally useful and necessary in government, armed forces, sports organisations etc. It precedes all the functional areas, e.g., production, marketing, finance, research etc. Each and every manager is involved in human resource function. In big organisations, generally there is a separate human resource department. This department provides expert advice and assistance to the authority to take decisions about people of operating executives.

7. **Continuous Function.** Management of human resources is an ongoing or never-ending exercise rather than a ‘one shot’ function. In the words of Terry\(^3\), “it cannot be turned on and off like water from a faucet; it cannot be practiced only one hour each day or one day a week. Human resource management requires a constant alertness and awareness of human relations and their importance in everyday operations”.

8. **Future-Oriented.** Human resource management is concerned with helping an organisation to achieve its objectives in the future by providing for competent and well-motivated employees.

9. **Challenging Function.** Managing of human resource is a challenging job due to the dynamic nature of people. People have sentiments and emotions so they cannot be treated like machines. It is, therefore, necessary to handle

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them tactfully. It is not simply managing people but administering a social system.

10. **Science as well as Art.** Human resource management (HRM) is a science as it contains an organised body of knowledge consisting of principles and techniques. It is also an art because it involves application of theoretical knowledge to the problems of human resources. In fact, handling people is one of the most creative arts.

11. **Staff Function.** The function of human resource management is advisory in nature. Human resource managers do not manufacture or sell goods but they do contribute to the success and growth of an organisation by advising the operating departments on human resource matters. Like the director of a movie their performances can be judged from the success of the total organisation.

12. **Young Discipline.** Human resource management is of comparatively recent origin. It started in the last part of the 19th century. It is relatively a new specialized area as compared to manufacturing and marketing.

13. **Interdisciplinary.** Human resource management involves application of knowledge drawn from several disciplines like sociology, anthropology, psychology, economics, etc. In order to deal with human problems effectively, a manager must depend upon such knowledge.

**2.2.5. Scope of Human Resource Management (HRM):**

“The Scope of Human Resource Management (HRM) is indeed vast. It covers all major activities in the organisation, right from entry to an organisation, till exit from organisation comes under the preview of human resource management (HRM). Human Resource Management (HRM) include activities such as human resource planning, job analysis, design recruitment and selection orientation, placement, training and development, performance appraisal, job evaluation of employee and executive remuneration, motivation and communication, welfare, safety and health, industrial relations.”

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The efficient workforce can change the direction and vision of the organisation. Value based human resource strategy and holistic fact of human resource management (HRM) adds its value in its scope. After emergence of globalization and competitive area the scope of human resource management (HRM) has tremendously increased. Some of the major fields are mentioned with the help of chart.

**Diagram showing Scope of Human Resource Management (HRM) and its Functions.**

Diagram No. – 1

The Institute of Personnel Management has described the scope of human resource management (HRM) as mentioned below:

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1) The Labour or Human Resource Aspect.
2) The Welfare Aspect
3) The Industrial Relations Aspect

2.2.6. Functions of Human Resource Management (HRM)

Human resource management (HRM) consist of several interrelated function. These functions may be classified into two categories:

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<tr>
<th>Human Resource Management (HRM) Objectives</th>
<th>Supporting Functions</th>
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<tbody>
<tr>
<td>1. Social Objectives</td>
<td>1. Legal Compliance</td>
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<td></td>
<td>2. Benefits</td>
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<td>3. Union-management relations</td>
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<tr>
<td>2. Organizational Objectives</td>
<td>1. Human resource planning</td>
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<td>2. Employee relations</td>
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<td>3. Selection</td>
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<td>6. Placement</td>
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<td>7. Assessment</td>
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<td>3. Functional Objectives</td>
<td>1. Appraisal</td>
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<td></td>
<td>2. Placement</td>
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<td>3. Assessment</td>
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Human resource management (HRM) objectives and functions

| Table No. 1

2.2.7. Objectives of Human Resource Management (HRM):

The primary objective of human resource management (HRM) is to ensure the availability of a competent and willing work force to an organization. Specifically human resource management (HRM) objectives are four fold that are societal organization, functional and personnel.

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6 K. Aswathappa, “Organisational Behaviour –Text, Cases & Games, - 8th Revised Edition”, PP 9,10
These objectives are very briefly narrated as below:

1) **Societal Objective:** To ensure that the organisation becomes socially responsive.

2) **Organizational Objective:** To make such that human resource management (HRM) become means to assist the organizations reach to its primary objectives.

3) **Functional Objective:** The depth level of services must be tailored to fit the organisations services.

4) **Personal Objective:** to assist employees in achieving their personal goals.\(^7\)

Diagram showing Objectives of Human Resource Management (HRM)\(^8\)

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\(^8\) K. Ashwathappa, *Organizational Behaviour –Text, Cases & Games* 2009, PP- 8
2.3. Human Resource Management (HRM) Policies and Practices:

2.3.1. Concept and Nature of Human Resource Management (HRM) Policies and Practices:

Concept:

A policy is a long term plan of action. Policies become benchmarks to compare and evaluate performance. Human Resource Policies are statement of human resource objectives of an organisation and provide a broad framework within which decisions of human resource matters can be made. Human Resource Policies lay down the criterion for decision making in the field of human resource management (HRM).

Then policies define the intentions of the organisation in the area of human resource management (HRM).

According to Dale Yodder\(^9\) “Human resource or labour or industrial relations policy provides guidelines for wide variety of employment relationships in the organisation. These guidelines identifies the organization’s intentions in recruitment, selection, promotion, development, compensation, motivation and otherwise leading and directing people in the working organisation. Human resource policies serve as a road map for managers.” In the words of R. Calhoon\(^10\), “Human resource policies constitute guidelines to actions. They furnish the general standards or based on which decisions are reached. There genesis lies in an organization’s values, philosophy, concepts and principles.”

Human resource policies are vital tool for organisations that are serious about resolving personnel issues, if any Human Resource Management Policies are intended to help in maximising the effectiveness of human resource functions.

Human resource management policies should be consistent, well-written, and legal policies and procedures. Human resource management policy provide human resource advices for organization specific human resource related issues.

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2.3.2. Features of Human Resource Policies:-

1) Human resource policies are based upon human resource objectives of the organisation.

2) Human resource policies are general statements of broad understanding.

3) Human resource policies are standing plans. Generally long lasting and can be used again and again.

4) Human resource policies reflect the recognized intentions of top management in relation to the human resource of the organisation.

5) Human resource Policies are formulated by the human resource department in consultation with the line managers.

2.3.3. Need and Importance of Human Resource Policies:

Organisations need to evolve human resource policies as they ensure consistency and uniformity in treating people. They help to motivate and build loyalty. The need for human resource policy arises to achieve the human resource and overall objectives of the organisation. Organisations should have Human Resource Policy as they ensure the following benefits:-

i) **Clear Thinking:** The process of formulating the human resource policy help to clarify management thinking about the basic needs of both the organisation as well as the employees. The management must examine its basic conventions and give full consideration to practice it in the organization.

ii) **Uniformity and Consistency of Administrations:** A well established policies ensure uniform and consistent treatment to all employees throughout the organization, so as to minimize discrimination and favoritism.

iii) **Continuity and Stability:** Within the policies there are means of transmitting the company’s heritage from one generation of executives to another.

iv) **Sense of Security:** Policies set patterns of behaviour which permit employees to work more confidently.

v) **Delegation of Authority:** Human resource policy help managers to delegate authority.

vi) **Orientation and Training:** A well-written human resource policy can be used as guidelines for orientation and training of new employees.
vii) **Teamwork and Loyalty:** A well prepared set of human resource policy enables employees to have clear picture of the organizational goals and help to build employees morale and loyalty.

viii) **Better control:** Human resource policies serves as standards or yardsticks for evaluating effectiveness of human resource policy.

ix) **Prompt decision making:** A carefully defined human resource policy serve as guide for making decisions on routine and repetitive issues.

### 2.3.4. Types of Human Resource (HR) Policies:

“Human resource policies may be classified in several ways. On the basis of their **source**, policies may be classified into originated, appealed and imposed policies. On the basis of their **scope**, policies can be general or specific. According to their **form**, policies may be written or implicit. Some of the policies are discussed as follows”\(^{11}\):

i) **Originated Policies:** These policies are established formally and deliberately by top management. Senior executives initiate such policies to guide their subordinates.

ii) **Appealed Policies:** These policies are formulated on requests of subordinates who want to know how to handle some situations. The need for such a policy arises because the particular case which is not covered by the earlier policies.

iii) **Imposed Policies:** An organisation accepts these policies due to pressure of external agencies such as Government, Trade Association, Trade Union. For example, the policy that “below the age of fourteen years nobody will be employed” is adopted due to the Factories Act.

iv) **General Policies:** These policies do not relate to any specific issue in particular. Rather they represent the basic philosophy and priorities of top management. For example, encouraging workers to participate in decision-making at all level is a general policy.

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v) **Specific Policies:** These policies relate to specific issues such as staffing, compensation, collective bargaining, etc. All specific policies must confirm to the broad pattern laid down by the general policies.

vi) **Written or Implicit policies:** These policies are inferred from the behaviour of managers. For example, in the absence of anything in writing, Promotion policy of an enterprise can be inferred from the way promotions have been made.

### 2.3.5. Scope of Human Resource Policies:

“The subject matter of human resource policies is as wide as the scope of human resource management. In most companies, policies are established regarding various functions of human resource management which are as follows.”

i) **Employment:**

All policies are concerned with recruitment, selection, and separation of employee. Employment policies should provide clear guidelines on the following points:

(a) Minimum hiring qualifications.
(b) Preferred sources of recruitment.
(c) Reservation for scheduled castes, scheduled tribes, handicapped persons and ex-servicemen.
(d) Employment of local people and relatives of existing staff.
(e) Reliance on various selection devices such as university degrees, tests, interviews, reference checks, physical examination, etc.
(f) Basics (length of service or efficiency) to be followed in discharging an employee.
(g) Probation period.
(h) Layoff and retirement.

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ii) **Training and Development:**

(a) Attitude towards training-Whether it is regarded as a device to overcome specific problems or as a continuing relationship between superior and subordinate.

(b) Objectives of training.

(c) Opportunities for career development.

(d) Basis of training.

(e) Methods of training such as On the job or Off the job.

(f) Programmes of executive development.

(g) Orientation of new employees.

iii) **Transfers and Promotions:**

(a) Rationale of transfer.

(b) Periodicity of transfer.

(c) Promotion from within or outside the organisation.

(d) Seniority required for promotion.

(e) Relative weightage to seniority and merit in promotion.

(f) Seniority rights.

(g) Channels of promotion.

iv) **Compensation:**

(a) Job evaluation system.

(b) Minimum wages and salaries.

(c) Method of wage payment.

(d) Profit sharing and incentive plans.

(e) Non-monetary rewards.

(f) Executive stock option plan.

(g) Procedure for getting pay.

(h) Whether to pay prevailing or more than prevailing salary scales.

v) **Working Conditions:**

(a) Working hours.

(b) Number and duration of rest intervals.
(c) Overtime work.
(d) Shifts of work.
(e) Safety rules and regulations.
(f) Leave rules.

vi) Employee Services and Welfare:
(a) Types of services—housing, transportation, medical facilities, education of children, group insurance, credit facilities, purchase of company’s products at discount, company stores, social security, etc.
(b) Financing of employee services.
(c) Incentives to motivate.

vii) Industrial Relations:
(a) “Handling of grievances.
(b) Recognition of trade union.
(c) Suggestions schemes.
(d) Discipline and conduct rules.
(e) Workers participation in management.
(f) Employee’s news sheet and In-house journals.”
Diagram Showing Types of HR Policies and Procedures

- **Institutional**
  1. Equal employment opportunities
  2. Boost confidentiality
  3. Employee conduct

- **General Administration**
  1. Working hours and days
  2. Attendance
  3. Dress Code
  4. Telephone usage
  5. Posting notice
  6. Workplace decorum
  7. Employee safety policy
  8. Visitors and external personnel
  9. IT security policy

- **Compensation**
  1. Salaries
  2. Bonus
  3. Overtime
  4. Other financial incentives

- **Leave and Holiday**
  1. Public holiday
  2. Leave policy
  3. Special Leave

- **Training and Development Policy**
  1. Local travel and conveyance
  2. Domestic travel
  3. International Travel

- **Employee relations**
  1. Employee feedback and suggestions
  2. Employee reward and recognition

- **Grievance Redressal**
  1. Grievance Redressal
  2. Disciplinary action

- **Bus Travel**
  1. Employee Classification
  2. Recruitment and selection
  3. Joining and Induction
  4. Probation and confirmation
  5. Transfer
  6. Deputation
  7. Separation
  8. Retention

Diagram No. – 3

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13 “http://www.HRpolicies and procedures”
2.3.6. Formulation of HR Policies:

The process of policy formulation involves following steps:-

![Diagram No. – 4]

2.3.7. Essentials of Sound Human Resource (HR) Policies:

i) It should be used based on human resource objectives of the organisation.

ii) It should be stated in clear, definite and easily understood terms.

iii) It should be well written.

iv) Policies must be stable and long lasting.

v) Policies should be flexible.

vi) A policy consistent within overall philosophy and objectives of the organisation.

vii) A policy should have due regard to interests of the parties.

viii) It should be based on careful analysis of facts.

ix) It should be reasonable and capable of being executed.\(^{14}\)

When identifying some of the trends in human resource management (HRM) and when subsequently analyzing, how they could contribute to achieving management objectives, it is necessary to voice a note of caution. The fact that one elaborates on an ideal model of human resource management (HRM) does not mean that such models have been widely adopted in the real corporate world. As Thomas A Kochan and Lee

\(^{14}\) L. M. Prasad, “*Human Resource Management*”, pp.98-108
Dyer point out, “even today we find that the human resource function within many American corporations remains weak and relatively low in influence relative to other managerial functions such as finance, marketing, and manufacturing … despite the outpouring of academic writing on ‘strategic human resource management’ little progress has been made in development systematic theory or empirical evidence on the conditions under which human resources are elevated to a position where the firm sees and treats these issues as a source of competitive advantage.” The ‘best practice’ models are really the exceptions, but their value is that they, in a sense, prove the rule, so to speak. Absence of widespread practice is no argument against such a model, but is rather a reason to advocate it, in the same way that the absence of a harmonious IR system in a given situation or country is no argument against advocating it. However, it is possible that the various pressures on enterprises in the 1990s will result in increased resort to effective human resource management (HRM) policies and practices. In the ultimate analysis, human resource management (HRM) and industrial relations (IR) are about how people are treated and their relevance increases where an enterprise takes a long-term view, rather than a short-term one, of what it wants to achieve.

2.4 Human Resource (HR) Practices Model:

The new breed of human resource managers should be able to measure to monetary impact of their actions in order to demonstrate the value added by their functions in a better way. Human resource professional become strategic partners when they participate in the process of defining business strategies, when they help in converting strategy to action, and when they design human resource practices that align with the overall business strategy. By fulfilling this role, human resource professionals increase the capacity of a business to execute its strategies.

The approach of human resource planning activity is no more in isolation but very much align to the overall business strategy of the organisation. In order to deliver a strategic impact, human resource strategy needs to be in sync with the business objectives, and the systems and process incorporated must also support the required results. As we know that Human Resources make the sense of all about the human resource management (HRM). These are: People, Process and Performance. People,
are the common factor while process involves the organizational process and performances is liked with the return on investment.

**Diagram Showing Human Resource Management (HRM) Model.**

Change in socio-economic, technological innovation and political conditions are bound to bring about change in the environment within the organisations. So, it is very important to discuss about the Change Management, learning organization, and organizational learning to ensure human resources as change agent. Competency is another area which is important factor of human resource management (HRM). Under this process, Training and Development are to be discussed. Employee’s commitment is another parameter of human resource management (HRM) which is possible through sound culture and mature human resource (HR) practices which can ensure career development. Employee’s motivation is the key factor of human resource management

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(HRM), which is to be correlated with the performance as an outcome of Human Resource Management.

2.4.1 Best Practice Models of Human Resource Management (HRM):

Before considering in detail the challenges implied in human resource management (HRM), it is useful to briefly explore key elements of the most well-known human resource management (HRM) models. While there is no best ‘fit’ or generic model of human resource management (HRM) which would be entirely applicable to the public sector, key features of some of the most influential models will be explored. The needs and interest of key stakeholders are also examined.

1. ‘Hard’ and ‘soft’ Approaches to Human Resource Management (HRM):

A distinction is often made in the literature between ‘hard’ and ‘soft’ approaches to human resource management (HRM). For example, if an organization focuses on control of resources and achievement of strategy, it may adopt a ‘hard’ approach to human resource management (HRM) in which employees are viewed as a resource to be managed like any other factor to production. In this approach, the critical task for management is to align the formal structure and human resource (HR) systems of the organisation so that they drive the strategic objectives of the organization. This approach is exemplified in the strategic model of human resource management (HRM) developed by Fombrun et al (1984). It has been argued however that an over-emphasis on hard human resource management (HRM) ignores the potential resistance of workers and trade unions, factors which cannot be ignored if business strategy is to succeed. In contrast, and organizational success. The objective for organisation in such an approach is to integrate human resource (HR) policies with the strategic planning process, to gain the willing commitment of employees, to achieve flexibility through avoidance of rigid bureaucratic structures and to improve quality. Recent evidence indicates that there is a desire to move towards a soft approach to human resource management (HRM) in the Irish civil service, since the need for a culture of performance and the harnessing of employee commitment have been publicly identified as priorities under the Strategic Management Initiative.
The most well know ‘soft’ model of human resource management (HRM), known as the Harvard Model of human resource management (HRM) (Beer et al 1984), views business strategy as just one situational factor which influences management’s approach to human resource management (HRM). This model identifies a range of other situational factors which influence human resource (HR) policy choice, including prevailing management philosophy, laws and society values. In the context of this study, this model is significant in that it identifies a range of stakeholder interests (including unions, government and management) which influence human resource (HR) policy choices. It is argued that unless human resource (HR) policies are influenced by key stakeholder, the enterprise will fail to meet the needs of these stakeholders, and ultimately its own objectives. Storey (1992) outlines a further model which illustrates the process involved in shifting from traditional personnel management to human resource management (HRM). While this is an ‘ideal type’ model, it comprises features which are significant for this study. For example, it stresses the need for integrated links between beliefs, assumptions, management issues and key elements of human resource management (HRM). It also identifies key levers of change in the various elements of human resource management (HRM), including recruitment and selection, training and development and conditions of employment. A strategic approach to human resource management (HRM) can be developed by creating effective policies in these areas.

2. **Key stakeholders: Government**

Drawing on the Harvard model, it is worth considering briefly the role of some of the key stakeholders insofar as they influence human resource management (HRM) policy choices. Government is a key stakeholder. The significance of this stakeholder influence is of particular relevance for public sector organisations, because government acts as both stakeholder and employer. Government may act as a key driving force for human resource management (HRM) reform. For example, radical human resource management (HRM) reforms implemented in the UK civil service were primarily driven by the Conservation government’s desire to ‘roll back the frontiers of the state’ and achieve greater efficiency and value for money in the public sector. Conversely, a lack of political support for change was
identified as a constraint on attempts to reform human resource management (HRM) in the Irish civil service in the 1970s and 1980s.

3. **Key stakeholders: Management**

A second key stakeholder influence on human resource (HR) policy choices is management. Storey (1992) argues that the real appeal of human resource management (HRM) for top management is its apparent ability to bring coherence, direction and form to a cluster of existing personnel policies which are perceived by the organization to be outdated or ill-fitted to new environmental demands. Similarly, in clarifying the distinction between personnel management by chief executives’, in which there is an emphasis at senior management level on the strategic use of human resources as a key factor in organizational success. Conversely, in the absence of top management support, the development of a strategic approach to human resource management (HRM) will be problematic.

4. **Key stakeholders: Unions**

While unions can be identified as key stakeholder in the context of the public sector, Guest (1995) points out that most analyses consider human resource management (HRM) from a management perspective and fail to take account of union reaction to human resource management (HRM). He suggests that the predominantly naturist nature of human resource management (HRM), which seeks to maximize employee commitment to organizational goals, may be viewed by unions as a threat to their traditional negotiating and representative roles. In the light of this concern, there is increasing evidence in many organisations of a partnership approach to human resource management (HRM), which gives a role to unions as key stakeholders in organizational decision making. Partnership structures may also include the direct involvement of employees, in addition to representative by unions on behalf of employees. Lawler and Mohrman (1987) warn however that the success of partnership is dependent on a significant shift in mind-set by unions, since they must come to the business process not just periodically as an adversary trying to ‘grab an even larger share of the pie’ but as one of a number of stakeholder in an ongoing complex process. They also suggest
that it may equally be in management’s interests to engage partnership, since joint decisions are more likely to be accepted by the workforce. They warn however that the development of a successful partnership is a slow process, particularly where there is no immediate threat to the survival of the business.

2.5 Conclusion:

The current topic deals with the conceptual framework of human resource management as well as human resource management policies and practices.

It broadly covers concept, evolution, origin, features, scope, functions, objectives of human resource management and concept, nature, need importance, types, scope, essentials of human resource management policies and practices. Hence this topic has helped creating theoretical foundation for the current research study.

The next topic deals with review of literature. Researcher intends to study published and un-published literature relating to the research topic which will further strengthen the base for the current study.

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