CHAPTER – III

PERSONNEL MANAGEMENT

PRACTICES – AN OVERVIEW
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INTRODUCTION

Of all the factors of production, man is by far the most important. The importance of human factor in any type of co-operative endeavour cannot be overemphasized. It is a matter of common knowledge that every business organization depends for its effective functioning not so much on its material or financial resources as on its pool of able and willing human resources. The overwhelming importance of this factor is due to its unique characteristics. First, this is the only resource which is able to produce an output greater than its input. Man alone can produce through motivated creativity an output greater than its input. Man alone can produce through motivated creativity an output greater than the sum of his inputs. No other resource can do this. Second, the resource is animate, active and living. It is man alone who with his ability to feel, think, conceive and grow shows satisfaction or dissatisfaction, resentment or pleasure, resistance or acceptance for all types of managerial actions. All other resources which are inanimate, inert and passive do not act in this way. All emotional problems emanate from human factor only. Third, human resource is most complex and unpredictable in its behaviour. There is no cook book formula to guide a
manager how to motivate his workers. A manager can buy his worker's time, he can buy his physical presence at a given place, he can buy a measured number of skilled muscular motions per hour or day, but he cannot buy worker's enthusiasm, he cannot buy his initiative, he cannot buy his loyalty, he cannot buy his devotion. Fourth, each individual has his own distinct background. This makes each individual unique in his psychological framework. No two individuals have exactly similar psychological frameworks. Hence, they cannot be interchanged, much less standardized. This implies that all individuals in an organization cannot be treated alike. In employing and supervising people and in endeavouring to reach their motivation, a manager must follow tailor-made approach based on his understanding of these actions, attitudes, needs and urges of the worker concerned.

Definitions of Personnel Management

There is no standard definition of the term 'personnel management.' Different writers have given different definitions of the term. As can be seen from the following examples some writers have defined personnel management in terms of its functions, some others in terms of its objects and some in terms of human relationship.
1. “The personnel function is concerned with the procurement, development, compensation, integration, and maintenance of the personnel of an organization for the purpose of contributing towards the accomplishment of that organisation’s major goals or objectives. Therefore, personnel management is the planning, organizing, directing, and controlling of the performance of those operative functions.”

   - Edwin B.Flippo, Principles of Personnel Management

2. “Personnel management is that filed of management which has to do with planning, organiseing and controlling various operative activities of procuring, developing, maintaining and utilising a labour force in order that the objectives and interest for which the company is established are attained as effectively and economically as possible and the objectives and interest of all levels of personnel and community are served to the highest degree”.

   - M.J.Jucius, Personnel Management

3. “Manpower management effectively describes the process of planning and directing the application, development, and utilization of human resources in employment.”
4. "Personnel Administration is a method of developing the potentialities of employees so that they get maximum satisfaction out of their work and give their best efforts to the organization."

- Pigors and Myres, Personnel Administration

Characteristics of Personnel Management

1. It is a comprehensive function covering all employees at all levels in an organization.

2. It is a continuous function and not a one-shot affair.

3. It aims at achieving the best fit between individuals, jobs, organizations and the environment.

4. It is inter-disciplinary in its approach utilizing knowledge and inputs from psychology, sociology, anthropology, economics, etc.

5. It lies embedded in every organization's structure in the same way as the nervous system lies embedded in the human body. This means that it cannot be separated from the basic management function.

6. It is both science as well as art. It is science as it contains an organized body of knowledge. It is also art because it involves application of theoretical knowledge to the problems of human resources.
7. It is development-oriented because it seeks to help the employees to realize their full potential.

8. It is a staff function because it is advisory in nature.

**Functions of Personnel Management**

From the above first two definitions it is clear that personnel management involves two categories of functions — managerial and operative.

Basic managerial functions — planning, organizing, motivating and controlling — are common to all managers including personnel managers and are performed by all of them. That is why it is said that general management and personnel management are one and the same.

The planning function of a personnel manager pertains to the steps taken in determining a course of action. This involves developing a personnel programme and specifying what and how operative personnel functions are to be performed.

After plans have been developed, the personnel manager must establish an organization to carry them out. This function, therefore, calls for grouping of personnel activities, assignment of different groups of activities to different individuals, delegation of authority to carry them out and
provision for coordination of authority relationships horizontally and vertically in the organization structure.

Motivation involves guiding and supervising the personnel. Personnel manager must inculcate in the workers a keen appreciation of the enterprise policies. He must guide them towards improved performance and motivate them to work with zeal and confidence.

Control involves measuring performance, correcting negative deviations and assuring the accomplishment of plans. Through direct observation, direct supervision, as well as reports, records and audit, personnel management assures itself that its activities are being carried out in accordance with the plans.

The operative functions of personnel management are as under:

(a) Procurement,
(b) Development,
(c) Compension,
(d) Integration,
(e) Maintenance, and
(f) Records, research and audit.

Procurement is mainly concerned with the hiring of personnel – the high people, in the right place, at the right time. This function deals specially
which such subjects as the determination of manpower requirement and their recruitment, selection and placement.

Development pertains to the training and education of the hired personnel, their morale building, effective communication network, promotion and transfer plans, suggestions system and similar other plans.

Compensation deals with the methods and standards of remuneration with emphasis upon such activities as job evaluation, wage system, monetary incentives and terms of employment.

Integration is concerned with the attempt to bring about a reasonable reconciliation of individual and organizational interests. Negotiations with labour unions, collective bargaining, human and social implications of change, etc. are some of the subjects which constitute this function.

Maintenance function aims at maintaining good working conditions (health and safety measures) in and favourable attitudes towards the organization.

Records, result and audit are the final group of operative functions. Record-keeping is necessary both for exercising control over personnel activities and for doing research. Personnel audit helps to evaluate the effectiveness of various personnel polices and procedures and indicates a further course of action.
Objectives of Personnel Management

Some writers in their definitions of personnel management include its objectives also. Thus, according to Michael J. Jucius, personnel management should aim at:

(a) attaining economically and effectively the organizational goals.
(b) Serving to the highest possible degree the individual goals, and
(c) Preserving and advancing the general welfare of the community.

To put it in another way, personnel management has three-pronged obligations. It must satisfy the employees by supplying them income, power, prestige, creative satisfaction or a combination of these. It must satisfy the owners by maximizing their economic efficiency. And it must satisfy the community and society at large by supplying goods and services as efficiently as possible and by preserving and advancing goodwill, morale, loyalty and its reputation. This is not an easy task, for the three sets of goals are intertwined in such a way that the neglect of any one can destroy or injure the others.

Qualities of a Good Personnel Manager

A good personnel manager is a blend of many talents: phychologist, negotiator, statistician, planner, adviser on corporate policy, job analyst, interviewer, lawyer, productivity bargainer – and so on. Such varied
responsibilities soon make a personnel manager realize how heavy is his burden which his specialized assignment entails. To carry this burden one must be trained in the task and must possess considerable range of talent. According to Richard P. Calhoon, training is needed in three interdependent areas: administrative, behavioural and technical. For example, the success of an incentive plan would require technical knowledge of manufacturing operations in various department, behaviourable knowledge of employees' resistance to change and administrative skill in gaining acceptance.

Some desirable personality traits of an effective personnel manager are as under:

(i) **Insight in Human Nature.** He must be able to understand various kinds of people and to get along with them at all levels. He should possess immense tact, practical mind, amiable disposition and sober temperament. He should be trained in behavioural sciences. The three disciplines comparing the core of behavioural sciences are anthropology, psychology and sociology. Other disciplines which may be regarded as being at the periphery of the behavioural science field are economics, political science and jurisprudence.
Anthropology is the study of primitive man and his activities. By studying past civilizations, an anthropologist draws strong cultural bases for different kinds of human behaviour.

Psychology is the study of human mind as an individual. A psychologist tries to find out the fundamentals of human behaviour in such areas as learning, motivation, selection, training communication, etc.

Sociology is the study of behaviour of people in groups. Problems of labour, juvenile delinquency, etc. fall in the area of a sociologist.

(ii) Freedom from Bia. He should be neither pro-management nor pro-labour. He should be profession and should judge and advise on issues without fear or favour on the merits of the matter under consideration. He should be known for his honesty, integrity, strength of character, sense of balance, justice and fair play.

(iii) Passion for Anonymity. He should be a credit-passer and not a credit-grabber. Since the personnel manager mostly plays a staff role, he can achieve his results only through line managers. This calls for a willingness to let credit for success to them. He is best when people barely know that he exists.
Communication Skill. A personnel manager has not only to 'sell' his ideas to line people above him but he is also required to address several oral and written communications to people below him. The two groups which are different in culture, status, education and knowledge differ in their communication requirement also. Workers with poor education may not understand literary expressions of difficult language. They will prefer communication in their own colloquial language. Therefore, a personnel manager must possess linguistic facility.

Leadership and Organisational Skills. A personnel manager must also be a good leader and good organizer to be able to motivate the workers. He must possess emotional stability, adaptability and decisiveness.

In the ultimate analysis, the socio-cultural background of the personnel manager, his own philosophy of life, his aspirations in the industrial setting and his life experiences which mould his personality and character would have a crucial bearing on his role and functioning in the organization, business and industry.

Evolution and Growth of Personnel Management in India

The history of the evolution and growth of personnel management in our country is not very old. It was the Royal Commission on Labour which recommended in 1931 the appointment of Labour Officers to deal with the
recruitment of labour and to settle their grievances. The next landmark was reached in 1948 when under the Factories Act Rules laying down the appoint, duties and qualifications of a new statutory officer in industry called the Welfare Officer were framed. The following decade saw the emergency of yet another functionary – the Personnel Officer. This peculiar phenomenon of all the three types of officers operating simultaneously in our industrial organizations or the three officers rolled into one multipurpose officer is still with us in India though chronologically they represent the three stages of our professional development during the past 70 years. As a result, the labour field today has three main areas of professional disciplines, namely, labour welfare, industrial relations and personnel administration, which together form, the new profession of personnel management.

Factors which have impeded the growth and progress of personnel function in India can be summarised as follows:

1. By creating welfare officers under Section 49 of the Factories Act, 1948, the Government has done more harm than good because these statutory officers have not won the support of line management in their organizations. The statutory sharing of functions by these officers has made others hostile to them.
2. A large number of industrial relations laws have resulted in a legalistic approach to labour relations and has made personnel executives dependent on lawyers. A personnel officer’s pre-occupation in litigation has left him with little time to attend to several other aspects of his duties.

3. The inherent weakness of the job that its results cannot be measured in concrete terms has proved frustrating for many personnel executives for evaluating their success.

4. The job of a personnel officer is still considered by a large number of employers as a fire-fighting function only to head off union troubles.

5. Many personnel executives develop an exaggerated notion about their academic and training qualifications and consider line managers as inferior. This has made line people hostile to personnel departments generally.

6. Personnel executives have generally short-range perspective and remain insensitive to the organisation’s internal needs. Their rigid and unchanging attitudes have been a major factor hindering the growth of personnel function.
7. The human relations approach to personnel management has not yet taken a firm toothhold in our country. The reasons for this lie in our socio-cultural conditions as described below:

(a) **Highly Authoritarian Culture.** We have highly authoritarian culture, which militates against participation and free communication — the two core ideas of human relations. Freedom is not a value per se with most Indians. Our child-rearing practices, illiteracy and caste systems — all work together to foster a feeling of dependency in an individual.

(b) **Abundance of Cheap Labour.** Labour in western countries is scarce and costly. As such there can be no arbitrary dismissals and layoffs. Goods human relations are necessary for the industry’s survival in the west. But this is not so in India which has plenty of human hands.

(c) **Weak and Unenlightened Labour** Movement. Unlikes in the West, Labour movement in India is neither strong nor enlightened. The Indian working class is generally passive and depends on outside politicians for the guidance of its own affairs. These outside leaders, who have their own axe to grind, have failed to awaken the social consciousness among the workers.
about their rights on the one hand and among the employers about their responsibilities on the other.

(d) Technological Backwardness. The immense technological progress in the West has raised the standard of living of their workers so much that they are no longer after the satisfaction of economic needs. They now want their higher order needs (e.g., ego and status) to be satisfied. But it is not so with the Indian worker whose primary needs still continue to be money and job security. The result is that whereas the human relations approach with its emphasis on non-monetary incentives might hold some promise for the western workers, it has no attraction for the Indian workers.

(e) Traditional Management. With the growth of professional management in the West there has now come about a complete separation of ownership from management. This has given the desired independence to business decisions which are now based on merit and not on the owner’s whim. But professionalisation of management in India is a far cry. In most cases it is the owner and his close relatives who form the constellation of management. Those people who are emotionally involved in every minor detail do not wish to delegate authority to their subordinates. This increases dependency among the subordinates.
Some suggestions to vitalize personnel management in our country are as follows:

1. Organisation structures should be so designed as to promote line-staff mutuality and interdependence.

2. The limitations of the present focus on the mere legal and welfare roles of personnel management should be realised and efforts made to replace these conventional roles by more comprehensive role boundaries.

3. Formal training should be imparted to personnel managers in those areas that essentially relate to behavioural sciences such as selection, performance evaluation, group dynamics, counselling, etc.

4. The personnel manager should reorganize his own perception about his role. Instead of keeping himself confined to drafting charge-sheets and presiding over canteen committees he should initiate new ideas and methods pertinent to his task.