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INTRODUCTION

In recent years there has been an increasing recognition of the importance of Human Resources and equally increasing disappointment with the functions traditionally rendered by the Personnel Departments of all sorts of business organisations. The traditional personnel department has failed to achieve the twin objectives of productivity and satisfaction. As the result a new concept of dealing with the human resource known as the Human Resources Development (HRD) has come into existence. This concept is now in two ways: One, it emphasises the need for every organisation to continuously develop competence of employees in a planned way; Two, it brings into sharp focus the importance of roles, instead of the positions, which employees occupy in organisations. The very management philosophy has, therefore, undergone tremendous revival to the extent that every manager, from top to bottom, in an organisation is now concerned with the human resource management.

IMPORTANCE OF HUMAN FACTOR

The most important aspect, or resource of every organisation, is its human resource. Of late this fact has been recognised globally. Resultantly, companies started viewing their people as their most important resource and hence humanisation of work environment has
become the need of the hour. Neither general management nor any functional area would be able to successfully operate, if the management fails to manage the people who manage it, the crux of managing a business is now the capability to manage people.

The importance of human factor in any type of organisation can hardly be over emphasised. It is matter of common knowledge that every business organisation 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 human resource becomes even more important in the service industry whose value in delivered through information, personal interaction or group work. The overwhelming importance of this factor is due to its unique characteristics. First, this is the only resource which can produce unlimited amounts through better ideas. There is no apparent limit to what people can accomplish when they are motivated to use their potential to create new and better ideas. No other resource can do this. Second, this 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 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 can not buy worker's enthusiasm, he can not buy his initiative, he can not 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 can not be interchanged, much less standardised. This implies that all individuals is
an organisation 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 the actions, attitudes, needs and urges of the worker concerned. This is a very formidable and challenging task. Finally, it is only this resource which appreciates in value with the passage of time. As time passes people become experienced and skilled. It is not so with other resources which generally depreciate as time goes on.

Two other factors which have increased the importance of human resource of the labour enactments and the rise of labour organisations. Various laws, such as the Factories Act, Employee's State Insurance Act, and the Workmen's Compensation Act have been passed to dictate certain minimum standards of treatment. Fear of opposition by labour unions is another somewhat negative reason for treating the human resource with greater respect.

The foregoing discussion highlights the importance of human factor in a business organisation. Now a days a manager need to learn how to manage the people for better utilisation of their capabilities. He must understand and reach the employee’s motivation and enlist the workers co-operative endeavour. Thus the human resource management covers the whole gamut of activities from acquisition and development to utilisation of human resource and industrial relations.

**HUMAN RESOURCE MANAGEMENT – CONCEPT AND NATURE**

A new term human resource management has come to occupy the place of traditional term personnel management. H.R.M. is not only a new term but a new concept with a greater emphasis on development on
human resource capabilities to be utilised for better accomplishment. Traditional personnel management was centered act directing and controlling the people in the organisation but the central idea of human resource management is recognising the people individually not collectively. By nature every man is not alike, A man is different from the other by mental structure therefore, they can not be delt with similarly. By dealing with them one has to keep in mined the behaviour, preferences, liking and disliking and motivating factors of the man he is dealing with. The human resource management recognises this difference and views this philosophy was actuating the people to get better performance from them.

Human resource management is concerned with the human beings in an organisation. It reflects a new philosophy, a new outlook, approach and strategy, which views an organisation’s manpower as its resources and assets and not as liabilities or mere hands.

Resources are the means, which can be drawn on. They are collective means for production, support and defence, as well as a source of strength and aid. Human resource are human wealth or means that can be drawn on. Human capital or manpower resources of company can be treated as its human resources. It can otherwise be understood as the resourcefulness of the human beings or people available for an organisation.

In generic terms, human resource can be defined as the total knowledge, skills, creative abilities, talents and aptitudes of an organisation’s workforce, as well as the values, attitudes, approaches and beliefs of the individuals involved in the affairs of the organisation. It is the sum total or aggregate of inherent abilities, acquired knowledge
and skills represented by the talents and aptitudes of the employed persons in an organisation.

Human Resources Management can be defined as that part of management process which develops and manages the human elements of enterprise considering the resourcefulness of the organisation's own people in terms of total knowledge, skills, creative abilities, talents, aptitudes and potentialities for effectively actuating. Every individual is a part of the resource of an organisation, while he or she is a valuable soul. By mismanaging the human resources, a manager kills, not only the invaluable resourcefulness of his people but the most important souls. Hence, every human resources management strategy must be guided by the golden rule "give love and get love".

Human resources approach takes into consideration the potentiality and vitality of the people available for the organisation. Even in an age of automation as of today, manpower is the most essential and indispensable resource of any organisation. Resourcefulness of various categories of people say: managers, scientific and research people, executives supervisors, workers (skilled and unskilled) and all such people available for the organisation to be drawn on, can be treated as human resources. In fact, without appropriate human resources, no business or organisation can exist and grow. This is, perhaps, the reason why human resources management has become the focus of attention of progressive organisations of today.

The most indispensable aspect of human resource management approach. However, is a fundamental change in philosophy and perspective stemmed from reckoning with the resourcefulness of the people at work, which can be developed by appropriate programmes. It is a benevolent approach to organisation's own people, which reflects a shift from all the post approaches say: commodity approach, mechanical
approach, productivity approach, social system approach, human relations approach or even paternalistic approach. HRM approach emphasises the human aspect of individual workers and their aspirations and needs including self-actualisation.

The manager learns or deliberately decides to deal with his people as precious individuals who are the means for success in the accomplishment of the organisational objectives and goals. Then human resource management should not be an isolated activity of a staff executive or a personnel manager. It becomes a part and parcel of every manager’s job, while the human resources manager must act as a catalyst and exemplar, who directs all the aspects of managing manpower, human resources development, counselling, industrial relations, welfare activities and so on.

HRM is the process of managing the people of an organisation with a human approach. Human resources approach to manpower enables the manager to view his people as an important, if not the most important resource. It is a benevolent approach to develop and effectively utilise the manpower not only for the benefit of the organisation but for the growth, development and self-satisfaction of the concerned people. Thus, human resource management is a system that focuses on human resource development, on the one hand and effective management of people on the other.

From this discussion, it can be emphasised that HRM is not a dignified term of personnel management, though personnel management is enmeshed harmoniously in it. While HRM is closely linked with HRD, counselling is indispensable for effective human resources development. As we already observed, HRM is at the centre of actuating.
HUMAN RESOURCE MANAGEMENT AND PERSONNEL MANAGEMENT.

At least some managers misunderstand that human resource management is a dignified term of personnel management, while some are of opinion that both the terms represent the same concept or identical functions. In this context, one should understand that human resource management is not personnel management, though the latter is included in the former. The very outlook or philosophy of human resource management is different from that of personnel management.

According to Flippo, "Personnel Management is the planning, organizing, directing and controlling of the procurement, development, compensation, integration and maintenance of people for the purpose of contributing to organisational, individual and social goals". This highlights that various managerial function relating to procurement and maintenance of people in an organisation come under personnel management. This may include developing people in a way the organisation wants, for attaining competitive advantage for the organisation, as Thomas G. Spates visualised personnel administration as early as 1944.

According to Pigors and Myers, "Personnel Administration is a code of the ways of organising and treating individuals at work so that they will each get greatest possible realisation of their intrinsic abilities, thus attaining maximum efficiency for themselves and their group, and thereby giving to the enterprise of which they are a part its determining competitive advantage and its optimum results."

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Thus the sole purpose of personnel management was to attain competitive advantage and best result for the organisation. Though, Flippo has introduced individual and social goals also in his definition of personnel management, the basic thrust of personnel management, as practiced everywhere, is to procure, develop and maintain adequate manpower in the interest of the advantage of the organisation. The individuals interests, desires and aspirations were submerged into the organisational objectives and goals. Managerial functions of planning. Organising, directing and controlling of procurement and development of people is the concern of personnel management, according to Flippo.

Human resources management is viewed in entirely different perspective. Though organisational interest is important in all the management policies, HRM projects the development of individuals in accordance with the individual needs and aspirations so that the individuals would be motivated to make their best contribution towards the accomplishment of common goals. While personnel function was designed to respond to the organisational objectives like profit maximisation, HRM visualised human elements of enterprise as important resources. Hence HRD is the most crucial aspect of human resources management.

Personnel function has been traditionally considered as an independent function headed by a personnel manager who was responsible for personnel record keeping and rule enforcing. A personnel manager is supposed to be knowledgeable about the rules and regulations of personnel practices and hence he advises the top management about the personnel function. This may, perhaps, be the reason why personnel function was viewed as a staff function at least by some writers on management.
But there is no reason why human resources management should be reckoned as a staff function. On the contrary, HRM is part and parcel of every line function. It is a sub-system of the whole management system. Rather, human resource management must be the job of every operating manager in an organisation. Actually speaking, the primary job of every manager is actuating and human resource management cannot be isolated from actuating as we will see later in this chapter. As already observed, essentials of personnel function are necessarily incorporated in both actuating and HRM function in its refined form. Hence, one must not be under the impression that the traditional personnel management is replaced by HRM, Rather, HRM has absorbed the personnel function in its refined form.

Manpower planning is incorporated into human resources planning. Recruitment, selection, training, placement, compensation, direction, appraisal, supervision and such other functions of personnel management form part of human resources management, also while other aspects like human resources development, career planning and development, counselling and redemptive measures, constant efforts for appraisal, research and feedback system, data storage and retrieval system, and so on receive greater attention in human resource management. A human approach to the people at work backed by welfare amenities and cordial industrial relations policies must also be an integral part of human resource management. In the HRM approach, personnel function is not merely record keeping function. Rather it is a constant endeavour to motive the people at work to foster a oneness with the organisation and its performance goals. This is achieved neither through pressure tactics nor through conflicts and struggles, but through constant cooperation, team building and mutual understanding. This is what is meant of human resource management. Thus, HRM is not
limited to mere personnel management. It is an integrated systems approach to actuating.

**HUMAN RESOURCE MANAGEMENT AND HUMAN RESOURCE DEVELOPMENT**

Some writers have used both the terms interchangeably. But these two terms cannot be one and the same nor synonyms. They represent different concepts. At the same time HRD is at the centre of HRM.

As a result of the fundamental changes in attitudes, approaches, outlook, philosophy, perspective and practices emerged in the personnel area in the form of HRM strategy, it has become necessary for every organisation to develop skills, talents, potentialities, capabilities and attitudes of company’s own people to meet the emerging challenges. Hence, Human resource development policies have been adopted by many companies. It is now a days spreading to many others. HRD strategies are supposed to bring forth necessary changes in skills, capabilities and attitude of people who are required to cope with the emerging changes. Thus, HRD has become an integral part of human resource management.

The new HRD approach, that stresses the need for developing the company’s own people to suit the updated technology, modernisation of machinery and equipments and the changing trends in attitudes and approaches, necessitates to develop individual employee in accordance with his aspirations and potentialities on the one hand, and the company’s requirement on the other. This is what the HRD does. Quite often Organisation Development (OD) programmes are effectively integrated with the HRD programmes. Of course, Organisation
Development (OD) programmes are the programmes which the OD interventionists prescribe for the effectiveness of the organisation. It need not be what the individual members of the organisation seek. HRD interventionists primarily seek to know what the individuals seek to have, and then try to match it with the organisational needs. Training and development programmes form part of OD, while training and development are the most decisive aspects of HRD too.

HRD efforts are now described in terms of the training and educating programmes and the number of people who are exposed to these programmes. Unless a systematic and constant monitoring of these programmes and a systematic appraisal of the actual effect of these programmes, in terms of actual results achieved, can be determined, it may not be possible to understand whether the real purpose is served by these programmes. At present, therefore, the end results of both HRD and OD are perceived as synonyms. Of course, no change can be effectively and totally incorporated nor their results achieved over-night. It needs constant efforts and continuous monitoring for a considerably long period. These efforts must go on simultaneously with the human resource management strategy.

HRM has its various tools like appraisal schemes, feed-back system, Quality Circle and Organisation Development interventions, T-Group training, MBO objectives setting, concensus in decision making, and so on. All such tools are useful in human resource development also. At present, however training programmes seem to dominate the HRD scene. An effective management information system backed by information collecting, storing and retrieval system and research and analysis must be the basis for every HRD programme. This would enable to organisation to motivate its own people to strive to be developed in accordance with the organisational needs (existing and expected). Thus,
HRM is the integrated approach to actuating and managing to company's own people, while HRD deals with the process of developing people in accordance with their aspirations and to suit the organisational needs. Both are not synonyms; the latter is at the centre of the former, and both are interdependent and integrated into one system.

**HUMAN RESOURCE MANAGEMENT METHODS AND MECHANISMS.**

Any systematic or formal way of developing the competencies and motivation of individuals in an organisation and building the organisation's climate by improving the above processes can be called on HRD method. As such there can be many HRD methods available for organisations. However, the most frequently used methods are as follows:

(1) **Manpower Planning** – Manpower planning is the sheet anchor of all HRD efforts. It is concerned with the following:

   (i) Assessment of manpower needs, including forecasting such needs based on the analysis of the policies of the company, trends of its development, plans for diversification etc.

   (ii) Manpower audit, i.e. examining whether manpower strength for various jobs is inadequate or more than what should be employed. Both understaffing and overstaffing may be highly demotivating in the company.

(2) **Performance Appraisal and Feedback** – It is a very critical HRD mechanism under which the performance of an employee is periodically appraised by the employee himself in collaboration with his boss. In the light of the difficulties faced by the employee he
redefines his future goals. The mechanism emphasises the development of the employees (by identifying their growth needs) rather than their evaluation. Open, objective and participative appraisal and feedback develop better superior-subordinate relations. During the appraisal interview the superior shares the concerns of the subordinates and even guides him to achieve his targets.

(3) **Training, Education and Development** – There are 3 different HRD mechanisms with different focus and purpose as shown in the following table:

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>FOCUS</th>
<th>PURPOSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training</td>
<td>Learning of present job.</td>
<td>Improved performance of the present job of the employee.</td>
</tr>
<tr>
<td>Education</td>
<td>Learning of other related job.</td>
<td>Preparation of the employee for related jobs in not too distant a future.</td>
</tr>
<tr>
<td>Development</td>
<td>Learning not related to any specific present or future job.</td>
<td>General growth of the employee.</td>
</tr>
</tbody>
</table>

Three broad areas in which training may be imparted are technical, behavioural and conceptual. It is commonly believed that the rank and file workers need training in the technical area only. Training in the other two areas is not very useful for them. But recent experiences of many Indian companies such as petrofils
have shown that the behavioural training to workers produces several useful results such as the following:

(i) Improvement in workers behaviour with their superior and peers.

(ii) Development of 'we' feeling instead of I.

(iii) Decrease in the habit of hiding one's own mistake and highlighting other mistakes.

(iv) Increased interest in suggestion scheme.

(v) Increased awareness of family need and more interest in family affairs.

(4) **Potential Appraisal and Promotion** – It is another important HRD mechanism which is concerned with identifying the potential of an employee for future development and promotion in the company. This focuses on finding out periodically the extent to which a given individual possesses the critical attributes required to handle higher level responsibilities. Thus this is linked with job and role analysis. In HRD promotion is not considered to be a reward. This is because it is not based on performance but it is based on the potential of an employee.

(5) **Career Development and Career Planning** – It may be useful to help new employees become aware of the various phases of development in the company and plan with senior employees their specific career path. Necessary help may also be given to employees with limited potential to cope with reality. In the HRD system, corporate growth plans are
not kept secret, they are made known to the employees to plan their career.

(6) **Compensation and Reward** – These are common positive reinforcers they should be clearly related to the performance and behaviour of employees. Failure to reward employees properly or overrewarding undeserving employees reduces the reinforcing effect of rewards. Under HRD while salary structure is based on job analysis, salary increase is linked with performance.

(7) **Organisational Development Techniques** – Many organisation make use of several OD techniques for development of their human resource. These include team-building, organisational mirroring, T-group etc. In team-building people learn how to work in collaboration with each other, under organisational mirroring, the host group gets feedback from representatives from several other organisational groups about how it is perceived and regarded. The intervention is designed to improve the relationship between groups and increase the inter-group effectiveness. In T-group participants learn to be more competent in inter-personal relationships. They learn about themselves, how other react to their behaviour and about the dynamics of group formation, group norms and group growth.

(8) **Role Analysis and Role Development** – This is an extremely important technique of HRD. Under it the job of an individual in the organisation is analysed and enriched in terms of his role and not in terms of his job. He, his immediate superior and subordinates sit together to discuss their expectations about the job from each other. They then arrive at a consensus about the individual's role and prepare his role description. It is always ensured that a role is sufficiently challenging for the individual, provides him adequate
autonomy for taking initiative and is linked with other organisational roles to avoid a feeling of isolation.

Whereas role analysis, role development and role description are usually related to managerial jobs, job analysis, job enrichment and job description are related to worker's job. Job analysis of a worker's job is done to know its critical attributes which ultimately determine all those job qualities or attributes which a job-holder should possess. Job descriptions describe these qualities. Job enrichment signifies efforts to make a job more motivating.

(9) **Quality of work life** - For overall development of workers, only good wages are not enough. They also need to be provided with good physical conditions and motivating work. If the work is monotonous or boring it must be redesigned. Several Indian organisations are taking initiative in improving quality of work life of their workers. Bharat Heavy Electricals Limited (BHEL) is one such organisation which took up job redesign as on OD intervention as early as 1975. In an HRD system there is always a focus on employee welfare and quality of work life.

(10) **Participative Devices** - Following are some important participative devices:

(i) **Bi-partite meetings** (between management and workers).

(a) To arrive at settlements concerning worker's wages and service conditions.
(b) To review the working of existing settlements and examine their impact on workplace discipline, work ethics, customer service, etc.

(ii) **Information Sharing** – To share information about the business profitability, performance of the company, competition, marketing etc.

(iii) **Joint Surveys** - Management and union to undertake joint surveys on the state of morale, motivation, grievances of workers etc. and to jointly plan ways of dealing with these problems.

(iv) **Task Forces** - To undertake study of problems like 'Absenteeism', 'Indiscipline', etc. and suggest ways to solve the problem.

(v) **Collaborative projects** - To undertake jointly certain projects, e.g. a project on employee welfare or workers education.

(vi) **Quality Circles** - To involve workers at the grass root level for periodically discussing work-related problems. Quality circles are small groups of employees which are formed voluntarily. They work on the simple premise that the people who do a job every day know more about it than any one else, particularly when quality or productivity is involved. In the last few years many companies both in the private and public sector (Such as J.K. Jute Mill, Bharat Electronics, BHEL, HMT etc.) have recorded substantial gains by implementing the suggestions given by quality circles in their organisations.
(11) **Data Storage And Research** - This also is a very important HRD mechanism. It is very essential to preserve systematic information about every individual employee on various topics such as the employee’s personal characteristics, performance-potential, promotions, salary etc. So that this may be used for counseling, career planning, training, promotion etc. Moreover, this information also serves as a base for research on employee’s problems. It should be remembered that all HRD-related research (through interviews and opinion surveys) constitutes a degree of intervention may be of a very tenuous kind. The knowledge that people are being interviewed puts them on the alert and leaves its mark on their minds and thought processes, publication, distribution and discussion of the results of opinion surveys also make an impact on the subjects of study and constitute an intervention, at least indirectly.

(12) **Industrial Relations** - Last though not the least important subsystem of HRD is industrial relations. Good industrial relations based on mutual trust and goodwill make the execution of HRD programs easy. Poor industrial relations based on mutual distrust and fear make execution difficult.

Historically, unions in our country have been playing the role of agitators and bargainers. The thrust of their activities has been towards the economic wellbeing of the workers. In HRD unions are encouraged to make a thrust towards the psychoclesical and social wellbeing of workers. Some important areas in which they are asked to participate are as follows:

(i) **Communication** – Union can pass on greater and more varied information to workers about themselves in the organisation.
At present they only communicate on service conditions and related issues under this belief that workers are not interested in receiving information on any other issues. This is wrong.

(ii) **Counselling** – Unions can play a very positive role in providing counselling services to employees. Cases of excessive drinking, smoking, drug addiction, indebtedness etc. are not infrequent and need to be attended to by the unions. Defending a workman during departmental enquiry for these misconducts in not enough.

(iii) **Education and Training** – Another important area in which unions can play a development role is education of workers. Union can help them acquire new human relations and work-related skills. The former would include skills of collaboration, empathy, collective action, etc. The latter would include skills to do new jobs and new projects.

(iv) **Welfare** – Unions can help management in developing innovative welfare schemes for employees such as workers cooperatives, workers banks, nursery schools etc.

(v) **Family And Vocational Guidance** – Unions can help workers' families in several ways. For example, they can provide guidance in respect of the education and career of worker's children. They can provide conciliation service in setting family quarrels. They can help in creating jobs for the wives of workers and so on.

(vi) **Research** – Unions can play a very significant role in generating data on various dimensions of workers' needs, aspirations,
standard of living etc. For this purpose they can launch research projects either independently or in collaboration with academic institutions.

For ensuring the effectiveness of the above techniques:

(a) They should be properly designed keeping in view the organisation’s needs.

(b) They should be systematically linked to produce the holism effect.

(c) They should be periodically reviewed to examine whether they are producing the desired effect.

(d) They should receive commitment from top otherwise they will become mere rituals.