CHAPTER - II

APPROACHES TO HUMAN RESOURCE MANAGEMENT
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"Human resources" approach to manpower is of very recent origin. Actually speaking, as an organised discipline or an academic concept is universally accepted definition of HRM is yet to be derived. The "resources" approach to the human element of enterprise is gaining acceptance in philosophical terms, through its existence as an organised body of knowledge is yet to emerge. Particularly the discipline “Human Resources Management” needs to be deciphered. However, there are some traces of “resources” approach to human element of enterprise in the ancient literature. We attempt to throw some light on this aspect herein.

Ancient Views: Our thought goes back to ancient Greece and Roman empire, where organised activities were carried out. Employees and Citizens of Roman empire enjoyed great prestige. In ancient China, useful principles of managing human resources were well known. L.S. Hsu has highlighted the ancient Chinese parables containing practical suggestions to select honest, capable and unselfish public officers. Confucius was well known in China for his useful principles. “Tao Te Ching”, the best known book of wisdom in China written by Lao Tzu in the fifth century B.C. explains how (Tao) things work, (Te). This book (Ching) deals with a role of a good leader in managing human resources. Not only the Chinese corporate sector but even the western business is now increasingly turning to “Tao Te Ching” for wisdom in managing the human resources. John Weilder’s Tao of Leadership (1986) is an example
of modern management thinkers newly found interest on ancient Chinese wisdom.

Three invaluable qualities which a human resources executive (leader) must possess are:

(i) Compassion for all creatures;
(ii) Material simplicity or frugality; and
(iii) A sense of equality or modesty.

He never pokes his ugly nose into everybody's affairs. On the contrary, he is like a good midwife who assists someone else in her process of giving birth to a child, while she never intrudes in the process.

There are traces of some sort of human resources approach in the ancient Indian literature, Valmiki, in his Ramayana (Sunderkand Sarge 64, Slokas 16 and 17), observed that people who carried out difficult and important tasks must be given due respect and no compulsion was required for such people to perform well. It was implied that good performers required to have freedom of action and recognition. It is also interesting to note that Thiruvalluvar, a Tamil scholar who lived about 2000 years ago, emphasised the need for careful selection of employees. Employers were instructed to entrust tasks to the employees only after properly testing them, Thirukkural specifically suggested that full trust must be put on the employees who were found trustworthy. A good employee is the one who performs, not only his assigned main task, but also additional complementary tasks according to Valmiki.

One who performed only the assigned tasks may be considered as average employee, while one failed to complete even the assigned task is a bad servant. This can be used as standards for performance
evaluation, Kautilya’s Arthasastra explained the remuneration system in the guild system in ancient India. There were various types of guilds (Samghabhritah) in which there was some sort of democratic self management.

In selection and recruitment of employees, Brihaspati had disapproved the appointment of hostile (vive/sino), indolent (alasa), timid (bhiravh), avaricious (lubdha), too old (ati-bridha) or too young. Cruel masters ill-treated and punished employees, while kind and human treatment to the employees was considered as a virtue by many people.

In Kalidasa’s Shakuntalam, Kanva Muni (Sage) advised Shakuntala to treat the servants of the king’s household mercifully. However, an autoratic style of managing people existed during the rule of Pathans and Mughals which did not last for a very long time a tradition-bound feudalistic society, backed by serfdom and bonded labour existed in medieval India, had less scope for human resources management approach.

In the Varnashrams which existed in ancient India during the Vedic and Puranic periods, some sort of division of labour existed, there is not much to say about any affectionate human relation during this period, except the implicit obedience demanded from the labour varnas. For example, Shudras had to implicitly obey their masters and had no right even for education.

During the Maurayan rule (B.C. 400-200), city local bodies like Pura, Nagara or Desa empowered to control the factories and to inspect the manufactured goods, according to the account of Megasthenes. There are evidences about Gupta period (AD 479 onwards) as revealed by
Paharpur Copper Plates. Good relations existed in the factories during Mauryan period. Workers were well regarded and the employer-employee relations were cordial.

In the centralised autocracy under Mughal Rule, industrial activities were controlled by rulers. Kotwals, who were the town governors, had virtually controlled all the activities at the local level. Very little human resources approach existed during their rule.

Joint family enterprises existed in India in the past, had good human approach, particularly in the initial stages. The head of the family commanded respect from other members. Other members reported to the head of the family (Karta). Good family heads were benevolent leaders. Who looked after and brought up the family members and enterprises. They have even sacrificed their own interests often for the sake of other members and for the uplift of the family. However, due to higher education, urbanisation and emergence of nucleous family norms, joint family system gradually declined, through many joint families were the seats and centers of good human relations.

Taylor’s scientific management, Fayol’s principles of management, Maslow’s hierarchy of needs, McGrager’s theory X and theory Y, Mayo’s Hawthorne experiments and human relations movement, all such contributions indicate the need for proper management of human resources. Industrial revolution and the resultant large scale production in England in the 18th and 19th centuries, and large scale industrial development in USA have brought with it a voluntary movement of personnel management. Large scale industrial and business activity in Japan has resulted in life time employment and group decision-making and emphasis for the human resources. On the other hand, Government intervention, involvement of political leaders in the trade union activities
and an increasing need for labour welfare and cordial industrial relations have necessitated a systematic approach to personnel management in India.

In order to improve the conditions of workers, the Royal Commission on labour (J.H. Whitely Commission) recommended in 1931 to abolish Jobber system, appoint labour officers and introduce works committees. Later section 3(1) of Industrial Disputes Act, 1947 has provided for works committees and section 49 of the Factories Act, 1948 made a provision for the appointment of Labour Welfare Officers in all the units with a worker strength of 500 or more. These provisions are already implemented. Of course, human resources approach is much beyond these formalities.

Much before the passing of these legislations, TISCO was well-known for its human resources approach. The Tata Iron and Steel Company which started its operation in 1911, fostered the philosophy of managing its people well. Dorabji Tata had stressed the need for ensuring the welfare of the employees in 1917. The company has been fostering as human resources approach all the years in the past, which paid rich dividend in the form of cordial industrial relations and increasing productivity.

At present there is a global awakening on human resources management and development, both in developed and underdeveloped nations, I.L.O.'s approach to human resources development is worth mentioning in this context.

ILO was established as an autonomous organ of the League of Nations in 1919. It has its headquarters of International Labour Office in Geneva, Switzerland. It is an intergovernmental agency with a tripartite
structure. Representatives of Governments, Employers and Workers participate in it. Representatives from 151 countries attended its international labour conference (79th session) held in June 1992. Considering its role in the international labour arena, it was awarded the Noble Peace Prize in 1969. The ILO consists of two organs viz. International Labour Conference which is its governing body and the International Labour Office in Geneva, Switzerland.

The 79th session of the International Labour Conference was held in June 1992, which was attended by 2000 delegates from 151 countries. The main theme of the deliberations was that democracy has little chance of survival without social justice. Governments, employers and workers were urged to concretely advance the cause of social justice. Providing social justice to workers and employees is, perhaps, the primary steps in HRM.

In order to effectively move into the objective of social justice, the conference (79th) did six things viz.  

(i) It adopted an international labour convention and recommended to protect the workers claims in the event of the insolvency of their employer;

(ii) The conference paved the way for the adoption of new standards on the prevention of industrial disasters;

(iii) It monitored the application of ILO standards in all parts of the world;

(iv) It reviewed ways of making fullest use of human resources in countries grappling with economic crisis and structural adjustment;

(v) It elaborated resolutions on the role of enterprises in employment growth and employment policy as a component of overall development, and the rights of migrant workers; and

(vi) The conference called for all efforts required to bring about the total eradication of apartheid and urged the maintenance of sanctions to speed up the process of change.

Whitely Commission (Royal Commission on Labour) recommended to establish a tripartite consultation in the lines of ILO as early as 1931. The commission was of opinion that employee's representatives must be elected by registered trade unions and employers representatives by employers association. However no action was taken in India in this direction for a long time. But during the inter-war-period (second worldwar), Government of India took some initiative to discuss important labour issues with the provincial and State Governments and representatives of employers and workers. This has opened up a door for a permanent tripartite consultation. Accordingly the labour conference held in 1942 decided to set up a permanent tripartite machinery and constituted a preliminary labour conference and a standing labour advisory committee. The former was later rechristened as Indian Labour Conference (ILC) and the latter renamed as Standing Labour Committee (SLC).

The 30th session of the ILC (two days conference) was concluded on 8th of September 1992, which decided to setup a national commission on
labour (2\textsuperscript{nd} commission-after 25 years). Labour minister Mr. P.A. Sangama revealed about a new Industrial Relations and Trade Unions Bill to be passed in Parliament.

In conjunction with the human resources approach, a labour cell is decided to be revived under the Planning Commission. Ramanujam Committee recommendations also to be taken for further discussion. The conference recommended to evolve a concrete scheme for training and redeployment of surplus labour from the sick units as well as from the new industrial policy. The national renewal fund matters and the issue of retraining and redeployment of surplus labour were decided to be circulated to Planning Commission as well as to the Cabinet Sub-Committee on Labour and NDC. Removal of ceiling on bonus was demanded by the trade unions. The demand was left for further study. In a nutshell, there has been a human resources development approach at the 30\textsuperscript{th} ILC.

**SCOPE OF HUMAN RESOURCE MANAGEMENT**

Human resources approach of management to its own people would go a long way in effectively actuating. It facilitates in identifying the right kind of people, socialising them in the most appropriate way, training and developing them in the right direction, assigning the tasks which are best suited for every individual so as to bring out their best, motivating them to make their best contribution and creating conditions for the people to enjoy their work. It establishes and maintains an organisational philosophy, culture and climate conducive for the organisation's own people to have job satisfaction and a sense of fulfillment. As human resources development has a pivotal role in HRM,
the organisation gets the people it requires, while every individual gets
the task which he can perform efficiently.

As the people are considered valuable human beings, the very
perspective of management changes and the people are motivated to
foster a oneness with the organisation. Training and development needs
are ascertained taking into account the individual needs and hence
training and development programmes are bound to produce the best
result. On the other hand, the company gets the most appropriate
manpower.

Introduction of high-tech machineries and equipments, modernisation of technology and techniques, computerisation of data
processing, introduction of micro-process controlled CNC machines in
many manufacturing operations, introduction of quick communication
systems, introduction of robots in repetitive manufacturing operations,
sophistication in technical operation and such other developments have
brought with it the need for well trained, technically qualified and highly
skilled manpower. HRD approach not only helps to procure such
manpower but to retain them. All such developments may result in
redundant workforce which must either be retrained and redeployed or
separated through golden handshake schemes. HRM approach facilitates
action in such situations.

HRM approach improves the organisational efficiency, work
culture, job satisfaction of people, better understanding and human
relationships resulting in cordial industrial relations and better
productivity. While the management incorporates human resources
policy backed by great human values, understanding, concern for the
welfare of their people and constant efforts for human development, there
is possibility for the organisations people to reciprocate with better
behaviour, self co-ordination, sincerity, achievement motivation and
greater cooperation. To be precise, HRM has great scope to improve
organisational climate and efficiency. The vast scope of HRM in the
context of a business organisation can be summed up as follows:

(i) A cordial worker-management relationship would be possible;

(ii) Management would be able to understand their people better;

(iii) A situation would be created in the organisation for the employees to enjoy their work and gain substantial job satisfaction;

(iv) Management would be able to get better co-operation from its workers;

(v) Employees would be able to gain a sense of belonging to their work place;

(vi) Organisational efficiency and worker's productivity would increase;

(vii) It would help the employees to gain a sense of belonging to their work place.

(viii) Better organisational climate and culture may emerge as a result of good H.R.M;
(ix) As the people would be able to foster a sense of belonging, their sense of fulfillment and accomplishment would remain high;

(x) As the people are respected as individuals and their contributions are valued and rewarded, they would gain more self-confidence and self-respect, and they will learn to respect others, particularly their superiors and managers;

(xi) The employees may be able to gain a self-confidence that their competence and performance can be improved and they would have prospects for better career growth, and to use their competence and talents;

(xii) Management gets enlightened work force;

(xiii) A good communication channel would become possible as a result of mutual understanding and better coordination;

(xiv) Influence level of management and managers would increase;

(xv) Adverse influence of trade unions, particularly self-seeking militant trade union leaders, can be reduced;

(xvi) Gulf between management and workers can be reduced;

(xvii) A good HRM Policy would improve the possibility for industrial peace, which is badly needed in India nowadays; and
It would become easier for the management to identify and train appropriate talents for every job. In fact, a well planned human resources management process in the need of the hour. It helps in efficiently managing a business. The scope of HRM is, therefore, extensive to the extent that there cannot be a study of management without proper attention on human resources management, though it has its own limitations also.

OBJECTIVES AND IMPORTANCE OF HUMAN RESOURCE DEVELOPMENT

The most important objective of HRD is to create a learning environment in the organisation so that each member of the organisation continuously learns and acquires new competencies (knowledge, attitudes and skills). In order to make the learning environment effective certain principles need to be followed. These are as under.

1. **Knowledge of Results.** Every employee in a learning situation wants to know what is expected of him and how well he is doing. He seeks information appraisal and guidance about his progress, and is made uneasy by the possibility that he may be making some serious error in his behaviour and not knowing that he is doing so. Knowledge of results affects learning in two ways: (a) It provides the trainee the basic for correcting his error. In some tasks as that of a crane operator, knowledge of results is mandatory for learning. (b) It produces motivational effect on the trainee. Once he comes to know what is right his tendency to repeat it is strengthened.

Researches on feedback have shown that: (a) Positive feedback (i.e. telling the trainee what is appropriate) has better effect than
negative feedback (i.e. telling him that he is not correct). (b) Delay in feedback is detrimental to learning; and (c) Trainee should not be over-burdened with feedback.

Feedback can be of various types as shown in the following chart:

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Feedback
  /\        /
 /   \      /   \  
Intrinsic    Extrinsic
  |      |    |
 /   \    |    |    |
Primary    Secondary
  |      |    |    |
Specific    General    Augmented    Summary
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When feedback comes from cues internal to the organism it is called intrinsic feedback. When it comes from cues external to the organism it is called extrinsic feedback. For example, in target shooting, the feeling that one has shot accurately may either come from cues in the body (such as contraction of muscles, etc) or from cues outside the body (such as the hole made by the bullet in the target). In the first case it is intrinsic feedback, in the second it is extrinsic feedback. Extrinsic feedback can be either primary or secondary. It is primary if it comes from the task itself. It is secondary if someone else has collected it. Thus in our example of target shooting if the learner himself determines his success or failure in hitting the target it is primary feedback. But if he is given feedback by the trainer or someone else it is secondary feedback. Primary feedback can be specific (if it pinpoints the errors) or general (if it does not do
so). Secondary feedback can be augmented if it is given simultaneously with the performance (e.g. the trainer exclaiming 'fine' simultaneously with the shooting) or summary (if it is given some time after the performance).

2. **Motivation.** A motivated worker learns better than an unmotivated one. Until the worker has become convinced of the need of training and of the worthwhileness of the returns the level of motivation will be low and learning will be perfunctory and slow.

3. **Reinforcement.** In order for behaviour to be acquired, modified and sustained, it must be rewarded (reinforced). But reward should be distributed cautiously or discreetly. Praising an inefficient and poor learner may disappoint good trainees.

    Principle of reinforcement also states that punishment is less effective in learning than reward. Punishment tends to fix the undesirable behaviour rather than to eliminate it. It may also develop in the trainee a dislike for the punishment-giver. However, mild punishment is quite effective if administered immediately following the incorrect response. Similarly, fairly immediate reinforcement (reward) should be provided for desirable behaviour.

4. **Supporting Climate and Practice.** Practice makes a man perfect. Once a reporter asked a great musician how he (the musician) had achieved perfection. And the reply was: "Simple, I practice daily. If I miss one day, I feel the difference. If I miss two days my critics feel the difference. And if I miss 3 days my audience feels the difference." In order that the trainee may not revert back to the old behaviour it is essential that he practices the new learning daily. The internal environment of many organisations is hostile to this. Too often the
trainee is not able to implement in his work place what he has learned during the training session.

5. Part versus Whole Learning. This controversial issue is concerned with whether it is more efficient to practise a whole task all at once, or whether sub-tasks or component tasks should be mastered first before integrating them into the whole task performance. In a comprehensive literature review Naylor found that the answer to this question seemed to depend on the characteristics of the tasks which the trainees were attempting to master. Tasks were seen to differ in complexity (the difficulty of each of the separate task component viewed individually) and organisation (the extent to which such tasks are interrelated). Naylor then suggested the following training principles:

Given a task of relatively high organisation, as task complexity increases whole learning becomes more efficient than the part learning.

Given a task of relatively low organisation, as a task complexity increases part learning becomes more efficient than whole learning.

6. Transfer of Learning. Transfer of learning from the training situation to the job would depend upon the extent to which there are identical elements in the two. Thus, if the devices used in training are similar to those on the job (a phenomenon called "physical fidelity") and if the human operations and activities involved in the training are similar to those on the job (a phenomenon called "psychological fidelity") there

would be positive transfer of learning. This means that trained employee by virtue of his training would be superior in performance on the job to an untrained individual. But if the physical and psychological fidelities are wanting there would be negative transfer of learning. This means that the trained employee would display inferior performance on the job. The reason may be his 'habit interference'. For example, if during training the worker is given practice on old equipment where the control is a lever whereas on the actual job the control is a wheel, his performance utilising the wheel would be detrimentally affected. If incorrect work methods are learned once, there may be considerable difficulty encountered in rejecting these methods.

7. **Pedagogy Vs. Andragogy.** We have two groups of theories of learning and teaching pedagogy and andragogy. These are based on 2 different models of man. Pedagogy is based on the mechanistic model of man. In this model man is regarded as a passive robot, reactive organism, which is inherently at rest. Activity in him is viewed as the result of external forces. The purpose of education, according to this model, is to transmit knowledge and skill and shape the individual to a predetermined mould. As a consequence, pedagogy emphasises designing the content of learning in advance. It says that the trainer should decide in advance what knowledge or skills need to be transmitted, arrange this knowledge into logical units, select the most efficient means for transmitting (lectures, laboratory exercises, films, tapes etc.) and then develop a plan for presenting these units in some sort of sequence.

Andragogy is based on the organic model of man. This model regards man as an inherently active organism-the source of acts rather than the collection of acts initiated by the external forces. The
purpose of education, according to this model, is the continuous development of individuals toward their full potential. As a consequence, andragogy's emphasis is on the significance of processes over products and on qualitative change over quantitative change, and stressing of the role of experience in facilitating the course of development rather than the role of training as the source of development.

HRD efforts are mostly based on andragogy. The andragogical teacher (facilitator, consultant, change agent) prepares in advance a set of procedures for involving the learners (and other relevant parties) in a process involving the following elements:

(a) establishing a climate conducive to learning;

(b) creating a mechanism for mutual planning;

(c) diagnosing the needs for learning;

(d) formulating programme objectives (which is content) that will satisfy these needs;

(e) designing a pattern of learning experiences in which the learner can examine the implications of his behaviour, experiment with changed behaviour and finally reflect on his experience;

(f) developing human resources development personnel; and

(g) evaluating the learning outcomes and rediagnosing learning needs.
FUNCTIONS OF HUMAN RESOURCE MANAGEMENT

We have already noted that HRM is of very recent origin. Hence, its actual position in an organisation is yet to be specifically defined. However, taking into account the crucial role played by HRM in an organisation, the following general functions can be associated with the HRM function:

(i) Creating and promoting a human resources philosophy in the organisation and getting the approval and commitment of the top management;

(ii) Determining the human resources needs of the organisation;

(iii) Educating the executives and managers of the organisation regarding the various aspects of the human resources approach adopted in the organisation;

(iv) Assisting and educating the top management regarding the human resources policies, strategies and approaches;

(v) Conducting research, collecting information, analysing, interpreting and utilising the research data for policy making and manpower planning;

(vi) Striving to establish an organisational climate and culture of team work, mutual respect, sense of belonging and commitments;

(vii) Recruitment, Selection, Placement, Replacement etc.;
(viii) Formulating and envisaging human resources planning and career planning;

(ix) Designing, developing, introducing, directing and evaluating the human resources development programmes;

(x) Developing and maintaining an effective communication system (upward, downward and lateral communication);

(xi) Developing and implementing a compensation plan acceptable to both management and employees;

(xii) Establishing and maintaining a cordial industrial relations system;

(xiii) Maintaining and acceptable employee welfare scheme;

(xiv) Conducting periodical counselling sessions and heading all the counselling activities in the organisation;

(xv) Redeeming, recovering and reinstating the guilty employees wherever possible;

(xvi) Establishing a regular system of evaluation and appraisal;

(xvii) Establishing and maintaining an occupational health and safety mechanism;

(xviii) Inflicting punishments for any proved offence, taking into account the situation of the accused;
(xix) Establishing and maintaining a scheme for separation;

(xx) Establishing and maintaining a team spirit and cohesion not only in the HRM department, but in other departments also.

These are some of the functions the HRM department can take up. These functions listed need not be considered as all inclusive. Functions of HRM can be determined in accordance with the needs of the respective organisation. If the top management provides adequate opportunities, HRM function will have a great future in countries like India in the years to come.

LIMITATIONS OF HUMAN RESOURCES MANAGEMENT

Human resources management has its own limitations also. Though personnel management has been in practice for quite sometime now, human resources management is of recent origin. Some companies have already rechristened their personnel departments as human resources management, while some companies have taken initiative to appoint human resources managers to look after their personnel function. Such superficial actions may not bear much fruit. What is actually needed is a fundamental change in attitudes, approaches and the very management philosophy. Without such a change, particularly at the top management level, renaming of personnel department or redesignating the personnel officer may not serve the purpose.

At least some HRD people hold the view that HRM is something very distinct from personnel management and neglect the importance of personnel function. This is a very dangerous approach. It must be understood that a balanced and integrated approach is necessary.
Actually speaking, the philosophy, outlook, attitude and approach to the company’s own people must undergo a change, not only of top management, but other levels of management. Then an integrated approach to HRM is necessary, i.e. personnel management becomes a part and parcel of HRM, while the whole personnel function must be viewed through the “Human Resource” angle.

HRM philosophy and thrust must come from the top and accepted by people at all levels. But unfortunately, in many organisations top boss remains passive, leaving the HRD function to be carried out by the personnel manager, waiting for the result to come. It good result emerges the credit will go to the “magnanimity” of the boss and all discredit would be left to the personnel manager. Hence, the personnel manager may look at the HRD programmes with suspicion. This is a very serious limitation.

Management must not be satisfied with the few training programmes, as it happens in some organisations now. HRM function must constantly strive to determine the actual needs and aspirations of the company’s own people and envisage plans to satisfy them, develop their potentiality and use them. But unfortunately management’s productivity and profitability approach still remains undisturbed in many organisations.

HRM is of recent origin and it lacks a universally approved academic base. Different professionals tend to define the term in different ways. Until a general definition is accepted and an operational framework is universally approved, a sceptical approach of various practitioners may continue. This is another drawback. However, a generally acceptable approach is expected to emerge in the near future because of the strenuous efforts of HRM professionals and thinkers.
In a strife torn industrial relations scenario of India, any method may have its limitation. HRM is also not an exception in this respect. It cannot be taken as a panacea for all the in company ills. It may not produce expected result overnight. Gradual effect may be expected and the management must have the patience to wait and watch. HRM need not produce spectacular result overnight.

Most of the HRD programmes are limited to class room training in many organisations. This is another drawback of HRD. On the job training, Mbo intervention, development programmes, career planning, counselling and such other methods must also be used for developing the people. Actually speaking, unless a proper learning atmosphere is created, no training programme would be able to produce expected results.

In many organisations, adequate information and data base may be lacking, this is a serious threat to accuracy of information without which HRM practice is difficult. Collection, storing and retrieval of information must, therefore, be given first priority, which many managers neglect.

In many organisations, even the personnel professionals misunderstand HRM as synonymous to HRD. Some class room training programmes are generally arranged, which are called HRD programmes. These programmes are understood as human resources management. Such cursory class room programmes are not the actual HRD programmes, and even a well planned and executed HRD programme is not HRM. HRD is only a part of HRM which is an integrated approach to management. Undoubtedly, human resources management suffers from such limitations. But the impact it has made on the managerial
effectiveness has been spectacular wherever it was introduced. Actually speaking a real need exists in every Indian Organisation for an HRM approach.