The supremacy of human element as a factor of production could not be threatened even by the introduction of latest devices of manufacture. On the contrary, its importance, as a factor of production is increasing day by day. Consequently, management experts were compelled to conclude that management is the development of people and not direction of things. Hence, the central theme of all management activities is the satisfaction of human elements to attain the best possible results. All other factors of production would remain sterile in the absence of a well satisfied team of personnel. This growing importance of human element as a factor of production necessitated the establishment and development of a separate branch in the management science. The discipline was charged with the responsibility of dealing with this crucial factor of production and came to be known as "Management of Personnel" or "Human Resource Management". Against this background an attempt has been made in this chapter to examine the concept, its significance, development and the application in the Public Sector units of the State.
During the recent years, the well being of people working in the industries has assumed a great significance as it has been well realized that harmonious industrial relations between the principal factors of production namely capital and labour are the greatest assets of an organisation.

Personnel management is one of the most important segments of management study. The organisation's efficiency, profitability and the very survival depends upon the people working in the organisation. The competent, contented, cooperative, co-ordinated, controlled, organised and well directed team of people is a prerequisite for getting the work done and achieving the corporate objectives. Personnel management is that part of management study which is concerned with human resources. It is a pity that the human resource aspect of management did not develop in the traditional management system as labour was just treated a commodity with no human value. Its importance as a factor of production was not sufficiently realized. However, with the development of trade union movement, the labour forced the management to weigh their strength and as a consequence thereof, the importance of human element got recognition and management thinkers began to take interest in the study of human element as a factor of production. This paved the way for the evolution of a separate branch of management which was christened as "Management of Personnel" or "Human Resource
Personnel management has been defined by different management writers. To Flippo it is concerned with the functions of the procurement, development, compensation and maintenance of people for the purpose of contributing to organisational goals.¹

Dale Yoder views it as a function or an activity aiding and directing working men and women in maximising their contributions and satisfaction in employment. It helps workers - including all those who work from unskilled common labourer to corporation President or Public administrator combine their efforts with those of others in providing the services and services we all want.²

Thomas G. Spates says that, "Personnel administration is the code of the ways of organising and treating individuals at work so that they will each get the greatest possible realisation of their intrinsic capabilities, thus attaining maximum efficiency for themselves and their group, and thereby giving to the enterprise of which they are a part its optimum results."³

² Dale Yoder. Personnel Management and Industrial Relations. Prentice – Hall of India Ltd. 1958, P.6
Terry holds that "Personnel Management is concerned with the obtaining and maintaining of a satisfactory and a satisfied work force," and in the words of K. Swarup, "To a practical man Personnel management means knitting together the Personnel working in an organisation into a high-potentiality team. To knit a team together and get the best results, there are certain clearcut processes of management, which if adopted, will be found very useful. These processes which every management in the industry must perform are:

1) Planning, 2) Organising, 3) Building a team, 4) Executive action and controlling."

On analysing the above definitions it is clear that Personnel management makes use of definite principles for organising and treating individuals at work, that by following these principles, the individuals get developed, and this development results in their satisfaction, thereby giving best to the enterprise, where they work.

Further, management is concerned with the development of the enterprise and enterprise's future depends upon its work force. The Personnel management


5. Saksena, S. C. Business Administration and Management. Shitya Bhawan Hospital Road, Agra-3. P. 250
on the other hand is concerned with the human force which shapes the future of the enterprises. In this part of management we study the policies, procedures and the principles which are followed and used as a tool to develop human element.

Again, Personnel Management is the study of the principles which are followed in recruiting, developing and compensating the Personnel to make them a satisfied team. The satisfied group of people is bound to work with zeal and efficiency to accomplish the corporate targets. Management of Personnel is an endeavour on the part of the management to establish a well co-ordinated team of individuals who help them to give their best to the enterprise. If the management does not succeed in building up a fighting team of personnel by not satisfying them, the Corporate objectives remain unaccomplished, thereby threatening the very existence of the enterprise. This fact has aptly been stated by a famous management expert Peter Drucker who says that the prosperity if not the survival of an organisation depends upon the managers of tomorrow.  

Thus the Personnel management is the study of the principles and policies which are followed in dealing

with the personnel when they are at work and out of work. It does not tell us only how to treat the workers during their fighting career but also teaches how to deal with them when they are out of work, i.e. during sickness and old age. On summing up we may safely say that the main purpose of Personnel Management is the study of Principles and Policies which relate to Planning, Organising, directing, guiding, controlling and compensation of Personnel to build a fighting team.

With a view to understand the real essence of Personnel Management in its correct perspective, it is worthwhile to trace the evolution and growth of this area of management.

EVOLUTION AND GROWTH.

The concept of proper selection, training and development and satisfactory compensation of personnel found its rightful place in the scientific management. As time rolled on these concepts found favour in Personnel Management as well, which developed with the concept that labour is supreme and therefore, needs proper treatment at the hands of management. Management, could not itself cater such needs, hence developed its another segment which came to be known as Personnel management. The concept of labour welfare and development actually existed much before the advent of scientific management. It was
as early as in the 1800s, that Robert Owen of New Lanark in the United Kingdom diverted his attention to the employee welfare. He rightly believed that neglect of the employees would produce adverse effects in the long run. Perhaps he was the first one to pioneer the concept of management of people. The ideas of Robert Owen were far ahead of his times. He advocated that there is close relationship between environment and employee efficiency. Consequently, it was stressed that the management should pay greater interest to safeguard the worker's interest to create a congenial working environment. Owen renovated the mills, improved the housing, cleaned up the village streets, established a school for children of employees and opened a provision store to provide the goods at cost to the workers. He himself benefited out of all these measures in the shape of higher working efficiency of the employees. Besides, Owen, Boulton, B. Seebohm Rowntree also contributed towards promoting workers welfare. B. Seebohm Rowntree instituted a Pension Fund for his workers at York Cocoa Works as an economic security measure.

8. Ibid. P.6
All, that they did, was aimed at the welfare of the employees to create satisfaction and generate efficiency among them. The employee welfare leaders and advocates were not knowing that they were actually subscribing to a thesis, which resulted in the establishment of another branch of management which came to be known as Personnel Management subsequently.

Personnel Management received impetus from F.W. Taylor's scientific management movement which for the first time stressed the need of scientific and systematic selection, training and development and compensation of personnel.

H. L. Gantt, F. Gilberth, Lillian Gilberth and Mary Parker Follet made no less contribution in advocating the need of training and development in management. The psychological aspects of worker's behavioural pattern received considerable attention from these Pioneers of scientific management. Apart from increasing efficiency, they were also interested in fighting fatigue and monotony among the employees.

The Elton Mayo's Hawthorne experiment which resulted in the establishment of human relations movement in management produced a far reaching impact on personnel management. These studies paved the way for using the disciplines of sociology, psychology, industrial psychology, and social psychology with a view to
understanding employee and organisational behaviour and influence them through a motivational approach.\textsuperscript{9}

The studies and experiments conducted by scientific management pioneers helped in the gradual evolution and growth of a theory and practice of management. The dynamic entrepreneurs who established business empires wherein they introduced revolutionary concepts also helped in the growth and development of Personnel management. The labour problems like picketing, strikes, absenteeism and labour turnover generated by the development of labour unions posed a new challenge to management, giving in turn a fillip to the development of Personnel Management. Along with these developments the Great Depression of 1929 compelled the management of business houses to think how to set things right.

The gradual pace of developments clearly vindicated that the Personnel management is as important a segment of management as production, finance, materials and marketing management. Besides, the technological revolution, change in employer's attitudes, the spread of education and enforcement of Government legislations

contributed to the development of Personnel management.

From the foregoing discussions the fact emerges that although it were the Britishers who showed a good deal of interest in labour welfare in the first instance but the Americans got the credit of originating the concept of Personnel management. The systematic research studies and experiments conducted by Americans ultimately evolved into the present art and science of personnel management.

DEVELOPMENT OF PERSONNEL MANAGEMENT IN INDIA.

In India the concept of Personnel Management is still in an embryonic stage. However, it is gratifying to note that it has started growing with the dawn of independence, especially after the introduction of planning. It is interesting to note that the growth of Personnel management in India has emerged out of coercion on the part of government, while its evolution and development in the U. K. and the U.S.A. was voluntary. In the West, the pioneering work in the field of personnel management was motivated by the managerial preoccupation with the concept of welfare, while in India a combination of the disquieting recruitment practices, growing labour unrest resulting in strikes and loss of production, and a consideration of numerous grievances initiated some interest in personnel management, especially in the
textile mills in the year prior to the Second World War.\textsuperscript{10}

The Royal Commission on Labour in India under the chairmanship of J. M. Whitley was appointed to look into the labour problem. The Commission recommended the appointment of labour officers to deal with recruitment in order to check corrupt practices in Indian industry particularly in the area of selection. During the Second World War, the need for enlisting labour support for the war effort was considered imperative. As a result, welfare officers began to be appointed by Government as well as industry. They were to deal with working conditions, canteens, ration shops, recreation facilities, medical facilities, housing facilities etc.\textsuperscript{11}

In the meanwhile, a large number of legal measures were enacted to regulate hours of work, working conditions, compensation etc. These legal controls brought in their wake varied complex regulations making it obligatory for the management to seek the assistance of specialists in

\begin{itemize}
\item \textsuperscript{10} Rudrabasavaraj, M. N. Dynamic Personnel Administration Himalaya Publishing House, Bombay - 1979, P.10.
\end{itemize}
the area of Personnel management.

Post World War witnessed labour unrest in the country. After the war the prices continued to increase sharply, and inspite of a fairly general increase in wage rates, the rise in wages did not keep pace with the increase in the cost of living. The political upheavals in the country gave an impetus to the industrial unrest. In the Buckingham and Carnatic Mills in 1920 strikes lasted for 251 days and were in the nature of trial of strength between the management and the newly formed Madras Labour Union. 12

Following the enactment of Industrial Disputes Act in 1947, the function of welfare officers changed to handling of disputes and adjudication relating to conditions of service, such as wages, leave, retirement benefits, bonus, fringe benefits etc. Welfare officers soon became industrial relations officers and they began to participate in collective bargaining, conciliation and adjudication. 13

The rapid industrial growth in India after planning era compelled the government to bring employment and development aspect of 'Personnel' under the protective


13 Opcit, P.43.
umbrella of law. This is reflected by the fact that the Apprentices Act, 1961 and the Employment Exchange (Compulsory Notification of Vacancies) Act, 1959 have been able to regulate recruitment of workers and their training to some extent.

Evolution of Personnel management has very aptly been traced by the Indian Institute of Personnel Management in the following words:

"It will be seen that it was the interaction of Government policy and the initiative of the leading employer's associations in the textile industries that brought about the rapid development of personnel management in India just before and during the war. It is noticeable also, that in textile industries personnel management developed rather from the recruitment function and the consideration of grievances than from the welfare function as in other countries. It was the problem and the discontent to which the old system of recruitment through jobbers gave rise that led the Royal Commission on labour to advocate the appointment of labour officers. Their function as industrial relations officers to handle grievances and to prevent disputes was stressed. The Labour Officer was looked on as a friend and confidant of the workers, but he was clearly to be a member of management".15

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SIGNIFICANCE OF PERSONNEL MANAGEMENT IN THE PRESENT DAY WORLD.

Personnel management has assumed a very significant position in almost all those spheres where joint action is needed. Although a child of scientific management, it is now considered as a key for unlocking the doors of success of all other management disciplines. To quote Pigors and Myers, "Personnel management permeates all types of functional management, such as production, financial, sales and research management". Personnel management is concerned with the management of human elements with a view to ensure efficient use of other resources.

The success of an enterprise depends upon the capacity and efficiency of its employees to achieve the corporate goals. The proper utilization of given resources ensures the success of enterprise in accomplishing its goal, but the best of the inputs would always remain less productive unless the persons handling them are not fully satisfied. It is the responsibility of personnel management to ensure that human resources are fully satisfied with their job and employer.

Industrial peace is the Sine-Quo-non for industrial growth. It depends upon the congenial employer - employee relations. The Personnel management has an important role to play in this direction. It is charged with the responsibility of maintaining industrial peace and harmony by settling the labour grievances and other matters to the mutual satisfaction of the concerned partners. It is an admitted fact that the under-utilization and misutilization of scarce resources is bound to prove detrimental to the very existence of the enterprise. The well satisfied team of personnel can put the scarce resources to the best possible advantage.

The success of modern industrial world depends upon the quality and not the quantity of the human resources it can hire. The personnel management makes the right type of Personnel available in the employment market by resorting to scientific procurement policy. It is heartening to note that the introduction of personnel management has succeeded in reducing the chances of labour turnover to the greatest possible extent.

Personnel Management through its techniques has enabled the employers to hire right type of people for doing the right type of job at the right place. It has successfully demonstrated that the efficient utilization of human resources reduces the labour costs by avoiding shortages as well as surpluses. Living in an age where
technological revolution is taking place at a tremendous pace, no organisation can conceive of its existence if it fails to adopt the recent technological innovations in the field of manufacture. It therefore, calls for a policy which can ensure constant vigil on the growth and development of human resources so as to face effectively modern challenges thrown by rapid technological revolution. The personnel management shoulders the responsibility of preparing the human element for the adoption of latest devices in the process of manufacture. The training and development of personnel from top to bottom is a permanent feature of all modern organisations. The lack of training facilities leave personnel underdeveloped, consequently production and the development of the concern is hindered.

Compensation of personnel is one of the most important factor in building a sound work force. The personnel division is concerned with the determination of sound wage and salary structure to ensure proper compensation to personnel. The determination of proper compensation is full of technicalities which can only be handled by the specialists in the field. The personnel divisions in all big establishments are properly staffed with specialists capable enough of handling various problems arising out of interaction of labour and management, remunerating the employees falls well within the purview of these experts who are charged with the responsibility
of fixing wage rates of various cadres of employees, keeping in view their duties and responsibilities as also the work load.

Personnel management aims at achieving both efficiency and justice, neither of which can be pursued successfully without the other. It seeks to bring together and develop into an effective organisation the men and women who make up an enterprise, enable each to make his own best contribution to its success both as an individual and as a member of working group. It helps in providing fair terms and conditions of employment and satisfying work for those employed.17

The personnel management is not only applicable in industrial and business houses but is equally important in all other organisations. As Pigors and Myers puts it, "Personnel administration, as we conceive it, is clearly not restricted to factories and wage earners. It is even more important in offices, sales departments, research and development groups and in the ranks of management itself, where top officials must win the cooperation of their subordinates. Nor is good personnel administration something needed by private industry alone. Non profit

institutions, government and the armed services also need the personnel point of view in management and personnel staff specialists.  

With the greater recognition of human element and its potential in industry and business the importance and need of personnel management got a further fillip. The management thinkers are at present preoccupied with shaping and influencing human element through personnel management.

The importance of personnel management has gone to the extent that the management as a whole is now called a 'people's' affair, although management of people is a branch of management. Harold W. Berkman in this regard says, "Twenty years ago asking a Manager what he managed would have elicited resources like 'Production' or 'Policy.' Today's Manager would say people."  

PERSONNEL MANAGEMENT WHOSE RESPONSIBILITY?

Although every one in an organisation is concerned with the personnel function, in case of large establishments a special department is created to help line management to secure the optimum use of personnel with the help of


personnel department performing an advisory or a staff function. The Personnel department undoubtedly helps management in securing, using and developing appropriate manpower to achieve the organisation's objectives. It puts the right type of Personnel at the disposal of all functional managers. It is concerned with the hiring, development, compensation, safety measures, redressal of grievances etc. But this does not mean that the other executives are relieved of the responsibility of Personnel. Personnel management is a line responsibility and a staff function. It is a basic management responsibility, permeating all levels and types of management in all organisations. Personnel specialists help line managers in providing advice, counsel, services and various types of controls to secure uniform administration of personnel policies designed to achieve organisational objectives.

"People" management is not a responsibility that a manager can leave completely to some one else. Managers may secure advice and help in managing people from other managers - professionals, and technicians who have special competence in personnel, labour relations, or industrial

relations - but every manager retains personnel responsibilities for managing people. This is true simply because managing people is the heart and essence of being a manager. As Fedrick R. Kappel puts it, "People are our most important resource - and as I see it, every boss of people has to be his own Personnel man. Personnel management isn't something you turn over to a personnel department staff."

The question which strikes every concerned mind is that if managers cannot delegate their responsibility for managing people, why personnel divisions are created? If they can transfer the responsibility for managing finances, sales, productions, why cannot they delegate the management of human resources? It is pleaded in this context, that a manager is one who manages others and is capable of extracting work from others. A manager is a leader and director. His job is that of leading and mobilizing the energies and efforts of the "managed". That capacity is very significant, without it he can be a technician and scientist but not an effective manager.

However, it should not mean that an effective manager has no need of the help of personnel department.

On the other hand, Personnel division can help him in executing his job with confidence, leading to accomplishment of corporate objectives. The functional managers can secure the advice and assistance from the members of Personnel division, they can help to keep him up to date regarding the art; they can suggest how the functional area heads may improve their personnel management; they can perform a number of professional and technical services for them like recruiting, selection, wage and salary administration, working environment, welfare measures etc.

The Personnel department is a specialist service department concerned with formulating and introducing schemes, monitoring the progress of the scheme and modifying or introducing new schemes. The Personnel department would need to identify the critical problem areas with respect to "People" and accomplishment of organisation tasks and goals. The Personnel function is not a buffer, a third force, between management and the union, but very much a managerial function. Consequently, the role for the personnel department is that of a service unit, to provide inputs to accomplish goals.22

To sum up, the personnel responsibility is a joint venture, although the basic personnel functions are performed by the Personnel division, the overall development of human resources is the responsibility of all those who manage them. The Personnel department is a sort of advising body whose function is to employ specialists to handle the special features of people's management. The final responsibility for personnel management must be with the top management, to whom personnel officer acts as adviser, and its execution must run through the whole line of management if it is to be effective.

**PERSONNEL MANAGEMENT AND STATE PUBLIC SECTOR.**

Public sector is the only organised sector of the state economy. It has emerged in the State due to lack of initiative among the private enterpreneurs and in conformity to its role in a socialistic set up. In the absence of any viable entrepreneurial class, the State economy could not be left unintervened by the State. Besides, the rapid industrial development, demanded the active participation by the State to remove poverty and make the State to emerge on the industrial map of the country. Accordingly, the State enterprises were allowed to emerge on a mass scale. Further, for the continuous industrial development, the state has to emerge not only as a pace-setter but also as a model employer. Therefore, a well devised scheme of Personnel management has to be
initiated at this very stage of evolutionary process so that a sound base is laid down for the further growth of the sector, so vital for the economic progress of the state.

It is a matter of satisfaction that the State Government has been actively participating in the industrialisation of the State. Consequently, a large number of State enterprises have emerged and important sectors of the State economy namely transport and forest, previously run on departmental basis have been converted into public sector corporations to ensure their smooth working. Today, Public Sector is an important sector in terms of employment and investment. But, it is a matter of grave concern that the State enterprises have not recognised the concept of personnel management in its true perspective. The Jammu and Kashmir Industries Ltd., one of the biggest and oldest Public Sector Enterprise of the State, depicts a very dismal picture in this behalf. It has failed to evolve a personnel division to take care of its labour force ever since its inception. The non existence of Personnel department has thus rendered the corporation as sterile in terms of acting as a model employer. It follows therefore that the concept of the personnel management has not developed to the desired level. It is still being carried on traditional and unscientific principles.
The Administrative Officer acts as an adviser regarding the personnel functions of recruitment, selection, training and development, wage and salary administration. He helps the head office and unit management regarding the performance of these functions. The Administrative Officer lacks technical and scientific approach regarding personnel problems. Besides, he has no specialists at his disposal to perform various personnel management functions demanding separate technical treatment and expertise.

It is a matter of satisfaction to note that the Government has realised the need and importance of Personnel management in recent years. Accordingly, all the newly established Public Sector enterprise have developed Personnel division. The Jammu and Kashmir Horticulture Produce and Marketing Corporation and J. K. Cements Ltd. are the examples in this direction. These corporations have Personnel division comparable to those of Central Government Enterprises. The need of the hour is that the fullfledged Personnel divisions be established in all Public Sector Corporations if they are to act as model employers.

CONCLUSION.

The study of the conceptual framework of "Personnel Management" discussed in the foregoing pages reflects that the Personnel Management has emerged as one of the important branches of management study. The importance of
human resources in economic set up of modern industrial world has necessiated the development of the concept of Personnel Management. In order to be successful, the management must pay a good amount of attention to the development of this branch if it is to realise the corporate objectives. It is further revealed that this branch of management study developed, as voluntary force of human welfare. The concept is the outcome of the scientific and systematic approach to management. The solution of human problems need scientific and systematic approach like scientific treatment of all other branches of management.

It is gratifying to observe, that though late, the concept has been fully embraced by industrial houses of the country, thus, rendering very useful services to the society and the employees.

The non-recognition of the concept by the State enterprises have left them sterile regarding their role as model employers. But the recent trend is encouraging as the newly emerging Public Sector Corporations are following the path of their counterparts in rest of the country. The recognition of Personnel management taking place in the State enterprises is bound to change the very future of the State economy, the Public Sector and the human element working there.
Since management of personnel stresses the role of human element in the accomplishment of corporate objectives, it is therefore, obligatory on the part of all the managers to form the systematic and well devised procedure in all the matters concerning human element. Staffing being the first and most important personnel function forms a part of over-all strategy of human resources development. The task begins with the man hunt and ends up with his retirement. In between a number of crucial phases are involved which have a lot to do with the overall personality of an employee. Accordingly, therefore, the next chapter is devoted to a study of human resources development.