Chapter 1

The present chapter presents the conceptual framework of the subject matter of study. The endeavor has been to trace the origin and growth, significance and scope of the human resource management concept. The discussion also deals with the broad dimensions of the definitions, manpower planning and its objectives, Human Resource Development and also highlights the importance of Human Resource Management in today's global environment.

Origin and Growth of Human Resource Management

Human Resource Management as a function of management has come a long way. People trace its history back to before 1900 i.e. even before Taylor and Fayol evolved their management thoughts. But its status grew during the 1930s and 1940s largely because of the wartime labour shortage, the union threat and the need (in many companies) to adjust to being unionised. Then it matured as union-management relations and became routinised.

Looking at human resource function Ulrich (1997) argues that we should look at it keeping in mind the future rather than investigating its past. Tracing the evolution of the function, he concentrates on the development that
1940s-Labour Relations and Staffing
1950s-Training
1990s- Mergers, Acquisition, Downsizing Diversity

In India, however, the history of the personnel management is not so long as in the developed nations. The Tata Iron and Steel Company (TISCO) was perhaps one of the first few organisations to establish personnel function in the year 1947. Gradually, a large number of large - and medium-sized companies set up separate personnel departments. Most of the Indian companies now boast of giving a good deal of attention to the human resource management functions: In reality, however, they still have the traditional administrative anchoring with some cosmetic and design. However, these companies are not averse and sceptical to the term "Human Resource Management" as most of the companies feel in the UK. According to the 1990 Workplace Industrial Relations Survey (Guest and Hoque, 1993) in UK, less than one percent of workplace managers responsible for the management of human resources had adopted the title of human resource manager. It is surprising to note that in
"companies have approached the issue tentatively rather throwing all caution to the wind and embracing human resource management wholeheartedly" (Guest, 1996). Undoubtedly, it goes without saying that human resource management can have a positive impact on organisational performance. But as long as senior managers retain their short-perspective and display limited enthusiasm for any notion of consistence strategy, it will remain a subject of fads and fashions and a focus of justifiable skepticism (Guest, 1996).

Commenting on the state of human resource management function in the US, Strauss (1996) notes that human resource management there is used in a broader sense encompassing employment relations generally, rather than in more restricted sense, somewhat common in the UK, as a managerial counterpart of Thatcherism. He finds that human resource management philosophies of high commitment and lean-mean as somewhat conflicting.

Commenting on Human Resource Management he observes as follows:

"A major drawback of high commitment programmes, from management's viewpoint is the expense of guaranteeing job security and the inflexibility this causes. Strong economic forces require employees to be more flexible. Career employees are being replaced by contingent ones. As a form of motivation, performance based pay and
fear of discharge is displacing organisational commitment (but let's not exaggerate the extent to which organisational commitment ever existed in large companies). Workplace employee involvement, such as terms may continue in "lean and mean" companies, but broader forms of participations, such as unions are out... There will be fewer permanent jobs and greater mobility and insecurity, human resource departments will continue to perform a significant function, but they are unlikely to follow a single set of policies or to play a major role in setting corporate strategy". This dilemma before human resource managers is not limited to the US only but is a cause of concern for human resource managers worldwide.

In tomorrow's organisations the loyal, committed and involved employees will be the determining factor in its success and survival. Human capital has become an ongoing investment whereby employees are constantly learning, unlearning, changing, adapting and reinventing themselves for achieving the organisational goals. Adaptability of organisation has never been more important than it is today. In this background, the human resource function has to play a catalytic role in building and facilitating this kind of work environment in the organisation.
Personnel Management to Human Resource Management

Over the years the term used for "Personnel Management" have kept on changing. The terms "Personnel Management," "Personnel Administration," "Human Resource Management" or "Strategic Human Resource Management / Human Resource Strategy" are synonymous and indicate no differences in terms of treatment and content of the function. The functions are ends in themselves. They are part of an arrangement of schemes formulated to achieve the organisational objectives. In fact, organisational design and its orientation are reflected through its various functions and this is true with personnel functions too.

Conventional personnel management appears to be a part of an old model of organisation or of a more mechanistic organisation, which is more bureaucratic in nature having lesser flexibility, higher amount of centralisation and high formalisation level, i.e. adherence to rules and regulations. Human resource management on the other hand, is compatible with the new model of organisation and has emerged to align with the organic design of the organisation, having cross functional and cross hierarchical teams, decentralised, and flexible with low formalisation level and a wider span of control.
Reacting on human resource management's rhetoric, reality and its hidden agenda, Legge (1995) finds that it is the same old wine in a new bottle. In her words, "Many of the initiatives undertaken appear to be (old wine in new bottles) and/or to be not inconsistent with the opportunistic standard modern style of employee relations traditional in UK industry in the 1970s and earlier. Why then, the hyping of human resource management as something new in theory and practice 'different' from the theories and practice of '"personnel management".

The argument has been that the rhetoric of human resource management as something new and consistent with the demands of the enterprise culture has served the purpose of three groups seeking legitimacy in a hostile climate. It has been in their interests to "take-up' human resource management as a coherent new strategy of employee relations that paves the ways to achieving competitive, advantage".

But most researchers view human resource management as the culmination of a transformation in the concept of the traditional personnel management function. Saini (1997) observes, "a number of people from students to managers mistakenly think that personnel management and human resource management are synonymous concepts." Reacting on the state of human resource departments in
Indian firms, he feels, "many organisations have no human resource management department policies and have simply named their personnel department as human resource management department. This tendency has reinforced the obliteration of the distinction between the two terms".

Beaumont (1996) on the other hand, identifying the differences between these two terms, talks about the change in perspective while looking at employees. He reinforces human resource approach enunciated by McGregor in his celebrated theory Y developed in his pioneering work, The human side of enterprise, way back in the year 1960. Beaumont (1996) argues that "employees are now viewed as a valuable resource (rather than a cost to be minimised) which, if managed rather than administered, effectively from the strategy point of view, will contribute significantly, ceteris paribus, catering to organisational effectiveness, and thus will be a source of competitive advantage to the organisation concerned".

Tyson (1995) is of the view that the new phraseology does represent a significant movement in ideas. He still finds difficulties in defining "human resource management" and "human resource strategies". He feels that "the issue of whether human management is an alternative phrase to 'personnel management' or whether it
means something different has become a vexed question, still unresolved despite considerable research”

Table -1.1

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<tr>
<th>Stereotypes of Personnel Management &amp; Human Resource Management</th>
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<tr>
<td><strong>Dimensions</strong></td>
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<td>Time and Planning Perspective</td>
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<tr>
<td>Psychological contract</td>
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<td>Control Systems</td>
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<td>Employee-relations Perspective</td>
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<td>Preferred structures/ Systems</td>
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<td>Evaluation criteria</td>
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Interestingly, Guest (1987) has drawn a beautiful line between personnel management and human resource
management (see Table-1.1). He finds human resource management as a textbook content while personnel management is the observed practice of the organisation. According to him, inability of personnel management to demonstrate a distinctive positive contribution has led the emergence of human resource management, which lies mostly in text.

However, there is no denying that a shift has taken place for people’s management, and it is not the same wine in a new bottle. Human resource management is increasingly becoming result-oriented and integrated in nature so as to cope with the realities of the business environment. It helps organisations in their constant search for establishing and maintaining competitive positions, and in keeping a balance with their objectives and strategies.

Furthermore, human resource management function banks on self-regulated, committed and loyal people, continuously improving for excellence and results in a flexible setting. Towards this endeavour, it envisages development of dynamic leadership as a philosophy, which helps in promoting the networked, defined, and understood relationships; so as to eventually result in greater clarification of roles and results.
A plethora of literature emerging on people management also reinforces this view; and new research has firmly established that the organisation and management of people can make a difference in the bottom line (Beer). In order to have an in-depth knowledge of the subject the following pages are devoted to study the meaning of the subject human resource management.

**Human Resource Management Concept**

From the above discussion emerges a broad based and easy to define concept. Human Resource Management can be explained as 'the management of people in organisations. In modern societies, with complex changes in the nature of work and technology, it is increasingly recognised that the effective and efficient production of goods and services require more from employees than their passive compliance with managerial instruction. What is needed is their active commitment and initiative. Human resources management can be seen to be as important for corporate success as the handling of any other management activities.

Most of the work on human resource management tend to be based either on theoretical discussions, or a relatively fixed menu of human resource management tasks and functions. The later would typically include tasks such as recruitment and selection, performance management,
human resources planning and so on. Although the standard menu of human resource management tasks still has a role to play in organisations, its usefulness is being steadily diminished by the shift away from traditional, functional and hierarchical management structures towards process based or even virtual forms. In a business process context, much of the responsibility for human resource management is a complex issue to line management. Human resource management policy and practice is decoupled from the bureaucracy, to be determined by the prevailing pressures of a dynamic business environment, be that at an operational or strategic level.

For these reasons, the present research has moved away from these existing formats towards a case-based approach in which a case study has been conducted on a multinational company in India.

The aim in this project is to analyse human resource management at different levels beginning with a focus on micro issues enterprises or shop floor relations (work organisation, pay, the introduction of new technology) and moving to a more macro focus dealings with corporate human resource policies (such as decisions about whether or not to become a 'learning organisation', whether to seek to develop partnership agreement how to manage a diverse workforce) and finally to an international focus looking at
Human Resource Management issues in a large multinational organisation.

While there are a number of human resource tasks common to most organisations (for example recruitment, pay and so on), it is also important to realise that human resource management is about process - the ways in which organisations get things done through people. It is not just a bundle of techniques. For this reason the research is designed to develop understanding and awareness of the main aspects of human resource management as broadly defined. It does not provide a set of techniques, which the manager can apply directly to her or his own organisation. The issues involved are too complex to permit the formulation of generous laws or principles. Making sense of relations among workers between manager and between management and the workforce is as much an art as a science. This helps to explain the bewildering succession of fads and fashions in this area, as publicist and consultant invent novel schemes for keeping employees happily productive. In fact there are no panaceas or universal recipes. For managers, there is ultimately no alternative to working out an approach to suit their own organisation's circumstances.

Human resource management involves a sensitive, multidisciplinary analysis of the issue. The
problems encountered are rarely open to 'one best way' solutions. In most situations it is possible to argue persuasively for any of a range of different approaches. The test of analytical ability, then, is the extent to which the implications of the chosen policy have been thought through and the response to possible outcomes anticipated.

There are many different approaches to analyse human resource problems, depending on the nature and urgency to resolve them. However, the best approach normally involves following a 'step-by-step approach'. The major steps to resolve problems are as follows:

a) Understanding the situation
b) Defining the problem
c) Generating and evaluating the possible causes of problem
d) Designing and implementing solutions

Thus based on the functions and problems of organising people, the term human resource management has been explained differently by different author's. The following are some opt -quoted statements on human resource management given by experts of this field.

Ivancevich and Glueck have elucidated Human Resource Management as the "functions performed in organisation that facilitates the most effective use of people to achieve organisational and individual goals".
E. Flippo has observed that human resource management is "planning, organising, directing and controlling of procurement, development, compensation, integration, maintenance and separation of human resource to the end that individual, organisational and social objectives are accomplished".

According to Younder and others "human resources management refers to direction and control of human resource in employment situation.

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

In the words of Byares and Rue "human resource management encompasses those activities designed to provide for and co-ordinate the human resource of an organisation. Human resource function refers to those tasks and duties performed in an organisation to provide for and co-ordinate human resource."
M.R. Carrell and F.E. Kuzmits have said that human resource management is a set of programmes, functions and activities designed to maximise both personnel and organisational goals.

The foregoing discussion brings to fore that human resource management is the process of managing the people of an organisation with a humane approach. Human resource approach to manpower enables the managers to view his people as a valuable resource. It is 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 process that focuses on human resource development on the one hand and effective management of people on the other.

In short human resource management can be considered as that part of management process which develops and manages the human element of enterprise considering the resourcefullness of the organisations own people in terms of total knowledge, skills, creative abilities, talents, aptitudes, potentialities for effectively actuating of an organisation.

Thus the process of human resource management emphasizes on the following points.
1) **It should be action oriented.** Effectiveness of human resource management is realised on putting focus on action rather than on the record keeping written procedures, rules and regulations. It stresses on the solution of employment problems in order to achieve organisational goals and help employees development and their satisfaction.

2) **Individual Oriented.** Human resource management gives due consideration to each employee individually and offers services and other programmes so as to achieve the individual's need.

3) **Future Oriented.** The effectiveness of human resource management lies on helping an organisation to achieve its objective not only in the short run but also in the development of it has to be competent, well motivated and foresighted personnel in order to achieve its objectives.

**Significance and Scope of Human Resource Management**

The present study Human Resource Management in Food processing industry revolves around agriculture, because food and food processing comes under the agro-products. It will be therefore pertinent to study and analyse the Human Resource Management significance and scope in context of agriculture. An important aspect of the human resources in India is the existence of practically inexhaustible reserve of potential workers. Apparent
participation rates in productive works in the younger age groups, and especially among women, are extremely low. Unemployed members of this group of womanpower constitute a potential labour force. Some may argue in favour of the present condition to continue, as there is an acute unemployment even with only a very limited participation of women in productive works. But the objective here is only to reveal the large portion of womanpower which remains idle.

Open unemployment is keenly felt in the urban areas and 'invisible unemployment' or 'disguised unemployment' is found in the agricultural occupation of small ownership farms. People are employed in low-productivity jobs due to the inadequate employment potential of the organised large-scale industrial sector and also due to the sluggish growth of the agricultural sector as a result of low capital formation and other reasons. One of the most popular solutions has been the substitution of labour-intensive technologies for capital-intensive ones. Though this tendency is favoured in a number of Plans, the way in which this is to be carried out needs examination.

The assessment of manpower resources, their management, and efficient utilisation are essential in planned economic development. The example of advanced countries like Japan, Netherlands and Switzerland indicates
that a nation possessing highly skilled work force can attain a high level of economic development through proper human resource management even if it does not have good natural resources of its own. India is experiencing the problem of utilising the surplus manpower, which is unemployed and underemployed, and to a large degree untrained and unmanaged. Unless and until the manpower is suitably managed and efficiently utilised, it is likely to become a liability. Manpower is a fundamental economic resource which is an imperative means of converting other physical and material resources for the benefits of the society. In spite of this, in the Indian Plans, significant attention has not been assigned till now to the management and utilisation of human resources. The low productivity and or unrest in manpower among different regions, industries, or occupations could be set right by way of a scientific management policy.

**Human Capital and its Role in Economic Progress**

Knowledge is our most powerful engine of production. Man has to add to his stock of knowledge all the time to have a continuous process of economic progress. Development and management of human resources enhances the creative and productive capacity, i.e., the ability to acquire as well as deliver goods to the people. Thus prior to human resource management human resource development is essential for the progress of economy.
Technical progress and the development of human capacities are positively correlated. Mc Clelland tested his hypothesis that the high educational attainment accelerates economic growth and proved it to be right. Harbision and Myers developed a composite index of human resources development using enrolment ratios at the secondary and tertiary levels of education, within respective age-groups and found high correlation between it and other indicators of economic development. Kuznets was the first to point out the relationship between economic development and sectoral shifts in employment. He proved that the proportion of labour in manufacturing increases with development accompanied by decline in the proportion of labour in agriculture. Rostow said further that as production processes become more complex, technical specialisation increases. The technical change is also reflected in technical skills embodied in the labour force. It might be pointed out that the nature of economic production is also influenced by the level of human resources development through changes in tastes and consumption.

In less-developed countries, the stagnant economy seriously constrains the forces that can contribute to the more effective development and utilisation of the human resources. Skill development and skill utilisation are
closely linked. An improved skill level leads to a more effective performance which in turn, results in a larger surplus. With a larger surplus, a country can make larger investments in its human and physical resources, which will provide a wider and stronger basis for additional growth. Without training and educational facilities, the labour force is condemned to continue working at a low productivity. A critical factor in human resources utilisation is the availability of employment. Lack of adequate employments would lead to social instability. It has been increasingly realised that improvements in the quality of the labour force can have dramatic effects on economic growth.

**Investment in Human Capital**

Investment in human capital accounts for most of the impressive rise in the real earnings per worker. Some of the more important activities that improve human capabilities are: (1) health facilities and services, broadly conceived to include all expenditure that affect the life expectancy, strength and stamina, and the vigor and vitality of people; (2) on-the-job training, including old-style apprenticeship organised by firms; (3) formally organised education at the elementary, secondary and higher levels; (4) study programs for adults that are not organised by firms, including extension programmes notably in agriculture; (5) migration of individuals and families to
adjust to changing job opportunities. According to Kindleberger, 'Investment in human capital can take the form of formal schooling, on-the-job training, adult education, expanded efforts in health, migration, and information about the market. In a number of these, it is difficult to separate the elements of consumption from investment and the public good from the private.

Human capital deteriorates when it is unmanaged and idle since it impairs the skills that workers have acquired and by making them inefficient reduces their productivity. Unemployment and shortages are two of the principal indicators of an imbalance between the supply and demand for manpower. A correct estimate of manpower supply and its distribution according to different characteristics is essential to improve demand estimates, which in turn can influence the educational, vocational, training and other programmes. Manpower supply has been characterised by Goldstein as "the great neglected field in the area of manpower projections. The term manpower is generally used in two senses. In an aggregative sense, it denotes the total labour force of a country. In a narrower and selective sense, the term is used in relation to any specific component of the labour force. Thus the investment in human capital along with proper infrastructure of the Food processing industry could alter the face of Indian economy and could help in bringing prosperity at national level.
Human Resources Development and Management In Indian Context

Though the study is confined to Human Resource Management but Human Resource Development and Human Resource Management both go hand in hand. If the manpower is undeveloped educationally, technically, skillfully, there will be more difficulties in managing human resources in raw form. The efficacy of their management will not be of a high standard as obtains in developed countries which have fully developed manpower. Therefore, a brief analysis of human resource development will help in having better understanding of it in Indian context. The human resource development is the process of increasing the knowledge, skills, and the capacities of all the people in a society. While Adam Smith thought that the ability of people as fixed capital, Alfred Marshall explained that investment in human-beings as the most valuable of all capital. What we need badly in India is the manpower development through formal education, on-the-job training, self development process, improving the health of working population and improving nutrition. The shortages of 'high level' manpower with critical skills and competence, and utilisation of redundant rural manpower in economically productive works are the two main problems of development in India. Dams, power stations, textile factories and steel mills can be constructed in a few years.
but it takes ten to fifteen years to develop managers, engineers and the administrators to operate them. The existence of such manpower, however, is essential if the countries are to achieve self-sustaining growth.

Both for accumulation and investment of human capital, the building up of incentives is crucial. It is true that investment on education might be a waste unless men and women have the necessary will and motivation to prepare for an engage in those activities that are needed for rapid economic growth and social and political development. In the initial stages of economic growth, a heavy investment in human resources development is inevitable to get a nation started on the road to self-sustaining growth. Therefore, a study of the development and utilization of human resources is absolutely significant from the angle of economic welfare.

Human resources are an asset not only required for exploiting the natural resources and for improving the productive capacity of the people but also for enhancing their own welfare. India's human resources have been under-rated and regarded as a liability. But this world not be a so once the manpower resources our country are cultivated in a better way by proper utilization. It has been opined by Arthur Lewis that the countries which have surplus labour have an advantage over those countries
which do not have surplus labour because the latter countries cannot increase capital formation without withdrawing labour force from producing consumer goods whereas the countries which have surplus labour can increase capital formation at zero cost.

The programme for human resources development and utilisation focused at removing rural and urban disparities through process of economic growth would have to consider the varied characteristics of the labour force as well as the problem of providing new and additional jobs through the establishment of industries and the siphoning away of redundant agricultural population to productive non-farming occupations.

Utilisation of human resources is one of the crucial constituents of planning for economic growth as manpower is the most valuable of all available resources. Manpower is also the most perishable of all commodities, so it has to be planned in such a manner to extend employment to each and every able-bodied person of the working age willing to work at his maximum efficiency. The core of human resources development policy is that the entire labour force should be productively utilised in order to achieve maximum economic goals. Although the important constituents of manpower planning are assessment, forecasting, budgeting and utilisation of manpower.
Maximum utilization of physical resources depends mainly on the ability, capacity, skill, willingness and motivation of the people. Hence, the employment objective of human resources utilization should be creation of jobs for all available manpower.

The building of modern nations depends upon the development of people and the organization of human activity. Capital, natural resources, foreign aid, and international trade, of course, play important roles in economic growth, but none is more important than manpower. Precisely, human resource development unlock the door to modernization, and it is one of the necessary conditions for all kinds of growth-social, political, cultural, or economic. A country needs educated political leaders, lawyers and judges, trained engineers, doctors, managers, artists, writers, craftsmen, and journalists to spur the development. About the connection between investment in things and investment in people, T.W. Schultz says: "The logical basis of this connection rests on the concept of an optimum allocation of resources available for investment not only among capital goods but importantly also between such goods and the capabilities of people".

Progress is fundamentally the result of human effort. If a country is unable to develop its human resources, it cannot develop much else, whether it be a modern political
and social structure, a sense of national unity, or higher standards of material welfare. Countries are underdeveloped because most of their people are underdeveloped, having no opportunity of expanding their potential capacities in the service of society. The aim of a strategy of human resources development is to build the skills and knowledge required for resource development, for economic, social, cultural and political growth and to provide avenues of participation in the creation of a better society for all who seek them. The accumulation of human capital might start with formal education which could wipe out illiteracy among the masses to make the people realizing their responsibilities. Human resource development may make people more receptive to modernization as their contributions to it are enlarged. In all modern societies, human resources are developed for social and political as well as economic ends, and indeed human development is an end in itself. Human capital formation does not end with formal education. Most managerial, technical, and craft skills, for example, are developed on the job much more effectively than in vocational schools. Japan made an initial heavy investment in developing an educational system and this has certainly paved the way for later accelerated economic development.

India is an industrializing country even though the majority of her population might still be engaged in
agriculture. Consequently, its economic development is dependent upon both improvements in agriculture and industrial development along modern lines. The present study has revealed this important fact. The reluctance of the surplus manpower engaged in agriculture to take up new occupations has been explained by Phelps Brown as follows: "Those who can stay on the land have seldom been willing, short of starvation, to leave it for employment as wage earners: the poorest peasants have been reluctant to commit themselves to work in the factory even though they can earn more there.

Manpower Planning

The utilization of manpower is the process of matching men and work in accordance with their level of development. Thus, a comprehensive manpower policy would encompass all programmes or activities directly related to the development, maintenance and utilization of the labour force and a cohesive manpower policy would call for a logical and consistent strategy to guide all activities along these lines. Manpower planning is the methodical designing of policies and programmes for the development and utilization of the human resources of country in relation to its economic development. It has to be integrated with economic and educational planning. An essential element of human resources is manpower assessment and a general population censes could be useful.
in making manpower data available as it classifies workers by occupations. For a comprehensive study on human resources utilization in various occupations, data from different sources need to be consulted and analysed for reaching certain valid conclusions. A number of factors have to be taken into account while determining the utilization pattern. Human resources utilization should also be taken into account the underemployed and unemployed manpower which constitute the hidden saving potential. In India, rational and effective utilization of human resources is the most neglected aspect of manpower planning. For purposes of manpower planning, education and training programmes should serve a number of purposes. Manpower planning is the process of developing and determining objectives, policies and programmes that will develop, utilize and distribute manpower so as to achieve economic and other goals. It includes developing the necessary organizations and institutions required to execute manpower programmes.

Objectives of Manpower Planning in Indian context

In the words of Harbinson, “In the broadest terms, manpower policy should be concerned with development, maintenance and utilization of actual or potential numbers of labour force, including those who are fully and productively employed as well as those who experience difficulty in getting work”. A comprehensive manpower
policy should encompass all programmes or activities directly related to the development, maintenance and utilization of the labour force and a cohesive manpower policy would call for a logical and consistent strategy to guide all activities along these lines.

The following are the basic characteristics of the Indian economy that are relevant to the present research study:

(i) population explosion, (ii) excessive dependence on agriculture, and (iii) under-utilization of human resources. The stock of capital, human and material, could be increased quantitatively and qualitatively by augmenting the rate of investment. The human capital could be augmented by providing better training and education to the people and the material capital could be augmented by striking a balance between agricultural and industrial sectors by transforming the economy from agricultural to industrial and by improving the per capita income of the nation. In an under-developed economy, the idleness of labour is more or less a natural phenomenon because the pooling of economic activities and the output within a family or more extensive groups which frequently accompanies the subsistence or near subsistence production provides for the economically redundant members of the
community. In the developing economies, like India the main problem is that of a switch-over from the primitive to the most advanced machineries and processes. This change-over in the space of a few years requires a gigantic task of manpower development, the success of which depends on meticulous planning, wise investment in education and concerted effort to use scarce human skills effectively.

India has experienced rapid growth in population, and backwardness of agriculture due to excessive dependence, under utilization of human resources (both manpower and woman power), and the difficulties experienced in switching over from the agricultural occupations to other segments of the Indian economy. Hence, the manpower policy must be comprehensive and must take into account the vocational, technical and cultural dimensions of the relationship between economic development and manpower development. India does not possess skilled and highly motivated manpower to embark upon an ambitious programme of economic development by borrowed raw-materials and machinery. It is a vast country with abundant natural resources which could be mobilized by proper development is fundamentally similar to planning for the intelligent utilization of other resources.
Human Resource Management and Global Business Environment

As is evident from above discussion Human Resource Management plays a significant role in the success of a business. Human resource is the most vital resource of a business. It is the most valuable assets of an organisation. In case of business enterprise the significance and role of human resource management cannot be over emphasised. However the human resource management is a challenging activity. The successful management depends greatly upon the ability to predict, control and direct behaviour towards business goal. The human resource management is the key to the success of a business.

Human resource management entails guiding the human resource towards attaining organisational objectives with a high degree of commitment, morale and satisfaction of personnel concerned. Earnest Pale views management “as the process of getting things done through other people”.

Human resources contribute significantly in the production of goods and services in an organisation. Physical and monetary resource by themselves cannot contribute towards organisational growth and development. It is through combined and concerted effort of people that monetary and material resources are harnessed to achieve organisation goals. But these efforts, attitudes and skills
have to be well coordinated to optimise the effectiveness of human resource to meet greater challenges.

Experience shows that the quality of human resource management mainly determines the rate of economic progress in a country. The enterprise is a community of human beings. Its performance is largely determined by the performance of human beings and human resource performance is the result of human resource management. Management of a highly productive input like human resource is very much critical. In fact, efficient management of human resource has been a concern of many enterprises. It has been recognised that progress in important sectors of the economy is outcome of the dynamic initiatives taken by its manpower. The desire for the upliftment of the people of a developing economy needs the vital support of its manpower. This has made the human factor in the process of development as the key input of management. The development effort of management remains futile if human resource is not directed in a positive way. Human resource is the key factor of production, on it depends the productivity of other factors of production. In the absence of proper management of human factor, goals cannot be achieved and desired results can not be attained of all factors of production, the management of manpower is the most challenging task. It needs a planned effort by those who occupy the position of
responsibility and authority. Improved job performance and motivation are the key to any organisational growth and development. Strategy of human resource development should offer adequate opportunities for full utilisation of human potential and talents in the key areas of business.

In brief human resource management plays a crucial role in an organisation in the following ways:

(i) Sound human resource policies can help in attracting and retaining the best people in the organisation. This requires proper human resource planning and its implementation.

(ii) Appropriate recruitment and selection policies identifying the right people for the right jobs and make sure they are placed in suitable positions.

(iii) Scientific performance appraisal, training and development policies to develop the needed skill, knowledge and attitude of the people towards greater organisational effectiveness.

(iv) Effective human resource policies also motivate organisation for improved task and performance.

Human resource management has become very technical and sophisticated subject more than the
management of physical resources and technology. The term homeostasis is related to maintaining a constant level of inner tissue of body like oxygen, temperature and internal needs. It suggests that organism wants to achieve biological equilibrium which is possible by avoiding tensions of external disturbances to a minimum possible level and maintaining constant supply of food needed for the survival and growth of organism. The human beings try to maintain a constant level of physical and social environment. The equilibrium is disturbed due to some forces influencing the individual’s inner physical and social environment. Individuals anticipate and perceive these disturbances and try to minimise their effects. They like comfortable environment and attempt to restore the environment if it is lost or reduced. The consistency is not rigid, it is an equilibrium of mental set up considering the various needs of self, and social structure. The constancy or equilibrium may be changing as per change in the environment. The individual employees need restoring or adjustment of different factors influencing his mental and physical environment. Desire to maintain constancy or equilibrium may create repulses or conflicts at other places or in the minds of other individuals and employees. Management will have to provide equilibrium or constancy of mental and social environment while minimising the conflicts and strength.
Environment affecting the equilibrium may be his biological needs, physical conditions and social set up. The employees will have to work within the premises of these factors to get maximum satisfaction of equilibrium while working in the organisation, he faces conflicts and stresses. The management has to minimise these conflicts and stresses by applying their suitable techniques. Environmental changes are constant but not rigid the factors of environment influencing equilibrium of employees are analysed for suggesting suitable measure to provide maximum satisfaction or equilibrium to employees.

The foregoing analysis highlighted the contextual nature of management practice, and the problems of following general recipes for success. In doing so it has tended to cast doubt on the 'Holy Grail' of Human Resource Management; that is, the links between business strategy and human resource management strategy. This is not to suggest that a strategic approach to Human Resource Management is impossible, but that it requires more than a few policies to bring about an effective fit that will actually enhance business performance. Although the rational adaptation of practice to strategic objectives is an alluring goal, it is easily frustrated in the human resource management area by a range of factors over which management have no control, and sometimes more by factors over which they do have control, that is, patterns of
work organisations, flexibility and employment conditions. This tension within managerial objectives, as well as the impact of context, helps to explain the chronic gap that exists between rhetoric and reality in human resource management practice. While human resource management strategies are expressed in the rational language of means and ends, the intractable problems of conflicting pressure, employee resistance and external pressure tend to drive a wedge between policy and outcomes.

There is little doubt about the human resource function that it will have to be responsive and outcome-oriented in the twenty-first century. Its impact should be measurable and human resource programmes have to be more answerable in shorter and longer-term perspectives. It is already focusing on organisation building and creating a learning organisation based on trust, openness, proactiveness, initiative, authenticity and fairness. In addition, it would have to discover the real customer of human resource work and to serve the value chain of the business.

There are two perspectives through which the effectiveness of the human resource function will be measured in the twenty-first century. Firstly, It has to be effective in terms of specific Human Resource programmes.
Urich (1997) prescribes that it has to answer questions such as:

a) How does human resource practices the market value of a firm?

b) How do human resource practices impact the intellectual capital of a firm?

c) How can investment in human resource practices be directly related to growth, cost, or other financial variable?

d) What is the economic impact of using human resource practices to create a shared mindset, more efficient transaction, or committed employees?

e) What is the economic impact of not investing in human resource practices?

Secondly, it has to realign its human resource policies and practices with the new competitive reality of the business and has to inculcate cultural values in organisation in that direction. Beer (1997) recommends that human resource functions has to facilitate “far higher levels of (1) coordination across functions, business units, and borders; (2) employee commitment to continues improvement; (3) general management and leadership competence; (4) creativity and entrepreneurship; and (5) open communication.” Further he foresees a growing realisation on the part of CEOs that “their human resource function is expensive and ill equipped to help them build a
competitive organisation." This will surely set the stage for a major transformation of the human resource function.

In this competitive world, human resource management will gain center stage by determining and making available the skills and motivation required by organisations. The trade-off between different human resource inputs has to be well understood with a strategic intent, and newer competencies have to be acquired by human resource professionals.

Moreover, human resource functionaries have to develop a fuller understanding of human resource instrumentalities and their operationalisation. At the same time, they have to be well aware about the dynamics of change in an organisational setting. These processes have to go simultaneously reinforcing each other. More importantly, human resource mechanisms and decisions are not an end in themselves; rather they are facilitators of coordinated efforts towards organisational excellence. This has to be well understood by human resource functionaries and top management involving line managers.

Nevertheless, the leadership issue will remain vital for the survival and success of the organisation, and vision and posture of the leader will be crucial for chanellising people’s energies towards organisational
results and in determining human resource orientations and human resource outcomes. It will help human resource to redefine its position, status and agenda in the arrangement of things in the twenty-first century’s organisation. It will go a long way in serving organisations and society at large, with a catalytic input. The research project aims at studying human resource management in food Processing Industry with special reference to Heinz. Thus the following chapter has been devoted to analyse the trends in the growth and performance of food processing industry in India.
References


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