2.1 Introduction:-

An organization is nothing without human resources. If we have to understand how an organization should manage its human resources, we need to put the problem of HRM in perspective. This can best be accomplished by beginning with a review of how the Indian labour force has changed in the past over 50 years since independence many of the current problems, challenges and opportunities in HRM can be directly traced to the shifting characteristics of the labour force.

What is management: - Management is the process of efficiently getting activities completed with & through other people. The management process included the planning, organizing, leading and controlling that takes place to accomplish objectives. Any definition of management must include three common factors, goals, limited resources and people.

2.2 What is HRM: - Human Resource Management is concerned with “People- centric issues” in management. Since every organization is made up of people acquiring their services, developing their skills, motivating them to high levels of performance and ensuring that they continue to maintain their commitments to the organization are essential to achieving organizational objectives. Those organizations that are able to acquire, develop, stimulate and keep outstanding worker will be both effective and efficient, survival of an organization requires managers and workers to co-ordinate their efforts towards an ultimate goal.

Human resource management (HRM) is an approach to the management of people, based on four fundamental principles. First, human resources are the most important assets an organization has and their effective management is the key to its success. Second, this success is most likely to be achieved if the personnel policies and procedures of the enterprises are closely linked with, and make a major contribution to, the achievement of corporate
objectives and strategic plans. Third, the corporate culture and the values, organizational climate and managerial behaviour that emanate from that culture will exert a major influence on the achievement of excellence. This culture must, therefore, be managed which means that organizational values may need to be changed or reinforced, and that continuous effort, starting from the top, will be required to get them accepted and acted upon. Finally, HRM is concerned with integration-getting all the members of the organization involved and working together with a sense of common purpose.

2.3 Concept of HRM

HRM is a strategic approach to the acquisition, motivation, development and management of the organization's human resources. It is a specialized field that attempts to dividing an appropriate corporate culture, and introducing programmes which reflect and support the core values of the enterprise and ensure its success. HRM is proactive rather than reactive, i.e., always looking forward to what needs to be done and then doing it, rather than waiting to be told what to do about recruiting paying or training people, or dealing with employee relations problems as they arise. The techniques for the application of HRM will include many familiar functions of personnel managers, such as manpower planning, selection, performance appraisal, salary administration, training and management development. These will be overlaid by special programmes designed to improve communication systems, involvement, commitment, and productivity.

Broadly, there are three meanings attached to the concept of HRM. In the first place, persons working in an organization are regarded as a valuable source, implying that there is a need to invest time and effort in their development. Secondly, they are human resources which mean that they have their own special characteristics and, therefore, cannot be treated like material resources. The approach focuses on the need to humanize organizational life and introduce human values in the organization. And thirdly, human resources do not merely focus on employees as individuals, but also on other social realities, units and processes in the organization. These include the role or the job a person has in the organization, the dyadic unit, (consisting of the person and his superior), the various teams in which people work, inter-team
processes, and the entity of the total organization. The important assumptions of HRM are as follows:

1. The members of an organization are reservoirs of untapped resources.
2. There is scope for unlimited development of these resources.
3. It is more in the nature of self-development than development thrust from outside.
4. The organization also undergoes development with the overall benefits along with the development of its members.
5. The organization further develops a culture in which utmost emphasis is placed on harmonious superior-subordinate relations, teamwork, collaboration among different groups of individuals, open communication, and above all, integration of the goals of the organization with the needs of the employees.
6. Top management takes the initiative for HRM, formulates necessary plans and strategies, and creates an overall climate and support for its implementation.

The management of human resources is more of an art than a science. In practice it is an "art" full of pitfalls, judgement calls, and learning from past mistakes.

2.4 Meaning & Definitions

Simply put Human Resource Management (HRM) is a management function that helps manager’s recruit, select, train and develops members for an organization. Obviously, HRM is concerned with the people's dimension in organizations.

Human resource management is also a management function concerned with hiring, motivating and maintaining people in an organization. It focuses on people in organizations.

We quote three definitions on HRM. But before quoting the definitions, it is useful to point out the essentials which must find their place in any definition. The core points are:

1. Organizations are not mere bricks, mortar, machineries or inventories. They are people. It is the people who staff and manage organizations.
2. HRM involves the application of management functions and principles. The functions and principles are applied to acquisitioning, developing, maintaining & remunerating employees in organizations.

3. Decisions relating to employees must be integrated. Decisions on different aspects of employees must be consistent with other human resource (HR) decisions.

4. Decisions made must influence the effectiveness of an organization. Effectiveness of an organization must result in betterment of services to customers in the form of high-quality products supplied at reasonable costs.

5. HRM functions are not confined to business establishment only. They are applicable to non-business organizations too such as education, health care, recreation and the like.

The following three definitions collectively cover all the five core points:-

1. HRM a series of integrated decisions that form the employment relationship, their quality contributes to the ability of the organizations and the employees to achieve their objective.

2. HRM is concerned with the people dimension in management. Since every organization is made up of people acquiring their services, developing their skills, motivating them to higher levels of performance and ensuring that they continue to maintain their commitment to the organization are essential to achieving organizational objectives. This is true, regardless of the type of organization- government, business, education, health, recreation, or social action.

3. HRM is the planning, organizing directing & controlling of the procurement development compensation, integration, maintenance & separation of human resources to the end that individuals, organizational and social objectives are accomplished.

Thus, HRM refers to a set of programmes, functions and activities designed and carried out in order to maximize both employee as well as organizational effectiveness.

Human Resource Management is the utilization of individuals to achieve organizational objectives.

As defined by John Bratton and Jeffrey Gold (2003)- Human Resource Management is a strategic approach to managing employment relations which
emphasizes that leveraging people's capabilities is critical to achieving sustainable competitive advantage, this being achieved through a distinctive set of integrated employment policies programs & practices.

Human Resource Management (HRM) is a process of bringing people and organizations together so that the goals of each are met. It is that part of the management process which is concerned with the management of human resources in an organization. It tries to secure the best from people by winning their wholehearted co-operation. In short, it may be defined as the art of procuring, developing and maintaining competent work force to achieve the goals of an organization in an effective and efficient manner.

According to Invancevich and Glueck, "HRM is concerned most effective use of people to achieve organizational and individual goals. It is a way of managing people at work, so that they give their best to the organizations".

According to fisher: - “Human Resource Management involves all management decisions and practices that directly affect or influence the people, or human resources, who work for the organization”. Human resource management is a strategic and coherent approach to the management of an organization's most valued assets- the people working there who individually and collectively contribute to the achievement of its goals.

As defined by story (1995): Human Resource Management which seeks to obtain competitive advantage through the strategic deployment of highly committed and skilled work force, using an array of cultural, structural & personnel techniques. There is a specific set of HRM Policies which are best practice and which lead to high levels of employee performance. This encompasses items such as team work, flexibility, quality and organizational commitment.

Human resource management- is therefore, part of the process that helps the organization achieve its objectives. Once the general direction and strategic have been established the next stage is to formulate firm objectives & develop these into actions plans. The objectives cannot be attained without the required resources, which of course include people. HRM should be part of the process which determined what people are required, how to use them, how to
get them and how to manage them. It should be fully integrated with all the other management processes.

The place of HRM in relation to the organizations other activities is summarized in figure

![Chart: 2.1. Human Resource Management Process](chart.png)

In other words, all management decisions & practices that directly affects or influence people- planning acquiring, retaining (controlling turnover), developing or training, performance appraisal, compensation, safety & health, family & work life. HRM has a wide range of functions and areas of responsibility.

HRM is commonly defined as a "Process of acquiring, training, appraising and compensation employees and attending to their labour relations, health & safety and fairness concerns" (Dessler, 2005), and as a "Strategic and coherent approach to the management of an organizations most valued assets- the people working there who individually and collectively contribute to the achievement of its goals..

[Armstrong, 1999] Hall and Goodale (1986) add that HRM is a "Process of bringing people and organizations together so that the goals of each are met", with the aim of the "optional degree of fit among the four components- the environment, organization, Job and individual".
David A. Decenza and Stephen P. Rabbins defined HRM- “Process consisting of four functions- acquisition, development- motivation and maintenance of human resources.

Edward Filippo defines- personnel management is the planning, organizing, directing and controlling of the procurement, development, compensation, integration, maintenance and separation of human societal objectives are accomplished.

Storey (1989) believes that HRM can be regarded as a set of interrelated policies with an ideological and philosophical underpinning. He suggests four aspects that constitute the meaningful version of HRM.
1. A particular constellation of beliefs & assumptions.
2. A strategic thrust informing decisions about people management.
3. The central involvement of line managers and
4. Reliance upon a set 'levers' to shape the employment relationship.

2.5 Nature of Human Resource Management
It is rather difficult to express the true nature of human resource management. Human resource management is concerned with the management of people at work. It reflects a new philosophy, a new approach and a new outlook. The human factor plays such an important role in the field of management that some people consider human resource management and management as one and the same thing. As Appley observes: "Management is the development of people and not the direction of things."

2.6 History of Human Resource Management
Management of human resources, as a subject of study even though of relatively recent origin- the concept upon which the theory is based-dates back to 400 B.C. (chaleans Incentive wage plans) Minimum wage and incentive wage plans were in Babylonian codes or Hammurabai around 1800 B.C. The Chinese as early as 1650 B.C. had originated the principle of Division of Labour (specialization). The span of management and the related concepts of organization were well understood by Moses around 1200 B.C. In India, kantilya observed a sound base for systematic management- of human resource as early as 4th century B.C.
Prior to Industrial Revolution the status of labour was extremely low and the human relationships between the employer and the employees were characterized by salvery, serfdom was based on positive incentive system. However, both these systems have been replaced with the growth of manufacturing and commercial enterprises by the guild system involving master crafts. Man (the owner) the Journeyman (the traveling worker) and the apprentice. Guild system marked the beginning of Human Resource Management for selection, training & development of workers and emergence of collective bargaining for wages & working conditions.

The Industrial Revolution followed the new economic doctrine of laissez-faire. New industrial organizations were characterized by the factory system (a change from cottage system or home entered production system) which deteriorated the employer, employees relationship due to unhealthy work, environment, long working hours, fatigue, monotony, strain, increased likelihood of accidents etc.

Reviewing the history, it is observed that great thrust had been given to personnel management functions by business expansion, labour strategies & higher wage rates during the 1st world war (1917). Many of these activities had been initiated for welfare and paternalism. The great depression of 1920-21 threw many personnel men out of jobs and this created a disillusion for this profession. A number of literatures came up world-wide during 1920-22, dealing with different areas of personnel administration, by 1923, the profession had reached the stage of maturity, as organizational started giving importance to it like other core functions, viz. production and marketing.

2.7 Evolution of Human Resource Management:

As a part of introduction to the subject, it is useful to study the evolution of HRM. HRM a relatively new term emerged during the 1970s. Many people continue to refer to the discipline by its older, more traditional titles, such as personnel management- or personnel administration.

The trend is changing. The term nowadays used in industry circles is HRM coming to the evolution of HRM as a subject, it may be stated that concern for the welfare of workers in the management of business enterprises has been in existence since ages. Kautilya's Arthashastra states that there
existed a sound base for systematic management of resources during as early as the 4th century BC. The government then took on active interest in the operation of public and private sector enterprises & provided systematic procedures for regulating employer-employee relationships.

Elsewhere, human resources in organizations received the management attention much earlier. As early as in 18000 B.C. it, minimum wage rate and 'incentive wage plan' were included in the Babylonian code of Hummurabai.

Experts of HRM in our country have tried to chronicle the growth of the subject only since the 1920s. This was the period when state intervention to protect the interests of workers was felt necessary because of the difficult conditions which followed the first world war, and the emergence of trade unions. The Royal commission (1931) recommended the appointment of labour welfare officers to deal with the selection of workers and to settle their grievances. The factories Act, 1948, made appointment of welfare officers compulsory in industrial establishments employing 500 or more workers each.

In course of time, two professional bodies, the Indian Institute of personnel management (IIPM) and the National institute of Labour management (NILM) were set up. IIPM had its head quarters at Kolkata and NILM at Mumbai. These two places were the premier centres of traditional industry (jute & cotton respectively) in pre-independent India.

The aftermath of the Second World War and the country's political independence witnessed increased awareness an expectations of workers. During the 1960s, the personnel function began to expand beyond the welfare aspect, with labour welfare, IR and personnel administration- integrating into the emerging profession called personnel management (pm). Simultaneously, the massive thrust given to the heavy industry in the context of planned economic development, particularly since the second five-year plan and the accelerated growth of the public sector in the national economy resulted in a shift in focus towards professionalisation of management.

By the 1970s a shift in professional values was discernible. It shifted from a concern for welfare to a focus on efficiency. In the 1980's professionals began to talk about new technologies, HRM challenges and HRD. The two professional bodies, IIPM & NILM, merged in 1980 to form the National Institute of personnel management (NIPM).
In the 1990s the emphasis shifted to human values & productivity through people. Reflecting this trend, the American society for personnel Administration (ASPA) was renamed as the society for Human Resources Management (SHRM). Thus beginning in the 1920s the subject of HRM has grown into a matured profession.

Evolution of HRM in India

<table>
<thead>
<tr>
<th>Period</th>
<th>Development status</th>
<th>Outlook</th>
<th>Emphasis</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1920-1930s</td>
<td>Beginning</td>
<td>Pragmatism of Capitalists</td>
<td>Statutory, welfare paternalism</td>
<td>Clerical</td>
</tr>
<tr>
<td>1940-1960s</td>
<td>struggling for recognition</td>
<td>Technical legalistic</td>
<td>Introduction of techniques</td>
<td>Administrative</td>
</tr>
<tr>
<td>1970-1980s</td>
<td>Achieving sophistication</td>
<td>professional, legalistic, impersonal</td>
<td>Regulatory, conforming, imposition of on other functions</td>
<td>Managerial</td>
</tr>
<tr>
<td>1990s</td>
<td>promising</td>
<td>philosophical</td>
<td>Human values productivity through people</td>
<td>Executive</td>
</tr>
</tbody>
</table>

Table No: - 2.1

2.8 Characteristics of Human Resource Management

(i) *Human oriented*: Human resource management, as the name suggests, is concerned with the management of human resource of an organization consisting of all individuals engaged in any of the organizational activities at any level. It deals with human relationship within an organization. It is the process of bringing people and organization together to achieve their goals.

(ii) *Development oriented*: Human resource management lays stress on development of employees' potential, capacity, interest and their personality. It helps the employees to get maximum satisfaction out of their work.

(iii) *Pervasive in nature*: Human resource management is very wide in its nature. It is concerned with the management of human resource of an organization consisting of all individuals engaged in any of the organization's activities at any level. Again,
human resource management is pervasive in nature as people are the necessary ingredients in any organization. The human resource of an organization consists of all individuals at all levels. It has wide coverage. It is not confined to industry alone. It equally applies to all types of organizations—government, non-government, educational, social, religious, etc. Moreover, it is not confined to personnel functions alone but to all the functional areas, i.e., production, marketing, finance, etc. in factories, and nursing, medical, para-medical, housekeeping, maintenance, etc. in hospitals.

(iv) Continuous process: Human resource management is a continuing and never ending process. It flows like a river continuously and is not stationary like a pool or pond. It cannot be switched on and off like an electric bulb. It is a constant function of an organization whether be it an industry or a hospital.

(v) Multi-disciplinary: Human resource management deals with human beings which have feelings and emotions too. Therefore, it is imperative to apply the doctrines of economics, anthropology, sociology and psychology, etc. to deal with them effectively.

(vi) Developing discipline: Human resource management is a developing discipline and is of recent origin as compared to the other specialized functions of management, i.e., productions, marketing or finance. It made its humble beginning only in the latter part of the nineteenth century.

(vii) Management oriented: The human resource department operates in an auxiliary or advisory capacity to other departments in the organization. It exists to assist and advise the line and operating managers to do their personnel work more effectively.

2.9 Fundamental principles of Human Resource Management:

Human resource management of an organization represents one of its largest investments. Therefore, it is of utmost importance to deal with its human resources sympathetically and tactfully. Peter Drucker in his book, Practice of Management (Heinemann, 1959), wrote. "An effective management must direct the vision and effort of all managers towards a common goal." His concept of a visionary goal-directed leadership is fundamental to human resource management. While Douglas McGregor advocated management by integration and self-control, he believed that a management philosophy needed to be build up, based on attitudes and beliefs about people and the managerial role of achieving integration.
Thus human resource management is an approach to the management of people based on the following fundamental principles:

1. Human resource management is concerned with integration by getting all the members of the organization involved so that they may work together with a sense of common purpose.

2. Human resource policies of the organization should be fair to all. They should make a major contribution to the achievement of an organization's objectives as well as provide conductive atmosphere of working to the employees so that their output is maximum.

3. Human resources are the most important assets and their tactful management is the key to success of an organization.

4. The culture and values of an organization exert enormous influence on the organization. Therefore, organizational values and culture should be accepted and acted upon by one and all in the organization.

If the aforesaid fundamental principles are followed in letter and spirit, human resource management will tap a reservoir of untapped resources, develop a culture in which utmost emphasis will be placed on harmonious superior-subroutine relationship, and will create an overall climate in which the organization and its human resources will be able to do their best for each other.

**2.10 Human Resource Utilization:**

No organization can survive for long without proper utilization of its human resources. Therefore, it is essential to treat them with dignity as adults and partners. These fundamental human values can provide a base for closer ties between management and its personnel. Once both parties have a clear understanding of each other, industries can have maximum production and hospitals/hotels can provide best service.

The following steps should be taken to improve the use of human resources:

1. Improve recruitment, selection and induction programme.
2. Increase manpower budget.
3. Introduce incentive scheme
4. Start work measurement system
5. Introduce training programmes based on training needs
6. Lay emphasis on new technology.
7. Stress on future planning.
Thus proper human resource utilization will not only be in the interest of the organization but of the nation as well.

2.11 Scope of Human Resource Management:

The scope of HRM is indeed vast. All major activities in the working life of a worker—from the time of his or her entry into an organization until he or she leaves—come under the purview of HRM. Specifically, these activities included are HR planning, Job analysis and design, recruitment and selection, orientation and placement, training and development, performance appraisal and job evaluation, employee and executive remuneration, motivation and communication, welfare, safety and communication, welfare, safety and health, industrial relations (IR) and the like for the sake of convenience, we can categories all these functions into seven sections (i) Introductions to HRM. (ii) Employee Hiring (iii) Employee and executive remuneration (iv) Employee motivations (v) Employee maintenance (vi) IR and (vii) Prospects of HRM.

Chart No.2.2 Scope of HRM
According to Date Yoder, the scope of human resource management is very wide. It consists of the following functions.

1. Setting general and specific management policy for organizational relationships, and establishing and maintaining a suitable organization for leadership and co-operation.

2. Collective bargaining, contract negotiation, contract administration and grievance handling.

3. Staffing the organization, finding-getting and holding prescribed types and number of workers.

4. Aiding in the self-development of employees at all levels providing opportunities for personal development and growth as well as for acquiring requisite skill and experience.

5. Developing and maintaining motivation for workers by providing incentives.

6. Reviewing and auditing manpower management in the organization.

7. Industrial relations research-carrying out studies designed to explain employee behaviour and thereby effecting improvement in manpower management.

The Indian Institute of Personnel Management has described the scope of human resource management into the following aspects:

1. **The Labour or Personnel Aspect:** It is concerned with manpower planning, recruitment, selection, placement, induction, transfer, promotion, demotion, termination, training and development, layoff and retrenchment, wage and salary administration (remuneration), incentives, productivity, etc.

2. **The Welfare Aspect:** This aspect is concerned with working conditions and amenities such as canteens, crèches, rest rooms, lunch rooms, housing, transport, education, medical help, health and safety, washing facilities, recreation and cultural facilities, etc.

3. **The Industrial Relations Aspect:** This is concerned with the company's relations with the employees. It includes union-management relations, joint consultation, negotiating, collective bargaining, grievance handling, disciplinary actions, settlement of industrial disputes, etc.
2.12 The Semantics:

As in any other discipline there is the problem of semantics in HRM too. First, we have two terms namely, Personnel management (PM) and Human Resource Management (HRM). Between these two terms there is a basic difference, and it is useful to understand as to what it is.

HRM differs from PM both in scope and orientation. HRM views people as an important source or asset to be used for the benefit of organizations employees & the society. It is emerging as a distinct philosophy of management aiming at policies that promote mutuality- mutual goals, mutual respect, mutual rewards & mutual responsibilities. The belief is that policies of mutuality will elicit commitment which in turn, will yield both better economic performance and greater human resource development (HRD).

Though a distinct philosophy, HRM cannot be treated in isolation. It is being integrated into the overall strategic management of business. Further, HRM represents the latest term in the evolution of the subject. The year 1990 was a turning point in this evolution. The American society for personnel Administration (ASPA) the largest professional association in this field of management changed its name to the society for Human Resource Management (SHRM). Since then the expression is gradually replacing the hackneyed term personal management.

PM has a limited scope and an inverted orientation. It viewed labour as a total the behaviour of which could be manipulated for the benefit of the organization and replaced when it was worn- out. The personnel department itself was not treated with respect.

It was filled with not-very-productive employees whose services could be spared with minimal damage to the organizations on-going operations. Personnel function was treated as a routine activity meant to hire new employees and to maintain personnel records. It was never considered a part of the strategic management of business, historically, PM preceded HRM.

Following table draws the line of separation between HRM & PM quite clearly.
## Differences between HRM & PM

<table>
<thead>
<tr>
<th></th>
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<th></th>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>Employment Contract</td>
<td>Careful delineation of written contracts</td>
<td>Aim to go beyond contract</td>
</tr>
<tr>
<td>2.</td>
<td>Rules</td>
<td>importance of devising clear rules</td>
<td>Can do outlook, impatience with rule.</td>
</tr>
<tr>
<td>5.</td>
<td>Management task vis-à-vis labour</td>
<td>Monitoring</td>
<td>Nurturing</td>
</tr>
<tr>
<td>6.</td>
<td>Key relations</td>
<td>Labour management</td>
<td>Customer</td>
</tr>
<tr>
<td>7.</td>
<td>Initiatives</td>
<td>Piecemeal</td>
<td>Integrated</td>
</tr>
<tr>
<td>8.</td>
<td>Speed of decision</td>
<td>Slow</td>
<td>Fast</td>
</tr>
<tr>
<td>9.</td>
<td>Management role</td>
<td>Transactional</td>
<td>Transformational leadership</td>
</tr>
<tr>
<td>10.</td>
<td>Communication</td>
<td>Indirect</td>
<td>Direct</td>
</tr>
<tr>
<td>11.</td>
<td>Prized Management skills</td>
<td>Negotiation</td>
<td>Facilitation</td>
</tr>
<tr>
<td>12.</td>
<td>Selection</td>
<td>Separate, Marginal task</td>
<td>Integrated, key task</td>
</tr>
<tr>
<td>13.</td>
<td>Pay</td>
<td>job evaluation (Fixed grades)</td>
<td>performance related</td>
</tr>
<tr>
<td>14.</td>
<td>Conditions</td>
<td>separately negotiated</td>
<td>Harmonisation</td>
</tr>
<tr>
<td>15.</td>
<td>Labour Management</td>
<td>Collective- bargaining contracts</td>
<td>Individual contracts</td>
</tr>
<tr>
<td>16.</td>
<td>Job categories &amp; grades</td>
<td>Many</td>
<td>Few</td>
</tr>
<tr>
<td>17.</td>
<td>Job Design</td>
<td>Division of Labour</td>
<td>Team work</td>
</tr>
<tr>
<td>18.</td>
<td>Conflict handling</td>
<td>Research temporary</td>
<td>Manage climate &amp; culture</td>
</tr>
<tr>
<td></td>
<td>Training &amp; Development</td>
<td>controlled access to courses</td>
<td>Learning companies</td>
</tr>
<tr>
<td>---</td>
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<td>-------------------------------</td>
<td>--------------------</td>
</tr>
<tr>
<td>20.</td>
<td>Focus of attention for interventions</td>
<td>Personnel procedures</td>
<td>wide-ranging cultural structural &amp; personnel strategies</td>
</tr>
<tr>
<td>21.</td>
<td>Respect for Employees</td>
<td>Labour is treated as a tool which is expendable and replaceable</td>
<td>People are treated as assets to be used for the benefit of an organization its employees &amp; the society as a whole.</td>
</tr>
<tr>
<td>22.</td>
<td>shared interests</td>
<td>Interests of the organization are uppermost</td>
<td>Mutually of interests</td>
</tr>
<tr>
<td>25.</td>
<td>Psychological contrast</td>
<td>Compliance</td>
<td>Commitment</td>
</tr>
<tr>
<td>26.</td>
<td>Control system</td>
<td>External control</td>
<td>Self-control</td>
</tr>
<tr>
<td>27.</td>
<td>Employee relations perspective</td>
<td>pluralist, collective, low-trust</td>
<td>unitarist, individual, High-trust.</td>
</tr>
<tr>
<td>28.</td>
<td>Preferred structures/ systems</td>
<td>Bureaucratic, Mechanistic, Centralized, formal defined roles</td>
<td>Organic, devolved flexible roles</td>
</tr>
<tr>
<td>29.</td>
<td>Role</td>
<td>specialist /professional</td>
<td>Largely integrated into line management</td>
</tr>
<tr>
<td>30.</td>
<td>Evaluation</td>
<td>Cost-minimization</td>
<td>maximum utilization (Human asset accounting)</td>
</tr>
</tbody>
</table>

**Table no: - 2.2**
2.13 Policy Goals of HRM

1. Managing people as assets that are fundamental to the competitive advantage of the organization.
2. Aligning HRM policies with organizational policies.
3. Developing a close fit of HR policies, procedures systems with one another.
4. Creating a flatter and more flexible organization to change.
5. Encouraging team working and co-operation across internal organizational boundaries.
6. Creating a strong customer first-philosophy throughout the organization.
7. Empowering employees to manage their own self development and learning.
8. Developing reward strategies designed to support a performance driver culture.
9. Improving employee involvement through better internal communication.
10. Building greater employee commitment to the organization.
11. Increasing line management responsibility for HR Policies.
12. Developing the facilitating role of managers as enablers.

The goal of the human resource management function is to create an environment that fosters staff development and continued learning to support the organizations mission.

Improvement of the human resource management function focuses on understanding essential processes and revising those processes based on relevant data.

2.14 Objectives of HRM:

The precise objectives of human resource management will vary from organization to organization and will depend on the organizations stage of development. At one extreme, for example, the human resource specialist will be seen as someone who looks after the administrative side of people management, i.e preparing contracts of employment, maintaining personnel files and so on. At the other extreme he or she will be seen as an integral and vital part of the business planning process.

Human resource management is concerned with the management of personnel at work. The way in which the personnel are recruited, selected,
trained, developed and utilized by management largely determines whether the organization will achieve its objectives or not. Therefore, the personnel available to management in the organization need to be properly looked after, utilized and coordinated. It is through the combined efforts of the management as well as of its personnel, the objectives of an organization can be achieved. Without concerted and combined efforts, an organization cannot accomplish its objectives. Now it is universally recognized that the effectiveness with which personnel are coordinated and utilized is directly responsible for the success of any organization. Therefore, human resource management aims at obtaining and maintaining a capable work force so that the objectives of the organization can be achieved.

Briefly, the following are the objectives of human resource management:

1. Obtaining and developing the right personnel.
2. Providing effective motivation and leadership.
3. Paying attractive remuneration and treating them like brothers and sisters.
4. Effective utilization of human resources in the achievement of organizational goals.
5. Establishment and maintenance of an adequate organizational structure and desirable working relationships among all members of the organization.
6. Securing integration of the individual and informal groups with the organization, and thereby ensuring their commitment, involvement and loyalty.
7. Recognition and satisfaction of individual needs and group goals.
8. Provision of maximum opportunities for individual development and advancement.
9. Maintenance of high morale in the organization.
10. Continuous strengthening and appreciation of human assets.

From these objectives one can conclude that the emphasis has been laid on the following recruitment, selection, induction, providing adequate salary, periodic appraisal, specific training, retirement compensation, individual development, providing employees’ welfare, better working conditions, and mutual confidence etc. These are the life-blood of human resource management.
## HRM Objectives and Functions

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Table No: - 2.3

### 2.15 Human Resource Management Functions:

The major functional areas in human resource management are: 1) planning 2) staffing 3) employee development and 4) employee maintenance. These four areas and their related functions share the common objective of an adequate number of competent employees with the skills, abilities, knowledge, and experience needed for further organizational goals. Although each human resource function can be assigned to one of the four areas of personnel responsibility, some functions serve a variety of purposes. For example performance appraisal measures serve to stimulate and guide employee...
development as well as salary administration purposes. The compensation function facilitates retention of employees and also serves to attract potential employees to the organization. A brief description of usual human resource functions is given below:

- Human Resource Planning
- Job Analysis
- Staffing
- Orientation
- Training and Development
- Performance Appraisal
- Career Planning
- Compensation
- Benefits
- Labour Relations
- Record-keeping
Chart No.2.3

**HRM Model**

- **Organisation Objectives**
  - Human Resource Planning
  - Recruitment
  - Selection
  - Socialisation

- **Environment influences**
  - Competent employees who have adapted to the organisation's culture

- **Competent employees who have adapted to the organisation's culture**
  - Training & Development
  - Career Development

- **Competent employees with up-to-date skills & knowledge**
  - Motivation
  - Performance Appraisal
  - Rewards & Punishments

- **Competent employees who desire to exert high effort**
  - Benefits & Services
  - Safe and Healthful working conditions
  - Satisfactory Union Relations

- **Competent employees who are committed to the organisation and satisfied with their job**
  - Effective HRM
    - High Productivity
    - Low turnover
    - Low Absertecion
    - High job satisfaction

- **Changing conditions require on-going research & concern for the Future**
2.16 The importance & significance of HRM:

One of the first question any reader might be tempted to ask is why human resource management rather than Personnel Management? Is there a difference and, if so what is it? There are a number of different perceptions of what the two terms mean, with human resource management—often management of the organizations people to achieve business objectives, while personnel management is seen as placing greater emphasis on the management of personnel system & procedures. HRM is often viewed as a mechanism for integrating human resource policies & practices into the organizations business strategy, and also as a more up-to-date description, emphasizing as it does that people are a resource to be managed just as much as any of the organization's other resources and that they are an asset rather than a cost.

Managing people is the heart and essence of being a manager. It concerns all activities relating to human in the organization. The importance of human resource management—has increased these days because management can achieve the organizational objectives only with the co-operation of the people working in the organization. Without the efficient use of human resources management can never accomplish organizational objectives.

Therefore creating and maintaining a motivated workforce is the central responsibility of management everywhere.

Management of human resources is a very challenging job. It is not only concerned with managing people at work but also with managing a social dynamic nature of human element. Human resources comprise a large number of individuals of different sex, age-group, socio-religious groups and of different educational not only similar behaviour patterns and characteristic to certain degree, but also they have many dissimilarities. Each individual who works has his own set of needs, drives, goals and experiences and also possesses his own physical & psychological traits. A person is not only a product of his biological inheritance but also a result of interactions with his environment family relationships, religious influences racial background, educational accomplishment and many other environmental factors affects him as he works. Among the environmental factors which influence his work behaviour are various organizational elements such as authority relationships,
organizational goals, procedures, rules & policies, informal group relationship, the type and manner of supervision received by the employee etc.

The quality of an organization is to large degree determined by the quality people it employees. Success for most organizations depends on finding the employees with the skills to successfully perform the tasks required to attain the company's strategic goals. Staffing and human resource management decision and methods are critical to ensuring that the organization hires and keeps the right personnel.

The importance of HRM can be discussed at four levels-corporate, professional, social and national (Gupta, 1997)

1. Significance for an Enterprise:

   Human resource management can help an enterprises in achieving its goals more efficiently and effectively in the following ways.

   a) Attracting and retaining the required talent through effective human resource planning, recruitment, selection, placement, orientation, compensation and promotion policies.
   b) Developing the necessary skills and right attitudes among the employees through training, development, performance appraisal, etc.
   c) Utilising effectively the available human resources.
   d) Ensuring that the enterprise will have in future a team of competent and dedicated employees.

2. Professional Significance:

   Effective management of human resources helps to improve the quality of work life. It permits team work among employees by providing a healthy, working environment. It contributes to professional growth in the following ways:

   a) Providing maximum opportunities for personal development each employee.
   b) Maintaining healthy relationships between individuals and different work groups.
   c) Allocating work properly.

3. Social Significance:

   Sound human resource management has a great significance for the society. It helps to enhance the dignity of labour in the following ways:
a) Providing suitable employment that provides social and psychological satisfaction to people.
b) Maintaining a balance between the jobs available and the jobseekers in terms of numbers, qualifications, needs and aptitudes.
c) Eliminating waste of human resources through conservation of physical and mental health.

4. National Significance:

Human resources and their management play a vital role in the development of a nation. The effective exploitation and utilization of a nation's natural, physical and financial resources require an efficient and committed manpower. There are wide differences in development between countries with similar resources due to differences in the quality of their people. Countries are underdeveloped because their people are backward. The level of development in a country depends primarily on the skills, attitudes and values of its human resources. Effective management of human resources helps to speed up the process of economic growth which in turn leads to higher standards of living and fuller employment.

2.17 Guidelines for better HRM:

Following are few guidelines for better HRM.

a) Develop People
b) Grooming Future Talent
c) Employees Deployment
d) Build Employee Communities
e) Turn Managers into Coaches

2.18 Concerns of HRM:

"HRM refers to the practices & policies one needs to carry out the people or human resources aspects of a management position".

This would include a lot of activities of the following nature

1. Jobs analysis
2. Job description
3. Job postings
4. Recruitment
5. Selection of Candidates
6. Inducting new employees
Managing wage & salary administration
Providing other benefits & incentives
Conducting performance appraisal
Training & developing the employees
Retaining the employees.

All these above functions, from the point of view of the present research work, can be grouped under three broad heading viz. 1) Recruitment & selection 2) Training & Development and 3) Compensation & Retention.

All these three components of Human Resource Management are very important to all the managers of the organization not for only it would always helps them in not getting into erroneous man management practices, it would help them rather in ensuring rather getting better results by managing people. “For many years it has been said that capital is the bottleneck for a developing industry. I don't think this any longer hold true. I think it is the work force and the company's inability to recruit & maintain a good workforce that does constitute the bottleneck for production. I don't know of any major project backed by good ideas, vigor enthusiasm that has been stopped by shortage of cash & do not know of any industries whose growth has been partly stopped or hampered because they cannot maintain an efficient & enthusiastic labour force & I think, this will hold true even more in the future”. If it is so, the HRM function becomes the responsibility whether of line function or staff functions. But the researcher, keeping the scope of the research work in mind prefers to discuss the components of HRM purely as & staff activity i.e. as being carried out by the managers of HR department as such & discusses very briefly on the following:

A) Recruitment & Selection:-

The above function for obvious reasons varies from one organization to the other but on an average includes the following:-

i) Identification of the need for the new employees & the time scale for the recruitment process.

ii) Clarifying the job specification & qualities required for the job to be carried out in the organization.

iii) Selecting the right kind of manpower.

B) Training & Development:
i) Orienting, employees regarding the organization & the job responsibilities as well, inducting & training, the new employees of the organization.

ii) Evaluating & recommending employees to various training & development programme carried out by extend agency.

iii) Providing leadership & team spirit to build effective working teams.

iv) Performance appraisal

v) Assessing the career progress of the subordinates & providing them with career paths.

C) Compensation & Retention:

i) Conducting job evaluation procedure to determine relative work of each job in the organization.

ii) Conducting salary surveys to determine to find out on the payment modes of other similar organizations.

iii) Working out the financial incentives and pay plan alternatives.

iv) Developing benefit & services packages for the employees.

v) Working out various strategies on retaining the employer & implementing such strategies.

vi) Handling employee relations issues with speed & without bias.
Chart No: - 2.4

Human Resource Management (Activities)

Human Capital Management

- Organization
  - Design
    - Development
      - Jab/role Design
        - Health/safety And welfare
  - Human Resource Planning
    - Recruitment and Selection
      - Talent Management
        - HR Services
          - Performance Management
            - knowledge management

- Resourcing
  - HR Development
    - Organizational learning
      - Individual learning
        - Management Development
          - Contingent Pay
            - Employee benefits
              - Employee Relations
                - Industrial Relations
                  - Employee Voice
                    - Communications

Human resource development is the main function of human resource management. Every organization has the responsibility to develop its human resources if it wants to remain operational and grow further. In the modern times, human resource development is the No. 1 task for any organization. Its survival and growth depend on human resource development. Organizations have now realized that employees are human beings and if their talent is developed, they can be of immense help. This is the reason that the employees in scientifically and professionally managed organizations are being helped in a continuous and planned way so that they can acquire capabilities required to perform various functions associated with their present or future roles, develop their inner potentials for their own as well as organizational development processes, and also develop an organizational process and culture in which human relations are better, and more emphasis is laid on teamwork which lead to professional well-being, motivation and instill a sense of pride in the employees.

Human resource management is a process of bringing an organization and its employees together so that the goals of the employees as well as those of organization are met. It is that part of the management of human resources in an organization. It tries to secure the best from employees by winning their confidence and whole-hearted cooperation. Human resource management, therefore, involves all managerial decisions, philosophy, policies and practices that directly influence human resource. It is a process consisting of acquisition, development, motivation and maintenance of human resources. It means that human resource management includes human resource planning, job analysis, job design, welfare, motivation, employee participation in management, organizational development, performance appraisal, job evaluation, human relations, employee counseling and human resource information system.

Personnel management is concerned with the manpower planning, recruitment, selection, orientation, salary administration, performance appraisal, training, working conditions, safety, welfare, promotion, transfer, collective bargaining, disciplinary action and resignation/termination/retirement. According to Flippo, "Personal Management of Human Resource Management is the planning organizing, directing and controlling the procurement, development, compensation,
integration and maintenance of people for the purpose of contributing to organizational, individual and social goals".

Flippo also emphasizes that various managerial functions relating to procurement and maintenance of people in an organization come under personnel management. The term "human resource management" used synonymously with personnel management signifies the staffing function of management. However, some people distinguish between human resource management and personal management by including personnel responsibilities in respect of operative positions (workers) under human resource management and those with regard to managerial positions under staffing. But this distinction is useless in practice. It is because human resource management is concerned with the management of human resource of an organization consisting of all individuals engaged in any of the organizational activities at any level. Some others distinguish between human resource management deals with planning, recruitment, selection, orientation, training, performance appraisal, promotion, transfers and separations while personnel management deals with manpower planning, recruitment, selection, orientation, training, salary administration, performance appraisal, working conditions, safety, welfare, health services, promotion, transfer, separation, communication, counselling, collective bargaining, disciplinary actions and personnel audit. Thus human resource management deals only with bright side of the personnel activities and personnel management deals both with the bright as well as dark side of the personnel activities of an organization. Therefore, human resource management is a narrower term, whereas personnel management is a wider term. The author does not want to add further to this controversy and is personally against it.

There is no denying the fact, however, that human resource management is characterized as being employee oriented with an emphasis on the maximization of individual skills and motivation through consultation with the workforce so as to produce high levels of commitment to organizational strategic goals. It is a resource to be used to its fullest capacity. It is an asset to be invested in. As far as human resource management is concerned, it is non-strategic, reactive and preventive. Human resource management certainly stresses those expectations which are not being fulfilled through personnel management. Therefore, human resource management is depicted as having an agenda which addresses business-related issues and thereby contributes to the overall success of the organization in a proactive manner while
personnel management is depicted as having an agenda set for it by the more mundane requirements of the day, in a more reactive manner. Thus some people view personnel management as curative and human resource management as preventive by nature.

In its essence, human resource management is a strategic approach to the acquisition, motivation, development of the organization's human resources. It is a specialized field that attempts to develop programmes, policies and activities to further the satisfaction of individual and organizational needs, goals and objectives. It is devoted to establishing proper organizational culture and introducing programmes which reflect and support the care values of the organization and ensure their success. Human resource management is the qualitative improvement of human beings who are considered the most valuable assets of an organization. It is, no doubt, an outgrowth of the older process and approach. But it is much more than its parent disciplines, viz. personnel management. Its approach is multidisciplinary from the beginning to the end, is more comprehensive and deep rooted than training and development.