'Personnel Management' or 'Man Management' involves analysis of dynamic, multiple and often conflicting forces. Personnel Management is considered as an extension of general management. The primary concern of personnel management is manpower resource or inputs.

According to Flippo\(^1\) "Personnel Management is the planning, organising, directing and controlling of procurement, development, compensation, integration, maintenance and separation of personnel for the purpose of contributing to organisation, individual and social goals."

Yoder and others\(^2\) emphasise the effective control and use of manpower as distinguished from other sources of power as the main thrust of personnel management.

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They consider personnel management as one phase of management dealing with the above mentioned function. Yoder\textsuperscript{3} maintains that the objective of personnel management is to understand what has happened and is happening and to be prepared for that will happen in the area of working relationships between the managers and the managed.

Prof. Jucius\textsuperscript{4} has tried to identify Personnel Management with personnel administration as "The field of management which has to do with planning, organising, directing and controlling various operative functions of procuring, developing, maintaining and utilising a labour force, such that (a) objectives, for which the company is established are attained economically and effectively (b) objectives of all levels of personnel are served to


the highest possible degree; and (c) objectives of the community are duly considered and served. Jucius definition of personnel management stresses the managerial (planning, organising, directing and controlling) and operative (procurement, development, maintenance and utilisation) functions of administration.

Similarly French opinion that personnel management is the recruitment, selection, development, utilisation of and accommodation to human resources by organisations. He further adds that personnel management is a major component of the broader managerial function and has roots and branches extending throughout and beyond each organisation. It is a major sub-system of all organisations.

A different emphasis is discernible in the definition of personnel management by Dunn and Stephens.  

They maintain "the personnel management is the process of attracting, holding and motivating people involving all managers - line and staff".

Cumming's[7] perception of Personnel management is related to recruitment and treatment of staff organisation. He states that the personnel management is concerned with obtaining the best possible staff for an organisation and having got them, looking after their jobs. However, the perception of Cumming appears narrow as it ignores aspects like utilisation, training, development, motivation and welfare of the human resources in the organisation.

A very comprehensive definition of personnel management was formulated by The Institute of Personnel Management, London, in 1945 after the second world war. "Personnel Management is that part of management...

function which is primarily concerned with human relationships within an organisation. Its objective is the maintenance of those relationships on a basis which by consideration of the well being of the individual, enables all those engaged in the undertaking to make their maximum personal contribution to the effective working of that undertaking". In this definition, three objectives are expressed:

(i) to maintain good relationships within an organisation;

(ii) to enable each person to make his maximum personal contribution to the organisation; and

(iii) to achieve these things through respect for human personality and the well being of the individual.

The Institute made a further modification in the definition in 1965 as under:

"Personnel Management is that part of management concerned with people at work and with their relationship
within an enterprise. Its aim is to bring together and develop into an effective organisation the men and women who make up an enterprise and having regard for the well being of the individual and of working groups, to enable them to make their best contribution to its success".

The focus of the above definition is on 'men at work' and their group relationship as the main concern of personnel management with a view to achieve the objectives of the organisation through their maximum personal contribution towards the work goal achievement.

Similarly the Indian Institute of Personnel Management (now National Institute of Personnel Management) has coined the following definition:

"Personnel Management, Labour Management or Staff Management means quite simply the task of dealing with human relationships within an organisation. Academically

the three aspects of Personnel Management are:

1. The welfare aspect concerned with working conditions and amenities such as canteens, creches, housing, personal problems of workers, schools and recreation.

2. Labour or Personnel aspect concerned with recruitment, placement of employees, remuneration, promotion, incentives, productivity etc.

3. The industrial relations aspect concerned with the trade union negotiation, settlement of industrial disputes, joint consultation and collective bargaining. All these aspects are concerned with human element in industry as distinct from the mechanical.

Thomas G. Spates has also seen personnel management from personnel administration angle. He says

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

A more satisfactory perception of personnel management is provided by Lawrence Appley, a former President of American Management Association. "It is a function of guiding human resources into a dynamic organisation that attains its objectives with a high degree of morale to the satisfaction of those concerned. It is concerned with getting results through people".

He further elaborates that all management is personnel management "as it deals with human beings, its development can best be discussed in terms of human development, philosophical, psychological, spiritual and physical".

Northcott\textsuperscript{11} considers "personnel management as an extension of general management that of prompting and stimulating every employee to make his fullest contribution to the purpose of a business".

Richard Calhoon\textsuperscript{12} maintains that personnel management involves the task of handling the human problems of an organisation and is devoted to acquiring, developing, utilising and maintaining an efficient work force.

Dirks, Howard M\textsuperscript{13} considers personnel management as a function concerned with developing and utilising the manpower resources of the business to the optimum extent in achieving the objectives of that business.


\textsuperscript{13} Dirks Howard M: Personnel Administration, Handbook of Business Administration (ed.), New York, 1967, p.11
The above definitions and perceptions of personnel management help to a proper comprehension of personnel management in all its dimensions and leads to some basic aspects of this important discipline of general management. The entire business enterprise constituting a master system consists of separate sub-systems closely related and interconnected and all sub-systems operating in an integrated manner to accomplish the organisational objectives. Top management playing the role of the nervous system of the enterprise, regulates, co-ordinates and controls the sub-systems.

The main sub-systems are:

1. Production
2. Marketing
3. Finance
4. Personnel, and
5. Administration

Men, materials, machines and money are regarded as the most important factors of the production but 'men' considered as the only dynamic factor. 'Men' cannot be treated as commodity. They are to be treated as human beings. Till recently the value of Personnel management was realised only when the very survival of the business was threatened. Now when there has been all round labour unrest and crisis, the importance of personnel management has been realised.

Personnel management is becoming increasingly specialised because of the importance of human resources and its complexity due to everchanging psychology, behaviour and attitudes of people at work.

PERSONNEL MANAGEMENT -
THE EVOLUTION OF THE TERMINOLOGY:

In the literature on Personnel Management some terms are used interchangeably. The frequently used terms are:

1) Personnel or Staff Management

ii) Personnel Administration
iii) Labour relations
iv) Labour management
v) Man-power management
vi) Employee relations

The use of these terms seems to have undergone changes during the different time period. This is clear from the following statement of Richard Calhoon 15.

"From the earliest term 'employment manager' evolved the more general term 'personnel manager' in the 20s and 30s. During the late 30s, and 40s, the term 'Industrial relations' and 'Labour relations' became more popular concurring with the rise of collective bargaining and the expansion of other functions. Then in the late 40s and 50s a limited number of organisations and industries espoused the designation 'Human relations' as more in keeping with the overall organisational behavioural responsibilities. As of sixties, however, the

15. Richard Calhoon, et. al., ibid., p. 18.
The chronological evolution of the terminology suggests that personnel management as a sub-system of management system is still in a formative stage. However, there was growing feeling of social responsibility in personnel administration during the late 60s and 70s. For the attachment of organisational, social and individual goals, Yoder uses the term 'Personnel Management / Personnel Administration and Labour Relations' for Manpower Management. C.B. Mamoria\textsuperscript{16} has thoughtfully and beautifully captured the evolution of the terminology of personnel management in the adjoining Figure - III.1.

Venkatratnam\textsuperscript{17} has suggested major personnel functions and responsibilities of Line and Personnel Managers as presented in Table - III.1.

FIGURE - III.1

Evolution of Personnel Management Terminology

- Employee Relations
- Personnel Management
- Personnel Administration
- Industrial Relations
### TABLE - III.1

Personnel functions and responsibilities of Line and Personnel Managers

<table>
<thead>
<tr>
<th>Function</th>
<th>Line Management Responsibility</th>
<th>Personnel Department Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment &amp; Selection</td>
<td>Provide data for job analysis and descriptions and specify desired qualifications and skills.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Interview candidates and decide about suitability of candidates.</td>
<td></td>
</tr>
<tr>
<td>Retention</td>
<td>Fair treatment of employees, open communication and recognition for good work.</td>
<td></td>
</tr>
<tr>
<td>Training &amp; development</td>
<td>On-the-job training, coaching, feedback and motivation.</td>
<td></td>
</tr>
<tr>
<td>Performance appraisal</td>
<td>Performance and potential appraisal, feedback and counselling.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Equitable fair and consistent policies and practices, competitive pay and benefit programmes.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Career planning, Management and Organisation Development.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Development of performance appraisal system, maintenance of personnel records and feedback to line managers.</td>
<td></td>
</tr>
<tr>
<td>Function</td>
<td>Line Management Responsibility</td>
<td>Personnel Department Responsibility</td>
</tr>
<tr>
<td>-------------------</td>
<td>--------------------------------</td>
<td>------------------------------------</td>
</tr>
<tr>
<td>Grievance handling</td>
<td>Handling grievances</td>
<td>Setting up grievances procedure, monitoring and recommending policy changes based on analysis of grievances.</td>
</tr>
<tr>
<td>Disciplne</td>
<td>Responsibility for managing discipline.</td>
<td>Advice on disciplinary rules, procedures and actions.</td>
</tr>
<tr>
<td>Promotions</td>
<td>Final authority in performance-related decisions concerning promotions.</td>
<td>Final authority in policy related decisions concerning promotions; implementing reservation policy for scheduled castes, union agreements, etc.</td>
</tr>
</tbody>
</table>
SCOPE OF PERSONNEL MANAGEMENT:

The scope of personnel management has been gradually but continuously changing. The initial emphasis was more on remuneration, labour relations, welfare. Sikula and Andruff\textsuperscript{18} observes "Changes definitely are taking place in personnel administration. Some personnel sub-functions seem to be breaking away from personnel, others seem to be new sub-areas, while still others seem to be changing only in terms of their relative emphasis and degree of importance". The scope, depending upon the size of the organisation, then has changed to Human resources planning and organisation planning. Employment related issues are gaining importance. Training and managerial development and personnel research have become increasingly important. Whereas the importance of personnel appraisal, wage and salary administration has

relatively declined. Employees benefits and services and workers health and safety have always been important. Labour relations, Public relations and Plant security are areas which are becoming less important. The change in scope is presented in Figure - III.2.

We have seen an Industrial revolution, a Scientific revolution, and an Electronic revolution. It is now time for "Personnel management revolution" through Human resource development. Changes and more changes are bound to come. More and more of technological changes and innovations would become engine of the growth and for their optimum utilisation a proper balance between these changes and employees changing requirements will have to be ensured.

PERSONNEL DEPARTMENT:

Personnel department offers advice and service to all line managers on personnel matters. The personnel

FIGURE - III.2

Changing Scope of Personnel Management

Organisational Planning  Human Resource Planning  Employment Issues

Increasing Emphasis
Training and Development
Research
Benefits and Services
Health and Safety
Appraisal Wage and Salary
Administration
Decreasing Emphasis

Labour Relations  Public Relations  Plant Security
department has the responsibility to compile and update formal personnel policies in the form of a manual or handbook and communicate the same to all concerned. It should also promote understanding and ensure compliance. It should undertake periodic review and audit which would ensure that policies are productive and facilitate rather than hinder organisational objectives and growth. Major functions and sub functions of Personnel department are compiled by C.B.Mamoria, as presented in Figure III.3.

PERSONNEL MANAGER:

Personnel Manager is the head of the Personnel Department. The responsibility of the entire Personnel function is shouldered by him.

Personnel manager advises the management in developing various personnel policies and programmes. He directs the training programme and oversees attendance.

20. C.B.Mamoria, ibid., p.52.
FIGURE III.3

Major Functions of Personnel Department

Chief Personnel Executive

Personnel Audit Research, etc.

Labour Relations

Grievance Handling

Collection of Data

Employee Records

Implementation of Collective Labour Laws

Analysis of Data

Collective Bargaining

Developing for Decisions

Non-Financial Incentives

Satisfaction of Social & Psychological Needs

Motivation

Job Evaluation

Operative Training

Wage/Salary Programmes

Executive Development

Maintenance of Pay Roll

Manpower Planning

Training & Development

Incentive Compensation

Recruitment

Operational Development

Selection

Performance Appraisal

Retirement

Staffing and Employment

Operational Planning and Development

Determining Organisational Needs

Designing Development of Interpersonal Relationships

Planning and Design of Organisational Structure

Maintenance of Records

Identification of Needs and Areas of Change

Development of More Appropriate Programmes

Benefits Leave

Employee Counselling

Medical Services

Recreational & Welfare Services

Employees' Grievances

Physical Environment

Safety

Incentive Compensation

Discipline

Securities

Stability Item

Grievance Handling

Collection of Data

Employee Records

Implementation of Collective Labour Laws

Analysis of Data

Collective Bargaining

Developing for Decisions

Non-Financial Incentives

Satisfaction of Social & Psychological Needs

Motivation

Job Evaluation

Operative Training

Wage/Salary Programmes

Executive Development

Maintenance of Pay Roll

Manpower Planning

Training & Development

Incentive Compensation

Recruitment

Operational Development

Determining Organisational Needs

Designing Development of Interpersonal Relationships

Planning and Design of Organisational Structure

Maintenance of Records

Identification of Needs and Areas of Change

Development of More Appropriate Programmes

Benefits Leave

Employee Counselling

Medical Services

Recreational & Welfare Services

Employees' Grievances

Physical Environment

Safety

Incentive Compensation

Discipline

Securities

Stability Item
and incentive schemes. He looks after recruitment and selection of personnel. The Personnel Manager is a principal communicating link between the employer and the employee.

The personnel manager has to maintain employee records. He is required to collect, analyse and evaluate data concerning personnel matters. He should undertake merit rating and help devise an appropriate promotional policy.

Personnel manager acts as the disciplinarian. He also reports to the chief executive about the absenteeism, labour turnover, accidents, strikes etc. He organises and administers the activities like canteen and lunch room, recreation facilities, medical facilities etc.

He has to see that the provisions of various labour and related laws have been satisfactorily complied with. Being the principal communicating link between management and employees, it is his duty to convene and
interpret to the employees about the management policies and programmes and about the employees grievances to the management. Personnel manager is responsible for maintenance of healthy and peaceful industrial relations so that production/work does not suffer.

Personnel Manager needs to possess particular type of general knowledge besides his specialisation in the field of personnel areas. Prof. Jucius\textsuperscript{21} has emphasised the following aspects in this direction:

i) Philosophy which seeks for the underlying explanations of human nature and conduct.

ii) Ethics which is concerned with moral and value judgements.

iii) Logic which is concerned with the rules and principles of reasoning.

iv) Mathematics which treats of exact relations between quantities, magnitudes and systems.

v) Sociology which deals with the forms and functions of human groups.

vi) Anthropology which is concerned with the physical and environmental relations.

vii) Medicine which is concerned with the well being of the people.

viii) History which seeks to record and explain past records

ix) Economics, whose interests are in optimising choices among competing uses of limited resources.

x) Management which is concerned with a skillful leadership of organisational groups.

xi) Political Science which in the best sense is concerned with how people are governed and how they govern themselves.
Northcott has rightly observed that personnel requirements are admittedly high but a profession which deals with so large a part of industrial life will always be held in honour and calls for men and women of sterling qualities.

The Personnel manager typically performs a variety of roles such as the roles of conscience, of counsellor, a mediator, a company spokesman, a problem solver and a change agent.

In the changing scenario of the business and industrial world, the role of personnel manager hardly be underlined. The following factors will decide the role of personnel manager:

1) Rising trend of 'White Collar' employees as compared to the 'Blue Collar' employees;

2) Increasing number in the women workforce;

3) Availability of educated manpower in the labour market;

4) Plethora of legislations relating to labour and industry;

5) Managers forming collective and bargaining groups;

6) Militancy of union activities;

7) Need for arresting the spread of industrial sickness to sustain and improve the economic health of the country as a whole;

8) Liberalisation in economic policies and the resultant competition as a means of improving product quality and performance, oriented towards customer satisfaction;

9) Rapid change in technological advancements, especially in the last few years;

10) Concern for improving work culture and ethics, in the Indian situation which has had a long tradition
and which over a period of time has been eroded by the advent of industrialisation salted with western culture; and

11) Need for improving productivity and quality.

PERSONNEL MANAGEMENT EVOLUTION AND GROWTH:

Personnel Management as a discipline of study is relatively of recent origin. However, precepts upon which its current concepts are based had their origins deep in history. Mentions are made of 'minimum wage rate' and 'incentive wage plan' in the Babylonian code of Hamurabi around 1800 B.C. The 'Span of Management' and the related concepts of organisation were well understood by Moses around 1200 B.C. and the Chaldeans had incentive wage plans around 400 B.C.

As early as fourth century B.C., Kautilya had observed that there existed a sound base for systematic management of human resources.
The chronological growth of the science of Personnel Management is described on the following lines:

1) Era of Industrial Revolution
2) Era of Trade Unionism
3) Era of Social Responsibility
4) Era of Scientific Management
5) Era of Industrial Psychology
6) Era of Behavioural Science
7) Era of Personnel Specialists and Welfare

The above chronological order is related to important developments like the industrial revolution in Western Europe when the factory system replaced cottage industry. Then the spread of trade unions and the writings by eminent management experts like Frederic Taylor and others which influenced the management practices and led to new equations between labour and management.
PERSONNEL MANAGEMENT IN INDIA:

In India personnel management is of recent growth. Its widespread growth has been only in the post independence period. Its origin is traced to the period when Labour Welfare Officers were appointed in cotton textile Industry of Bombay and Jute Industry in Bengal before and during Second World War. The appointment of Labour Welfare Officers was made obligatory under the Indian Factories Act 1948 in factories employing at least 500 employees. The appointment of Personnel Officers took place during 1960s and Personnel functions were identified. Two Professional bodies, The Indian Institute of Personnel Management (I.I.P.M.) at Calcutta and the National Institute of Labour Management (N.I.L.M.) at Bombay came into existence. Welfare needs of the working class grew with their rising expectations in post Second World War and Post Independence period. During the 60s, the personnel functions began to expand beyond the welfare aspect with three areas of Labour Welfare,
Industrial Relations and Personnel Administration developing as the constituent parts of the emerging profession of Personnel Management. Simultaneously the massive thrust given to heavy industry particularly since Second Five Year Plan and the accelerated growth of public sector in the national economy resulted in a shift in focus towards professionalisation of Management. The two Professional bodies I.I.P.M. and N.I.L.M. merged in 1980 to form the National Institute of Personnel Management (N.I.P.M.).

The emergence of training aimed at development of knowledge, skill, attitudes, including purely vocational training has added another dimension to personnel management. The concept of human resource management emerged during the 1980s.
PERSONNEL MANAGEMENT AND HUMAN RESOURCE MANAGEMENT:

The emergence of human resource management is indicated in the Figure - III.4.

**FIGURE - III.4**

Human Resources Management is defined as a range of strategies, processes and activities designed to support corporate objectives by integrating the needs of the organisation and the individuals that comprise it.
There are three broad components of Human Resource Management:

(a) Personnel Administration - the administration and maintenance functions (recruitment, establishment, compensation etc.)

(b) Industrial Relations - the function of dealing with people and environments, and

(c) Organisational relationships (training, career development, organisational development, organisational discipline and work culture building etc.).

The emphasis so far has been on Personnel Administration or I.R. and scant attention has been paid to organisational relationship. This separateness of functions resulted in uncalled for conflicts which proved counter-productive. The human resource development approach calls for a poly-dimensional approach, an integrated, systematic and pragmatic plan of actions, involving the total organisation from top to bottom. This eliminates piece-meal approach which was limiting and hampering the impact of human resource management so far.