**HRM – AN OVERVIEW**

**Introduction**

For a long time, men or workers were taken for granted. Greater accent was given to resources, production machinery and top managers. But at present in the modern large-scale production of innumerable products with a wide market, (where sky is the limit) in the last few decades the importance of human resources and their development has come to the fore. The importance of human resources to any organization need not be over-emphasised. Human resource is the wealth of a nation and an organisation. The development process is wide and varied. In this lesson, let us understand the importance and concept of Human Resources Management. (HRM).

**Definition of HRM**

According to Flippo, ‘Personnel Management, or say, human resources management is the planning, organizing, directing and controlling of the procurement, development, compensation, integration, maintenance, and separation of human resources to the end, that individual, Organisational and social objectives are accomplished.”

The National Institute of Personal Management (NIPM) of India has defined human resources – personal management as “that part of management which is concerned with people at work and with their relationship within an enterprise. Its aim is to bring together and develop into an effective organization of the men and women who make up enterprise and having regard for the well – being of the individuals and of working groups, to enable them to make their best contribution to its success.”

According to Decenzo and Robbins, “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 is essential to achieve organsational objectives. This is true, regardless of the type of organization – government, business, education, health, or social action”.

Therefore, from the above definition, HRM can be defined as a process of procuring, developing, and maintaining competent resources in the organization so that goals of an organization are achieved in an effective and efficient manner. In other words, HRM is an art of managing people at work in such a manner that they give best to the organisation.

**Significance of HRM**

Significance of HRM can be viewed in three contexts; organizational, social and professional.

1. Organsiational significance
   1. Effective utilization of human resources to motivate them and to change their attitudes to work and the organization.
   2. To develop personnel to meet the demands of the work effectively; and
   3. To ensure proper recruitment and to retain personnel in the organization so that right people are available.
2. Social significance
   1. Maintaining balance between jobs and job-seekers, taking into consideration job requirements, job seekers’ abilities and aptitudes.
   2. Providing most productive employment from which socio-psychological satisfaction can be derived.
   3. Utilizing human capabilities effectively and matching with government rewards.
   4. Eliminating wasteful organizational and individual practices.
3. Professional Significance
   1. This aspect involves in developing people and providing appropriate environment for effective utilization of their capabilities and involves the following.
   2. Developing people on continuous basis to meet the challenges of their jobs.
   3. Maintaining the dignity of personnel at the work place; iii. Providing proper physical and social environment at the work place to make

**Development/ evolution of HRM:**

The development of HRM may be classified as follows:

1. **Trade Union Movement Era**

The conditions of workers in the aftermath of factory system as an outcome of industrial revolution, were very pathetic. The first world war worsened the situation. The Royal Commission of Labour in India in 1911, under the chairmanship of J.H. Whitely, recommended the abolition of the ‘Jobber’ system and the appointment of labour officers in industrial enterprise to perform the recruitment function as well as to settle workers’ grievance. Workers also started forming ‘trade unions’. The Trade Union Act, 1926 was passed in India. The basic object underlying trade union was to safeguard the worker’s interest and to sort out of their problems such as use of child labour, long hours of work and poor working conditions. These unions used strikes, slowdowns, walkouts, picketing, as weapons for the acceptance of their problems. These activities of trade unions gave rise to personnel practices such as collective bargaining, grievance handling system, arbitration, disciplinary practices, employee benefit programmes and sound wage structure.

1. **Social Responsibility Era**

In the beginning of 20th century, some factory owners, employers started showing humanistic approach towards the workers. Robert Owen, a British industrialist, reformer, and humanitarian is the first to adopt humanistic approach towards workers. He viewed that the principal social and economic environments influence the physical, mental, and psychological development of workers. Hence, he felt that to improve the productivity, it is necessary to improve conditions of employees by removing them from the adverse environment to a congenial atmosphere with the availability of satisfactory living and working conditions. The philosophy in Owen’s patriarchal approach was that workers are just like children and the owner is just like a father. Therefore, the owner should take care of the workers, just like a father looks after his children. Owen himself implemented this philosophy in his cotton mill in Scotland by introducing facilities such as shower baths, toilets, rest rooms and increased minimum wages and housing scheme.

1. **Scientific Management Era**

The concept of scientific management was introduced by F.W.Taylor in the USA in the early part of 20th century as on alternative to the prevailing system of management by initiative and incentive based on his shop floor job experience.

**Taylor developed four principles of scientific management**

1. **Development and use of scientific methods in setting work standards, determining a fair day, work, and best way of doing work.**
2. **Scientific selection and placement of workers best suited to perform the various tasks and provision of their training and development for maximum efficiency.**
3. **Clear cut division of work and responsibility between management and workers.**
4. **Harmonious relationship and close cooperation with workers to achieve performance of work in accordance with the planned jobs and tasks.**

In the scientific theory, Taylor viewed men and workers as one driven by fear of hunger and search for profit. Accordingly, if economic reward is tied up with the efforts put on the job, the worker will respond with his maximum physical capability.

Taylor also developed several techniques to introduce his scientific ideas in management. They were

1. **Time study** – to measure the time taken to each job and each operation and to standardize the operations of the job.

ii. **Motion study** – to study body movements in workplace and to reduce wasteful motions.

iii. **Standardization** of tools, equipments, machinery and working condition. iv. Incentives – wage plan with differential piece rate for efficient and inefficient workers.

1. **Human Relations Era**

During the years 1925 to 1935, experts expressed their opinions towards the human aspects of organisation activities. Hugo Munsterberg in his book, “Psychology and Industrial Efficiency”, suggested the use of psychology in selection, placement, testing and training of employees in an organisation. Elton Mayo and his associates conducted a series of experiments from 1924 to 1932 of the Hawthone plant of the Western Electric Company in the USA.

The main findings of Hawthorne Experiments were as follows:

1. Physical environments at the work place do not have any material impact on the efficiency of work.
2. Favorable attitudes of workers and psychological needs had a beneficial impact on the morale and efficiency of workman.
3. Fulfillment of the worker’s social and psychological needs had a beneficial impact on the morale and efficiency of workmen.
4. Employee groups based on social interactions and common interests exercised a strong influence on worker’s performance.
5. Workers cannot be motivated solely by economic rewards.

More important motivators are job security, recognition, right to express their opinion on matters related to them. The findings have stated that the relationship between the superiors and subordinates should relate to social and psychological satisfaction of the employees. Employee, satisfaction is the best means of making the employee productive.

1. **Behavioural Science Era**

Important elements of behavioural approach to HRM is as follows:

Individual behaviour is linked with the group behaviour. For example, a person may resist to change his behaviour as an individual. But he or she will readily do so if the group to which he or she belongs, decides to change its behaviour.

1. Informed leadership rather than the formal leadership of manager is more effective in influencing people to achieve standards of performance. According to their view, democratic leadership style of the manager is more acceptable to the subordinates and hence more effective.
2. By nature, people do not dislike work. Most people enjoy work and one is motivated by self-control and self-development. In fact, job itself is a source of motivation and satisfaction to employee.
3. Expanding subordinate influence, self – control and self – direction can improve operating efficiency.
4. **Systems Approach Era:**

A system may be defined as a set of interdependent parts forming an organized unit or entity. The system is defined as “an organized and complex whole: an assemblage or combination of things or parts forming a complex unitary whole”. The parts, also known as sub-systems, interact with each other and are subject to change. These subsystems are inter-related and inter dependant. Three broad sub-systems are

1. Technical sub-system - The formal relationships among the members of an organisation
2. Social sub – system - Social satisfaction to the members through informal group relations. iii) Power sub – systems - Exercise of power or influence by individual or group. The system approaches is characterized by the following features: i. A system is a group of inter – related elements which are separate entities / units. ii. All the elements are inter related in an orderly manner. iii. There is the need for proper and timely communication to facilitate interaction between the elements. iv. The interaction between the elements should lead to achieve some common goal. At the heart of the systems approach is a Management Information System (MIS) and communication network for collection, analysis and flow of information to facilitate the function of planning and control. Modern thinkers consider HRM as a system that integrates activities with an objective to make the best use of resources which are always scarce.
3. **Contingency Approach Era:**

Contingency refers to the immediate circumstances. Contingency approach believes that there is no one way of managing that works best in all situations. According to this approach, the best way to manage varies with the situation. Hence this approach is called as ‘situational approach. There may not be one universal way of managing in all situations. A particular approach may yield fruitful results in one situation but may drastically fail in another situation. Therefore, managers are to analyse different situations and then use the best approach suitable in that situation.