Human Resource Management and Human Relations

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HUMAN RESOURCE MANAGEMENT
AND
HUMAN RELATIONS

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PREFACE

Ever since the appearance of the first edition of the Human Resources Management and Human Relations in the realm of management literature in India, the HRM concept has attained wider dimensions. Managers across the globe now visualise HRM as their focus arena for action. Akio Morita, co-founder of Sony Corporation, Japan says, "I emphasise this – no matter how good or successful you are or how clever or crafty your business; its future are in the hands of the people you hire."

In the 21st century, the world is groping with a new normal; a business environment that is Volatile, Uncertain, Complex and Ambiguous or VUCA. Comprehending and competently leveraging in the VUCA environment has become essential for success and growth for the business leaders leading to optimum performance of the organisations. It is the human capital in the organisation that will be largely responsible for the ability of the organisation in sustaining and succeeding in the emerging environment. Hence, it is the human side of the organisation which will be the key differentiator in the organisation's ability to cope, manage and succeed in the VUCA environment.

This throws up new challenges for the HR professionals and shifts the focus on Human Resources like never before. The changing role of HR as an active business and strategic partner has opened up new possibilities for the HR function and the HR professional.

HRM is now a subject of study in almost all universities and management training institutions either as a separate area of study or as a part of the management education. This work has found favour with all those who are associated with the teaching and learning of HRM. Suggestions have been incorporated in the current edition of the book and the revised version of HRM and HR will be of great utility to all those who are interested in the subject, more particularly to HRM professionals and the students of HRM, HRD, Human Relations, Organisational Behaviour, Social Sciences and Human Side of Enterprise.

I take this opportunity to express my gratitude to **Dr. (Col.) A. Balasubramanian** who motivated and helped me to complete this work. I am also indebted to my colleagues, my husband Ashish Shrivastava and son Aryan for their patience, thoughtful suggestions and help. Appreciation and affection also go to Shri K.N. Pandey, Mr. S.K. Srivastav and all other committed members of the Himalaya Publishing House Pvt. Ltd. for their painstaking commitment and sincerity.

Dr. Archana Shrivastava

SOME OF THE MOST POPULAR WORKS OF THE SAME AUTHOR

1. Perspective Management

2. Management for Managers

3. Business Policy and Environment

4. Human Resource Management and Human Relations

5. Globalisation, Liberalisation and Strategic Management

6. The Successful Manager

7. Research Methodology in Management

8. Industrial Relations in India and Workers' Involvement in Management

9. The Spirit of God and the Second Advent

10. Communications and Research for Management

11. Organisational Behaviour and Managerial Effectiveness

12. Sales Management in India

13. Financing a City Government

14. A Study of Wage and Salary Administration

15. Determinants of Consumer Behaviour

16. Management of Balanced Distribution Systems

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CHAPTER

AN INTRODUCTION TO HUMAN RESOURCE MANAGEMENT

STRUCTURE

On Completion of this Chapter, you will understand the following:

1.1 INTRODUCTION

Actuating is the actual job of a Manager. Getting work done by people, causing their action, which means working with people, winning their sincere cooperation and energetic enthusiasm, is the real task of an acting Manager. In a nutshell, Human Resource Management is at the centre of actuating which forms the crux of perspective management. In the rapidly changing management scenario of today, therefore, human resource management has a crucial role to pay. We make an attempt to unveil the unavoidable areas of human resource management in this book.

1.2 HUMAN RESOURCES: THE CONCEPT

Resources are the means which can be drawn on. They are collective means of production, support and defense, as well as a source of strength and aid. Human resources are human wealth or means that can be drawn on. Human capital or man power resources of a company can be treated as its human resources. It can otherwise be understood as the resourcefulness of the human beings or people available for an organization.

In generic terms, human resources can be defined as the total knowledge, skills, creative abilities, talents and aptitudes of an organization's workforce, as well as the values, attitudes, approaches and beliefs of the individuals involved in the affairs of the organization. It is the sum total or aggregate of inherent abilities, acquired knowledge and skills represented by the talents and aptitudes of the employed persons in an organization.

According to Leon C. Megginson "From the national point of view human resources are knowledge, skills, creative abilities, talents, and attitudes obtained in the population; whereas from the view-point of the individual enterprise, they represent the total of the inherent abilities, acquired knowledge and skills as exemplified in the talents and aptitude of its employees". Sumantra Ghosal regards human resources as human capital. He categorizes human capital into three categories-intellectual capitals, social capital and emotional capital. Intellectual capital consists of specialized knowledge, tacit knowledge and skills, cognitive complexity, and learning capacity. Social capital comprises of network of relationships, sociability, and trustworthiness Emotional capital comprises of self-confidence, ambition and courage, risk-bearing ability, and resilience. Now it is clear from above definitions that human resources refer to the qualitative and quantitative aspects of employees working in an organization.

Human resource is the least mobile of the four factors of production, and (under right conditions) it improves with age and experience, which no other resource can do. It is therefore considered as the scarcest and most crucial productive resource that creates the largest and longest lasting advantage for an organization.

Human resources approach takes into consideration the potentiality and vitality of the people available for the organization. Even in the age of automation as of today, man power is the most essential and indispensable resources of any organization. Resourcefulness of various categories of people say: managers, scientific and research people, executives, supervisors, workers (skilled, unskilled) and all such people available for the organization to be drawn on, can be treated as human resources. In fact, without appropriate human resources, no business or organization can exit and grow. This is, perhaps, the reason why human resources management has become the focus of attention of progressive organization of today.

1.3 HUMAN RESOURCE MANAGEMENT

Human resource management is the process of managing the people of an organization with a humane approach. Human resources approach to man power enables the Manager to view his people as an important, if not the most important, resources. It is benevolent approach to develop and effectively utilize the manpower not only for the benefit of the organization but for the growth, development and self-satisfaction of the concerned people. Thus, human resources management is a system that focuses on human resources development, on the one hand, and effective management of people on the other, so that people will enjoy human dignity in their employment. Human Resources Management (HRM) is connected with the human beings in an organization. It reflects a philosophy, an outlook, an approach and a strategy, which views an organization's manpower as its resources and assets, and not as liabilities or mere hands.

HRM Defined

HRM 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 achievements of its objectives

- Miachael Armstrong

The Policies and practices in carrying out the "people" or human resource aspects of a management position including, recruiting, screening, training, rewarding and appraising. *-G. Dessler*

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

- Invancevich and Glueck

"The design, implementation and maintenance of strategies to manage people for optimum business performance including the development of policies and process to support these strategies objectives."

- The Charted Institute of Personnel Management

According to Price (2007) HRM is: *"A philosophy of people management based on the belief that human resources are uniquely important to sustained business success. An organization gains competitive advantage by using its people effectively, drawing on their expertise and ingenuity to meet clearly defined objectives. Human Resource Management is aimed at recruiting capable, flexible and committed people, managing and rewarding their performance and developing key competencies".*

In brief Human Resource Management (HRM) can be defined as the art of procuring, developing and maintaining competent workforce to accomplish the goals of an organization in an effective and efficient manner.

1.4 NATURE OF HRM

Human resource management can be explained as that part of management process which develops, and manages the human elements of enterprise considering the resourcefulness of the organization's own people in terms of total knowledge, skills, creative abilities, talents, aptitudes and potentialities for effectively actuating. Every individual is a part of the resource of an organization, while he or she is valuable soul. The most indispensable aspect of HRM approach, however, is a fundamental change in philosophy and perspective stemmed from reckoning with the resourcefulness of the people at work, which can be developed by appropriate programmes.

HRM as a benevolent approach: It is a benevolent approach to organization's own people, which reflects a shift from all the past approaches say: commodity approach, mechanical approach, productivity approach, social system approach, human relations approach or even paternalistic approach. HRM approach emphasis the human aspect of individual workers, and their aspirations and needs including self-actualization needs.

The manager learns or deliberately decides to deal with his people as precious individuals who are the means for success in the accomplishment of the organizational objectives and goals. The Human Resources Management should not be an isolated activity of a staff executive or personnel manager. It becomes a part and parcel of every Manager's job, while the Human Resources Manager must act as a catalyst and exemplar, who directs all the aspects of managing manpower, human resources development, counseling, industrial relations, welfare activities, and so on.

HRM as a line function: Human resource management is visualized here as a line function or a general management function which actuates, perfects and causes to happen the activities and operations of an organization to make the best performance toward organizational objectives and goals. It is part and parcel of strategic management and hence the Human Resource Manager is also involved in the strategic management process of a company. It includes human resource planning, development, career planning, succession planning, maintaining a high quality of work life taking care of the welfare of the people who work for the organization, counseling, guiding, motivating, actuating, compensating, rewarding, evaluating, integrating, information storing and finally separating in addition to recruitment, training, placement, induction, etc.

Human Resource Management is involved in providing human dignity: HRM aims provide human dignity to the employees taking into account their capability, potentially, talents, achievements, motivation, skills, commitment, creative abilities, and so on. This Human Resource Management is primarily concerned with the human beings (people) and then their performance. If an organization can trust and depend on the monetary resources which they draw from their bank account or on the strength of their capital assets, they can trust, depend and draw more on their committed, talented, dedicated and capable people. This is what the human resource management does. Thus HRM is involved in every business, managerial activity, or function.

HR as the most valuable resource: In this context, human resource management is the process of managing human beings as the most important resource of an organization. Individual human beings are enabled to enjoy dignity of being associated with their organizations since they are treated as the most valuable assets and resources leading to humanization of work environment. It implies that human recourse management approach provides as superior quality of work life which gives a sense of belonging and a higher job satisfaction to an organization's own people.

1.5 SCOPE OF HRM

HRM facilitates in identifying the right kind of people, socializing them in the most appropriate way, training and developing them in the right direction, assigning the tasks which are best suited for every individual so as to bring out their best, motivating them to make their best contribution, and creating conditions for the people to enjoy their work. It establishes and maintains an organizational philosophy, culture and climate conductive for the organization's own people to have job satisfaction and a sense of fulfillment.

According to American Society for Training and Development (ASTD) the broad areas of scope for HRM are:

1. Human Resource Planning
2. Design of the Organization and Job

3. Selection and Staffing
4. Training and Development
5. Organizational Development
6. Compensation and Benefits
7. Employee Assistance
8. Union/Labour Relations
9. Personnel Research and Information System

(1) Human Resource Planning: The HR plan needs to be flexible enough to meet short-term staffing challenges, while adapting to changing conditions in the business and environment over the longer time frame. Human resource planning enables to achieve this. The objective of Human Resource (HR) planning is to ensure the best fit between employees and jobs, while circumventing manpower shortages or surpluses. Forecasting labor demand, analyzing present labor supply, and balancing projected labor demand and supply are the three cornerstones of human resource planning.

(2) Design of Organization and Job: The alignment of the organization's structure with the shared understanding of the purpose of the organization's vision and mission decides the organizational effectiveness. Development of pay grade structures and accompanying evaluation systems; job analysis to render role clarity in the organization; assessment of current department structures and development of new structural models; Assessment of individual jobs through comprehensive department and organization wide job evaluation projects are some of the initiatives required in this direction.

(3) Selection and Staffing: The recruitment is about the ability of the organization to source new employees, keep the organization operating and improving the quality of the human capital employed in the company. The main objective of the recruitment and selection process entails finding the best recruitment sources, hiring the best talents from the job market and keeping the organization competitive on the job market

(4) Training and Development: Training is the process of planned programs and procedures undertaken for the improvement of employee's performance in terms of his attitude, skills, knowledge and behavior. These training and development programs can significantly improve the overall performance of organization. Training and development needs are ascertained taking into account the individual needs, and hence training and development programmes are bound to produce the best result On the other hand, the company gets the most appropriate manpower.

(5) Organizational Development: HR's scope has expanded to include all aspects of people processes which can deliver organizational effectiveness; the right people, the right culture, the right leadership, the right organization design, the right change management and the right people processes. Linking all these activities are Organizational Development initiatives like:

1. Change management
2. Strategic Organization system alignment
3. Capability Development
4. High Performance Culture Development
5. Long Term Perspective

(6) Compensation and Benefits: The compensation and benefits is about managing the personnel expenses budget, setting the performance standards, setting the transparent compensation policies and introducing the competitive benefits for employees. The organization with effective compensation and benefits system is able to contain employee costs, manage and reward the performance of the employees.

(7) Employee Assistance: They can be confidential or otherwise individual assistance and support service designed to help employees to cope with problems that adversely affect their lives, behavior, and/or performance. It is usually helpful in situations such as alcoholism, family disintegration, financial or legal difficulties, marital problems, and substance abuse.

(8) Union/Labour Relations: Industrial relations is also a multi-disciplinary field that studies the collective aspects of the employment relationship. It is increasingly being called employment relations (ER) because of the importance of non-industrial employment relationships. One of the action areas of HRM is to promote healthy Industrial and Labour relations. HRM approach improves the organizational efficiency, work culture, job satisfaction of people, better understanding and human relationships resulting in cordial industrial relations and better productivity.

(9) Personnel Research and Information System: Research into fields like behavioral science and industrial psychology helps to understand the workers expectations, aspirations and behaviour.

Human Resources Information System (HRIS), refers to the systems and processes at the intersection between human resource management (HRM) and information technology. It merges HRM as a discipline and in particular its basic HR activities and processes with the information technology field.

Goals of HRM

Caldwell (2004) outlined 12 policy goals for HRM:

1. Managing people as assets that are fundamental to the competitive advantage of the organization.
2. Aligning HRM policies with business policies and corporate strategy.
3. Developing a close fit of HR policies, procedures and systems with one another.
4. Creating a flatter and more flexible organization capable of responding more quickly 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-driven 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

1.6 OBJECTIVES OF HUMAN RESOURCE MANAGEMENT

The HRM objectives can be summarized under four specific objectives:

- Societal Objectives
- Organizational Objectives
- Functional Objectives
- Personnel Objectives

Societal Objectives

Societal objectives aim to ensure that the organization functions in socially responsible ways. The organization draws from the society and exists in the society hence is morally and ethically entitled to work in ways that benefit the society. Today business organizations undertake Corporate Social

Responsibility (CSR) initiatives to give back to society. Functioning keeping societal objectives in mind an organization will be able to build a good corporate reputation and forge long term relationships with the customers.

Organizational Objectives

The main objective of HRM is to achieve organizational goals by improving organization's effectiveness. HRM is most effective when it ceases to function in isolation but is aligned and supports the organization accomplish its organizational goals.

Functional Objectives

Functional objective of HRM deals with contributions of each department to attain organization goal. Employees need to be trained in appropriate areas, their performance needs to be assessed, they have to be appropriately compensated for the work they do.

Personal Objectives

These objectives aim to assist employees in achieving their personal goals. Development and growth opportunities will help in motivating and retaining employees.

HRM Objectives and Functions

HRM Objectives	*Supporting Functions*
1. Societal Objectives	1. Legal compliance 2. Benefits 3. Union-management relations
2. Organisational Objectives	1. Human resources planning 2. Employee relations 3. Selection 4. Training and development 5. Appraisal 6. Placement 7. Assessment
3. Functional Objectives	1. Appraisal 2. Placement 3. Assessment
4. Personal Objetives	1. Training and development 2. Appraisal 3. Placement 4. Compensation 5. Assessment

Source: *William B. Werther, Jr, Keith Davis, Human Resource Management, p.15*

Societal Objectives: Corporate Social Responsibility at Infosys

At Infosys, the distribution of wealth is as important as its legal and ethical creation. A strong sense of social responsibility is therefore an integral part of the value system.

Infosys Foundation

We are committed to contributing to the society and established the Infosys Foundation in 1996 as a not-for-profit trust to support our social initiatives. The Foundation supports programs and organizations devoted to the cause of the destitute, the rural poor, the mentally challenged, and the economically disadvantaged sections of the society. The Foundation also helps preserve certain cultural forms and dying arts of India.

Community service

Through our Computers@Classrooms initiative launched in January 1999, we donated 2,567 computers to various institutions across India. Additionally, we have applied to the relevant authorities for permission to donate computers to educational institutions on an ongoing basis in the future. Microsoft Corporation continues to participate in this initiative by donating relevant software. We would like to place on record our appreciation for their continued support.

Social commitment in education

Infosys' Education & Research group has the pride of anchoring the Infosys Extension Program (IEP), which consists of the Infosys Fellowship Program, Rural Reach program, Catch Them Young and Train the Trainer.

Source: retrieved from http://www.infosys.com/investors/corporate-governance/Pages/social-responsibility.aspx, 10 Jan 2015

1.7 FUNCTIONS OF HRM

In order to achieve the above objectives, Human Resource Management undertakes the following activities:

1. Human resource or manpower planning.
2. Recruitment, selection and placement of personnel.
3. Training and development of employees.
4. Appraisal of performance of employees.
5. Taking corrective steps such as transfer from one job to another.
6. Remuneration of employees.
7. Social security and welfare of employees.
8. Setting general and specific management policy for organizational relationship.
9. Collective bargaining, contract negotiation and grievance handling.
10. Staffing the organization.
11. Aiding in the self-development of employees at all levels.
12. Developing and maintaining motivation for workers by providing incentives.
13. Reviewing and auditing man power management in the organization
14. Potential Appraisal. Feedback Counseling.
15. Role Analysis for job occupants.
16. Job Rotation.
17. Quality Circle, Organization development and Quality of Working Life.

All activities relating to these functions are the tasks of the HRM department. These functions listed need not be considered as all inclusive. Functions of HRM can be determined in accordance with the needs of the respective organization.

HRM at Tata Motors

The Tata Motors Group employs over 59,000 people. Our people are as diverse as our organisation, because they come from various nationalities and ethnicities, have a wide range of skill sets, knowledge and experience levels. This diversity facilitates debate, dialogue and fresh perspectives, and ingrains a lateral thinking mindset across the organisation.

Tata Motors believes in a progressive people culture. We ensure that a judicious mix of people is maintained in our workforce. This is achieved through hiring multi-skilled people both from within the automobile industry and from other sectors. In addition, a regular and consistent recruitment programme at engineering and management institutes ensures a steady stream of high quality people getting inducted to fuel the growth plans. We also have ongoing partnerships with Industrial Training Institutes, besides our own professional training centres, to recruit shop-floor workforce.

A clearly defined HR strategy is based on the premise that people drive annual performance, (a short-term goal), and also strengthen long-term organisational objectives. Programmes like mini-assessments and the Fast Track Selection Scheme (FTSS) ensure that talent is spotted early and given an opportunity to mature into leaders.

Capability development, spearheaded by the Tata Motors Academy, has enabled knowledge-sharing through initiatives, such as Learning Management Systems (LMS) and iTeach. The former allows employees to take ownership of knowledge accretion, while the latter provides a platform for senior management to share their expertise.

Enablers, such as the 'One Tata Motors' culture, leverage interdepartmental synergies. Therefore, greater opportunities to learn from and contribute to the organisation are created. Combined with a rearticulated compensation philosophy and reworked variable pay plan, these initiatives ensure that Tata Motors remains performance-oriented and talent-driven.

Source: retrieved from http://tatamotors.com/investors/financials/67-ar-html/human_resources.html, 10 April 2015

1.8 HRM AND PERSONNEL MANAGEMENT

According to Flippo, "Personnel management is the planning, organizing, directing, and controlling of the procurement, development, compensation, integration, and maintenance of people for the purpose of contributing to organizational, individual, and social goals."[1] This highlights that various managerial functions relating to procurement and maintenance if people in an organization come under personnel management. This may include developing people in way the organization wants, for attaining competitive advantage for the organization, as Thomas G. Spates visualized personnel administration as early as 1944. "Personnel administration is a code of the ways of organizing and treating individuals at work so that they will each get the greatest possible realization 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."[2]

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[1] Edwin B. Flippo, Principles of Personnel Management, McGraw-Hill, New York, (4th edn.), 1974, p.54.
[2] Pigors and Myers, Personnel Administration, Mc-Graw-Hill, New York, (4th edn.), 1961, p.12.

Thus the sole purpose of personnel management was to attain competitive advantage and best result for the organization. Though, Flippo has introduced individual and social goals also in his definition of personnel management, the basic thrust of personnel management, as practiced everywhere, is to procure, develop and maintain adequate manpower in the interest of the advantage of the organization. The individuals' interests, desires and aspirations were submerged into the organizational objectives and goals. Managerial functions of planning, organizing, directing and controlling of procurement and development of people is the concern of personnel management, according to Flippo.

Human resources management is viewed in entirely different perspective. Though organizational interest is important in all the management policies, HRM projects the development of individuals in accordance with the individual needs and aspirations so that the individuals would be motivated to make their best contribution towards the accomplishment of common goals. While personnel function was designed to respond to the organizational objectives like profit maximization, HRM visualised human elements of enterprise as important resources. Hence HRD is the most crucial aspect of human resources management.

Personnel function has been traditionally considered as an independent function headed by a personnel manager who was responsible for personnel record keeping and rule enforcing. A personnel manager is supposed to be knowledgeable about the rules and regulations of personnel practices and hence he advices the top management about the personnel function. This may, perhaps be the reason why personnel function was viewed as a staff function at least by some writers on management.

But there is no reason why human resources management should be reckoned as a staff function. On the contrary, HRM is part and parcel of every line function. It is a sub-system of the whole management system. Actually speaking, the primary job of every Manager is actuating, and human resources management cannot be isolated from actuating as we will see later in this book (see the Chapter 4 on actuating). As already observed, essentials of personnel function are necessarily incorporated in both actuating and HRM functions in its refined form. Hence, one must not be under the impression that the traditional personnel management is replaced by HRM. Rather, HRM has absorbed the personnel function in its refined form.

Manpower planning is incorporated into human resources planning. Recruitment, selection, training, placement, compensation, direction, appraisal, supervision, and such other functions of personnel management form part of human resources management, also while other aspects like human resources development, career planning and development, counselling and redemptive measures, constant efforts for appraisal, research and feedback system, data storage and retrieval system etc. receive greater attention in human resources management. A humane approach to the people at work backed by welfare amenities and cordial industrial relations policies must also be an integral part of human resources management. In the HRM approach, personnel function is not merely record-keeping function but it is a constant endeavour to motivate the people at work to foster a oneness with the organisation and its performance goals. This is achieved neither through pressure tactics nor through conflicts and struggles, but through constant cooperation, team-building and mutual understanding. Thus, HRM is not limited to mere personnel management. It is an integrated systems approach to actuating.

HRM has a long history of evolving from a simple welfare and maintenance function to being a strategic and business partner. In the current times importance and hence focus on human capital management is, the focus on people management from human capital/intellectual capital perspective is also shaping firmly. The differences between personnel management and HRM have been detailed

by Professor John Storey in his book titled Developments in the Management of Human Resources(1992) and are reproduced below:

Dimensions	Personnel and IR	HRM
Beliefs and assumptions		
1. Contract	Careful delineation of written contracts	Aim to go beyond contract
2. Rules	Importance of devising clear rules /mutually	'Can-do' outlook; Impatience with 'rule'
3. Guide to management action	Procedures	Business-need'
4. Behaviour referent	Norms/custom and practice	Values/mission
5. Managerial task vis-a-vis labour	Monitoring	Nurturing
6. Nature of relations	Pluralist	Unitarist
7. Conflict	Institutionalized	De-emphasized
Strategic aspects		
8. Key relations	Labour management	Customer
9. Initiatives	Piecemeal	Integrated
10. Corporate plan	Marginal	Central
11. Speed of decision	Slow	Fast
Line management		
12. Management role	Transactional	Transformational leadership
13. Key managers	Personnel/ IR specialists	General/business/line managers
14. Communication	Indirect	Direct
15. Standardization	High (e.g. 'parity' an issue)	Low (e.g. 'parity' not seen as relevant)
16. Prized management skills	Negotiation	Facilitation
Key levers		
17. Selection	Separate, marginal task	Integrated, key task
18. Pay	Job evaluation (fixed grades)	Performance-related
19. Conditions	Separately negotiated	Harmonization
20. Labour-management	Collective bargaining contracts	Towards individual contracts
21. Thrust of relations with stewards	Regularized through facilities and training	Marginalized (with exception of some bargaining for change models)
22. Job categories and grades	Many	Few

23.	Communication	Restricted flow	Increased flow
24.	Job design	Division of labour	Teamwork
25.	Conflict handling	Reach temporary truces	Manage climate and culture
26.	Training and development	Controlled access to courses	Learning companies
27.	Foci of attention for interventions	Personnel procedures	Wide ranging cultural, structural and personnel strategies

1.9 HRM AND HRD

As a result of the fundamental changes in attitudes, approaches, outlook, philosophy, perspective and practices that emerged in the form of Human Resources Management (HRM) strategy, it has become necessary for every organisation to develop skills, talents, potentialities, capabilities and attitudes of company's own people to meet the emerging challenges. Human Resources Development (HRD) strategies are supposed to bring forth necessary changes in skills, capabilities and attitudes of people who are required to cope with the emerging changes. Thus, HRD has become an integral part of human resources management.

Human Resource Development (HRD) is the framework for enabling employees develop their personal and organizational skills, knowledge, and abilities. Human Resource Development includes such opportunities as employee training, employee career development, performance management, potential appraisal, leadership development, coaching, mentoring, succession planning and organization development. It deals with the part of human resource management (HRM) which specifically focuses on training and development of the employees.

Definition of HRD

HRD has been defined as a process by which the employees of an organization are helped, in a continuous, planned way, to: acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles; develop their general capabilities as individual and discover and exploit their own inner potential for their own and/or organizational development purposes; develop an organizational culture in which the supervisor subordinate relationships, teamwork, and collaboration among subunits are strong and contribute to the professional well being, motivation and pride of employees. (T V Rao, 1985)

The, new HRD approach, that stresses the need for developing the company's own people to suit the updated technology, modernization of machinery and equipments and the changing trends in attitudes and approaches, necessitates to develop individual employee in accordance with his aspirations and potentialities on the one hand, and the company's requirement on the other. This is what the HRD does. Quite often Organisation Development (OD) programmes are effectively integrated with the HRD programmes. Of course, OD programmes are the programmes which the OD interventionists prescribe for the effectiveness of the organization. It need not be what the individual members of the organization seek. HRD interventionist primarily seek to know what the individuals seek to have, and then try to match it with the organizational needs. Training and development programmes form part of OD, while training and development are the most decisive aspects of HRD too.

HRD efforts are now described in terms of the training and educating programmes and the number of people who are exposed to these programmes. Unless a systematic and constant monitoring of these programmes and a systematic appraisal of the actual effect of these programmes, in terms of actual results achieved, can be determined, it may not be possible to understand whether

the real purpose is served by these programmes. At present, therefore, the end results of both HRD and OD are perceived as synonymous. Of course, no change can be effectively and totally incorporated not their results achieved, over-night. It needs constant efforts and continuous monitoring for a considerably long period. These efforts must go on simultaneously with the human resources management strategy.

HRM is the integrated approach to actuating and managing the company's own people, while HRD deals with the process of developing people in accordance with their aspirations and to suit the organizational needs. Both are not synonyms; the latter is at the centre of the former and both integrated into one system.

1.10 HRM AND GENERAL MANAGEMENT

Actuating is at the centre of management process, while human resources management is closely linked with actuating. Obviously, management process is basically concerned with managing people; and there cannot exist a management process without properly managing human resources. No wonder, thinkers like Lawrence Appley did not appreciate to distinguish between management and personnel management. According to him, "Management and Personnel administration are one and the same. They should never be separated Management is personnel administration".

Thus, human resources management cannot be isolated from general management. In fact, the humanilization of management makes it more effective and fruitful. A study of management is, therefore, bound to be incomplete without a study of human resources management. Evidently, management practitioners must recognize the importance of human resources management.

REVIEW QUESTIONS

1. Explain the concept of Human resource Management.
2. Bring out the scope of Human Resource Management in the current scenario.
3. What are the objectives of HRM?
4. Explain the functions of HRM.
5. What is the difference between HRM and Personnel Management?

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