

CHAPTER - II

CONCEPTUAL FRAMEWORK

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A) Concept of Human Resource Management

Human Resource Management is concerned with human beings in an organization. HRM reflects a new philosophy, a new outlook and approach, a strategy which gives an organization, manpower as its resources and assesses Human Resource as the total knowledge i.e. skills, creative abilities, talents, and aptitudes of an organization's welfare. Human Resource includes the values, attitudes, approaches and beliefs of the individuals.

Human Resource Management is the process of managing the people of an organization with human approaches. HRM is a system that focuses on human resource development and effective management of people. HRM has a strategic approach to the acquisition, motivation, development, and managing the organization. HRM is an approach to the qualitative of human being.

B) Meaning and Definition of Human Resource Management :

Human Resource Management (HRM) can broadly be defined as 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 objectives for sustainable competitive advantage?

♦ V.P. Michel :

"HRM is a part of the management process which develops & manages the human elements of the organization considering the resourcefulness of the organization's own people in terms of total knowledge, skills, creative abilities, talents, aptitudes and potentialities for effectively actualizing.

♦ Beer et. al. :

"Human Resource Management involves all management decisions and actions that affect the relationship between the organization and employees – its human resources."

♦ **Prettigrew and whipp (1991) :**

"Human Resource Management relates to the total set of knowledge; skills and attitudes that firms need to complete. It involves concern for and action in the management of people, including : selection, training, and development, employee relations and compensation. Such actions may be bound together by the creation of an HRM Philosophy."

♦ **Storey – (1989) :**

"Human Resource Management can be regarded as a set of interrelated policies with an ideological and philosophical under pinning."

♦ **General Definition :**

" H.R.M. is a process by which the employees of an organisations are helped to .

- a) Acquire or sharpen, capabilities,
- b) To develop general capabilities,
- c) Develop an organisational culture.

Human Resource Management is essentially a business oriented philosophy, concerning the management of people in order to obtain added value from them and thus achieve competitive advantage. It is a philosophy that appeals to management who are striving to beat off increasing inter national competition and appreciate that to do this they must invest in human resources as well as new technology.

♦ **Features of Human Resource Management :**

- 1) It is top management derive activity.
- 2) The performance and delivery of HRM is a line management responsibility.
- 3) It emphasizes the need for strategic fit. The integration of business and personnel strategies.
- 4) It involves the adoption of a compressive and coherent approach to employment policies & practices.
- 5) Its importance is attached to strong cultures and values.
- 6) It places emphasis on the attitudinal & behavioral characteristics of employees.

- 7) Employee relations are unitarist rather than pluralist, individual rather than collective, high trust rather than low trust.
- 8) Organizing principles are organic and decentralized with flexible roles & more emphasis on team work.
- 9) Rewards are differentiated according to performance competence or skill.

◆ **Aims and Objectives of Human Resource Management :**

- 1) To enable management to achieve organizational objective through its workforce.
- 2) To utilize people to their full capacity and potential.
- 3) To foster commitment from individuals to the success of the company through a quality orientation in their performance and that of the whole organization.
- 4) To integrate human resource policies with business plans & reinforce an appropriate culture or an necessary, reshape an inappropriate culture.
- 5) To develop a coherent set of personnel & employment policies which jointly reinforce the organizations strategies for matching resources to business needs and improving performance?
- 6) To establish an environment in which the latent creativity and energy of employees will be unleashed.
- 7) To create conditions in which innovation, team working and total quality can flourish.
- 8) To encourage willingness to operate flexibly in the interest of the ' Adaptive Organisation' and the pursuit of excellence.

◆ **Role / Functions of Human Resources Management :**

The role of HRM can be described by the following four functions. These four functions can be important from the view point of getting people, preparing them, activating them, and keeping them.

a) Acquisition Function :

The Acquisition function begins with planning. Relative to human resource recruitments, we need to know where we are going and how we are going to get there. This includes this estimation of demands and supplies of labour. Acquisition also includes the recruitment; selection, and socialization of employees.

b) Development Function :

The development function can be viewed along three dimensions. The first is employee training which emphasizes skill development and changing the attitudes among workers. The second is management development, which concerns itself primarily with knowledge Acquisition and the enhancement of an executive's conceptual abilities. The third is concern development, which is continual effort to match long-term individual and organizational needs.

c) Motivation Function :

The motivation function begins with the recognition that individuals are unique and that motivating techniques must reflect the needs of each individual. Within the motivation functions, alienation, job satisfaction, performance appraisal, behavioral & structural techniques for stimulating worker performance, the importance of linking rewards to performance, compensation and benefits administration and how to handle problem, employees are reviewed.

d) Maintenance Function :

In contrast to motivation function, which attempts to stimulate performance, the maintenance function is concerned with providing those working conditions that employees believe are necessary in order to maintain their commitment to the organization.

◆ Scope of Human Resource Management :

The vast scope of HRM is relation to business organization

- 1) A co-ordinal worker management relationship would be possible.
- 2) Management would be able to understand their people better.
- 3) A situation would be created in the organization for the employees to enjoy their work and gain substantial job satisfaction.
- 4) Management would be able to get better co-operation from its workers.
- 5) Employees would be able to gain a great sense of accomplishment through their work.
- 6) Organisational efficiency and workers productivity would increase.
- 7) I would help the employees to gain a sense of belonging to their work place.

- 8) Better organizational climate and culture may emerge as a result of good HRM.
- 9) As the people would be able to foster sense of belonging their sense of fulfillment and accomplishment would remain high.
- 10) As the people are respected as individuals and their contributions are valued and rewarded, they would gain more self confidence and self respect & they will learn to respect others, particularly their superiors and managers.
- 11) The employees may be able to gain a self- confidence that their competence and performance can be improved and they would have prospects for better career growth, and to use their competence and Talents.
- 12) Management gets enlightened workforce.
- 13) A good communication channel would become possible as a result of mutual understanding and better co-ordination.
- 14) Influence level of management and managers would increase.
- 15) Adverse influence of trade unions, particularly self-seeking militant trade union leaders can be reduced.
- 16) Gulf between management and workers can be reduced.
- 17) A good HRM policy would improve the possibility for industrial peace, which is badly needed in India, now-a-days.
- 18) It would become easier for the management to identify and train appreciate talents for every job.

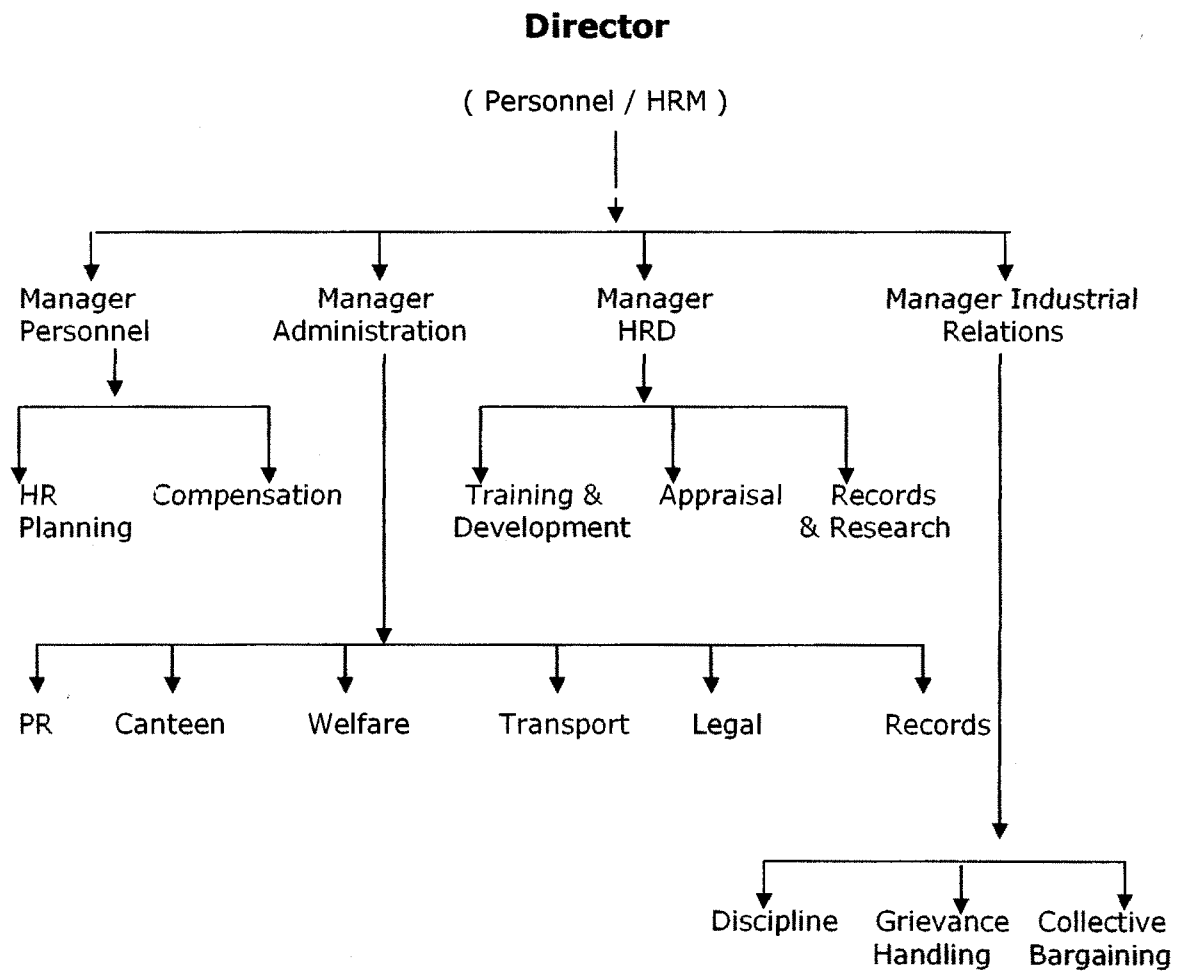
The scope of HRM is extensive to the extent that there cannot be study of management without proper attention on human resource management, though it has its own limitations.

♦ **Advantages / Significance / Importance of H.R.M. :**

- a) HRM creates and promotes a human resource philosophy in the organization and get the approval and commitment of the top management.
- b) HRM determines the human resources needs of the organization.
- c) HRM educates the executives and managers of the organization regarding the various aspects of the human resources approach adopted in the organization.

- d) HRM assists and educates the top management regarding the human resources policies, strategies, and approaches.
- e) HRM strives to establish an organizational culture and climate of the team work, mutual respect, sense of belonging and commitments.
- f) HRM formulates and envisages human resource planning and career planning.
- g) HRM plays an important role in recruitment, selection placement, replacement, etc.
- h) HRM designs, develops, introduces, directs, and evaluates the human resource development programmes.
- i) HRM develops and maintains an effective communication system.
- j) HRM establishes and maintains a cordial industrial relations system.
- k) HRM maintains an acceptable employee welfare scheme.
- l) HRM conducts periodical counseling sessions and heading all the counseling activities in the organization.
- m) HRM redeems, recovers and reinstates the guilty employees wherever possible.
- n) HRM establishes a regular system of evaluation and appraisal.
- o) HRM establishes and maintains an occupational health and safety mechanism.
- p) HRM inflicts punishments for any proved offence taking into account the situation of the accused.
- q) HRM establishes and maintains a scheme for separation.
- r) HRM establishes and maintains a team-spirit and cohesion, not only in HRM department, but in other departments also.

Human Resource Department is organized in the following way



♦ **Distinguish Between Human Resource Management and Personnel Management.**

Human Resource Management		Personnel Management	
1	Human Resource management is the management of the employees skills, knowledge, abilities, talents, aptitudes, creative abilities, etc.	1	Personnel means persons employed personnel management is the management of the people employed.
2	Employee is human resource management is treated not only as economic man but also social and <i>psychological man</i> . Thus the complete man is viewed under this approach.	2	Employee is personnel management is mostly treat as an economic man as his services are exchanged for salary / wages.
3	Employee is treated as a resource.	3	Employee is viewed as a commodity or tool or equipment which can be purchased & used.
4	Employees are treated as profit centre and therefore, invest capital for human resource development and future utility.	4	Employees are treated as a cost centers and therefore management controls the cost of labour.
5	Employees are used for multiple mutual benefits of the organization, employees & their family members.	5	Employees are used mostly for organizational benefit
6	HRM is a strategic management function.	6	Personnel function is treated as only an auxiliary.