

CHAPTER III
HUMAN RESOURCES MANAGEMENT

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CHAPTER III - HUMAN RESOURCE MANAGEMENT

I. Meaning of Human Resource:

According to Leon C. Megginson, the term human resources can be thought of as, “the total knowledge, skills, creative abilities, talents and aptitudes of an organisation’s worker force, as well as the values, attitudes and beliefs of the individuals involved”.¹

Human Resource Management is concerned with the people dimension in management. Since, every organisation 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 commitment to the organisation are essential to achieving organisational objectives.

A nation with abundant of physical resources will not benefit itself unless human resource make use of them.² In fact human resource are solely responsible for making use of national resources and for the transformation of traditional economies into the modern and industrial economies. Lack of organisation of human resource is largely responsible for the backwardness of the nation.³ Countries are underdeveloped because their people are underdeveloped. In essence, “the difference in the level of economic development of the countries is largely a reflection of difference in quality of their human resources”.⁴ The key element in this proposition is that the values, attitudes, general orientation and quality of the people of a country determine

its economic development.⁵ The shift from manufacturing to service and increasing pace of technological change are making human resource the ingredient to the nation's well being and growth.

Most of the problems in the organisational sections are human and social rather than physical, technological or economic. No industry can be rendered efficient. So long as the basic fact remains unrecognised that it is principally human. It is not a mass of machines and technical processes but a body of man.

Management of an organisation in modern economics is not only complex and sophisticated but it is also vital influencing the economic growth of a country. Its efficiency determines the property and well being of the people of the nation. Perhaps today there is no other latest activity, which is as important and dynamic as management. 9

One of the fundamental areas of management is the management of human resources. Thus, "in the management of four M's - Money, Material, Machines, and Men; it is needless to belabour the obvious point that, considering the nature of man, the management of men..."⁶ Is not only fundamental but also dynamic and challenging. (help shape)

Characteristics of Human Resources:

The important characteristics of human resources are as follows:

- a) Human Resources are the product of their biological internalise and interactions with the environment. Their attitudes, behaviour and performance are largely influenced by their family relationships, religious influences, cast and organisational environment.
- b) Human resources are heterogeneous. They consist of different emotional responses to different stimuli and different needs, motives, values, attitudes and thoughts. Each of them has his own physical and psychological traits.
- c) Human beings behave very widely and in very complicated ways. They react differently in different situations or they may even behave differently in the same situation or two different points of time. Their behaviour is always uncertain and unpredictable.
- d) Human resources have the greatest potential and grow provided a favourable atmosphere is provided to them.
- e) Human resources constitute the most important element in an organisation. The efficient and full utilisation of all resources depends upon the quality and potentiality of human resources.
- f) Human resources as a factor of production is different from other factors of production like material and machinery in the sense that it has a will of its own.

9. The term human resources at the organisation level includes the component resources of all the employees working at the various levels from top to bottom, except in different fields, shareholders and such people as a family members influencing the employees of the organisation. Thus, human resources includes the resources of all the people who contribute their services to the attainment of the organisation objectives and those who contribute their services with a view to create a hurdle or obstacles in the attainment of the organisation objectives.

9. With a view to achieve the common objective of the enterprise. But these objectives can be achieved only if the organisation is managed efficiently. The management is considered efficient if it is able to co ordinate the various factors of production in such a way that they contributes their maximum towards the realisation of the common objective.

II. IMPORTANCE OF HUMAN RESOURCES:

9. Of all the factors of production human beings is fare the most important factor. The important of human factor, in any business organisation, cannot be over emphasized because the success of every business organisation depends not so much on material or financial resources as on human resources. We know that management is considered as an art of getting things done through others, with the view to achieve the common objective of the enterprise. But these objectives can be achieved only if the organisation is managed efficiently. The

management is considered efficient if it is able to co-ordinate the various factors of production in such a way that they contribute their maximum towards the relation of the common objectives.

In the past the management was primarily concerned with the full and proper utilisation of the physical factors such as raw material machines and money but it did not pay any attention to the human factor on which the maximum utilisation of the physical factors depends.

Peter Drunker says, "Human being is the Central the rarest and the most precious capital resource of our industrial society".⁷

The physical factor^s are subject to the law of mechanics when combined they give an output at the most equal to their input but very often they give an output far less than their input. But the human factor is able to give an output far grater than its input only because of the ability to co-operate, co-ordinate integrate judge and imagine.⁸

The important of human resources may be enumerated specifically as follows.

1] Human factor is the only resources, which can produce unlimited quantities through its better ideas no other resources can do this.

2] Human resource is animate active and living while all other resources are inanimate inter and passive .It is human being alone who with his ability to feel think conceive and grow shows satisfaction or dissatification pleasure or

resentment acceptance or resistance for all kinds of managerial action .All other resource if left to themselves remain as they are and do not produce anything.

3] Human resources is the most up-predictable and complex factor in its behaviour There is no formula nor is there any set of fixed rules to guide the manager to motivates his workers. Manager can buy his workers time he can buy his physical presence at particular place he can buy fixed number of skilled muscular motions pre hour or per day but he cannot buy his devotion to work or will to work.

4] Human resource is the only factor, which appreciates in value with the passage of time where all other resources depreciate and decay in value with the passage of time. This is so because people become experienced and skilled with the passage of time.

5] The importance of human resource has also increased because of the enactment of various labour laws which have compelled the employer to give fair and human treatment to their labourers.

6] Finally rise and growth of strong trade unions have compelled the employers to treat the human resources with greater respect because of the strong opposition form such labour organisation

It is because of the increasing importance of the human resources that a great necessity was felt for setting up a separate department for management of human resource, popularly known as Human Resource Management which is now considered as integral part of the management set up.

III. PERSONNEL MANAGEMENT Vs HUMAN RESOURCE

MANAGEMENT:

The term human resource at the macro level spells the total sum of the components like skill knowledge and creative ability possessed by all the people employed, self-employed, unemployed, employers, owners, etc., Whereas, the term personal even at the macro level is limited to only employees of all organisation human resource even at the organisation level included all the component resources of all employee form rank and file to top management level all the employer like managing director boards of directors persons who work on honorary basis experts drawn form various Organisation and those people [particularly family members] influencing the human resources of the former group.

In short, it included the resources of all the people who contributes their service to the attainment of Organisational goals and others who contributes their services in order to create hurdles in the attainment of Organisational goals.

Thus, the term human resources is much more broader compared to the term personal either at the resources i.e. components level or in coverage at human resource management at organisation level does mean management of the dynamic component [resources], of all the people at he levels in the organisation hierarchy round the clock and throughout the year.

Difference between Personnel Management and Human Resources

Management is explained briefly as follows: -

Personnel Management	Human resources management
1. Personnel means persons employment. Personnel management is the management of people employed.	1. Human resource management is the management of employee's Skills, Knowledge, ability, talents, aptitude, creative abilities, etc.,
2. Employee in personnel management is not mostly treated as an economic man as his services are exchanged for wage.	2. Employee in human resources management is treated ^{not} / only as economic man but also as social and psychological man is viewed under this approach.
3. Employee is viewed as commodity or tool or equipment which can be purchased and used.	3. Employee is treated as resource.

4. Employee are treated as cost centre and therefore management control the cost of labour.	4. Employees are treated as profit centre and therefore invests Capital for human resources development and future utility.
5. Employees are used mostly for organisation benefit.	5. Employees are used for the multiple mutual benefits of the organisation employee and their family members.
6. Personnel function is treated as only an auxiliary or assisting management.	6. Human Resource Management is strategic function.

Inspite of these differences both the terms are used interchangeably.⁹

IV. HUMAN RESOURCE PLANNING:

I. Meaning:

Planning is an intellectual process of selecting the best alternative method to achieve the laid down objectives of an organisation.

“ Planning is the process of fixing the objectives of the organisation by self assessment identifying potential courses of actions as alternatives, selecting the best alternative based on SWOT analysis to meet the objectives, evaluating the means and organising the resources to implement the selected alternatives”.¹⁰

Planning of human resource is major managerial responsibility today. During earlier stages where agriculture was the main occupation of people, human resource planning remained unimportant. During initial periods of industrialisation, especially after industrial revolution human resource planning was more concerned with financial resources This is because money could manipulate resource This is when men were considered as cogs in the machine In the contemporary post industrial revolution era the focus is being shifted to technology and know how. The attention is now turning towards knowledge and skill of employees. Obviously human resources are going to occupy the centre stage of human activities, especially in the field of industry and business. In the changed environment, human resources planning has now become very important.

Human resource planning is a process by which an organisation should move from its current manpower position to its desired manpower position. Through planning management strives to have the right number and right kind of people at the right places at the right time doing things which results in both the organisation and individuals receiving maximum long run benefit.

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II. Objective of Human Resource Planning:

The important objective of human resource planning in an organisation are:

- 1] To recruit and retain the human resource of required quantity and quality.
- 2] To foresee the employee turnover and make the arrangements for minimising turnover and filling up consequent vacancies.
- 3] To meet the needs of the programmes of expansion and diversification.
- 4] To foresee the impact of technology on work, existing employees and future human resource requirements.

- 5] To improve the standards, skill, knowledge, ability and discipline.
- 6] To assess the surplus or shortage of human resources and take measures accordingly.

Need For Human Resource Planning:

Every organisation has to plan for human resource because of.

- 1] The shortage of certain categories of employees and/or variety of skills in the midst of mass unemployment.
- 2] The rapid change in technology, marketing, management and the consequent need for new skills and new categories of employees.
- 3] The change in organisation design and structure affecting manpower demand.
- 4] The government policies in respect to reservation child labour working conditions etc.,
- 5] The labour laws affecting the demand for and supply of labour.
- 6] Pressure form trade union, politicians, sons of the soil etc.,
- 7] Introduction of computer and robots.

III. Benefits of Human Resource Planning:

Human resource planning anticipates not only the required kind and number of employees but also determines the action plan for all the functions of human resources management. The major benefits of human resource planning are:

- 1] Human resource planning offsets uncertainties and change to the maximum extent possible and enables the organisation to have right men at right time and right place.
- 2] It provides scope for advancement and development of employees through training and development.
- 3] It helps to anticipate the cost of salary enhancement, better benefits, etc.
- 4] It foresees the need for redundancy and plan to check it or to provide alternative employment in consultation with trade unions, other organisation and government through remodelling organisation, industrial and economic plans.
- 5] To foresees the changes in values, aptitude and attitude of human resource and to change the techniques of interpersonal management etc.,
- 6] It plans for physical facilities, working conditions and the volume of fringe benefits like canteen, school, hospital, child_care centre, quarters and stores.

7] It gives an idea of type of tests to be used and interview techniques in selection based on the level of skills, qualifications, intelligence, values, etc., of future human resource.

8] It helps to take steps to improve human resource contributions in the form of increased productivity, sales, turnover, etc.,

9] It facilitates the control of all the function, operations, contribution and cost of human resources.

IV. Factor affecting Human Resource Planning:

Human resource planning may be viewed as foreseeing the human resource requirement of an organisation and the future supply of human resource. But its planning is not a easy task. There are several factors which affect human resources planning. These factors can be classified into external factors and internal factors, which are as follows.

EXTERNAL FACTORS:

1. Government Policies:

Policies of the government like labour policy, industrial relation policy, policy towards reserving certain jobs for different communities and sons of the soil, etc., affect the human resources planning.

2. Level of Economic Development:

Level of economic development determines the level of human resource development in the country and thereby the supply of human resources in the future in the country.

3. Business Environment:

External business environment factors influences the volume and mix of production and thereby the future demand for human resources.

4. Level of Technology:

Level of technology determines the kind of human resource required.

5. International Factor:

International factors like the demand for and supply of human resources in various countries.

INTERNAL FACTORS:

1. Company Policies and Strategies:

Company's policies and strategies relating to expansion, diversification, alliances, etc., determines the human resource demand in terms of quality and quantity.

2. Human Resource Policies:

Human resource policies of the company regarding quality of human resource, compensation level, quality of worklife, etc., influences human resource plan.

3. Time Horizons:

Companies with stable competitive environment can plan for the long run whereas the firms with unstable competitive environment can plan for only short-term range.

4. Company's Production Operation Policy:

Company's policy regarding how much to produce and how much to buy from outside to prepare a final product influence the number and kind of people required.

5. Trade Unions:

Influence of trade unions regarding number of working hours per week, recruitment sources etc. affect the human resources planning.

6. To maintain better industrial relations by maintaining optimum and structure of human resource.

7. To minimise imbalance caused due to non-availability of human resource of right kind right number in right time and right place.

8. To make the best use of its human resources.¹²

V. Human Resource Planning Process:

Human resource planning process involves important steps which are as following:

1. Analysing the organisation plans:

The process of human resource planning should start with analysing the organisational plan into production plan, technological plan, plan for expansion, diversification, marketing plan, sales plan and financial plan. Analysis of organisational plans and programmes help in forecasting the demand for human resources as it provides the quantum of future work activity.

2. Forecasting the overall human resource requirement:

The existing job design and analysis may thoroughly be reviewed keeping in view the further capabilities, knowledge and skills of present employees. Further, the job should be redesigned and reanalysed keeping in view the organisational plan and unit-wise plans and programmes.

3. Supply forecasting:

Obtaining the data and information about the present inventory of human resource and forecasting the future change in the human resource inventory and also analysis of sources of supply.

4. Estimating the net human resource requirement:

Net human resource requirement in terms of number and components are to be determined in relation to the overall human resource requirements for a future date and supply forecast for that date. The difference between overall human resource requirements and future supply of human resource is to be found out.

5. Action plan for recruitment and development:

If the forecast relating to future supply of manpower from internal sources of the organisation shows favourable trends the management may prefer internal candidates and plan for promotion, transfer, training and development. If suitable candidates are not available from internal sources and if the forecasting relating to future supply from external sources indicate the availability of required human resources, plan for recruitment and selection.¹³

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