

PERSONNEL MAGEMENT

UNIT 1

Personnel management can also be defined as, that field of management which is concerned with the planning, organising, directing and controlling various operative functions of procurement, development, maintenance and utilisation of a labour force in such a way that objectives of company, those of personnel at all levels and those of community are achieved

Personnel management can be defined as obtaining, using and maintaining a satisfied workforce. It is a significant part of management concerned with employees at work and with their relationship within the organization.

According to Flippo, “Personnel management is the planning, organizing, compensation, integration, and maintenance of people for the purpose of contributing to organizational, individual and societal goals.”

According to Brech, “Personnel Management is that part which is primarily concerned with the human resource of the organization.”

Characteristics of Personnel Management:

The definitions on personnel management reveal the following characteristics:

- (i) Personnel management is a specialized branch of management and hence all the principles of general management (as well as functions of management) are applicable to personnel management.
- (ii) Personnel management is basically concerned with human resources. Personnel management advocates the ways to get best possible results by managing the scarcely available human resources effectively and efficiently.
- (iii) Personnel management is concerned with the relationship between employer and employee; between employee and employee; and among employees. By the term employee, we mean to include blue-collar as well as white-collar workers.
- (iv) Personnel management concentrates on the development of individual and group in an organization for achieving better results.
- (v) Personnel management focuses on employment planning.

(vi) Personnel management gives adequate direction to the developmental activities—of lower-level employees as well as executives.

(vii) Personnel management aims at providing the necessary guidance for improving performance (through performance appraisal of employees) of employees.

(viii) Personnel management aims at maintaining good human relations.

(ix) Above all, personnel management is concerned with recruitment, selection, training, and placement of employees within work organizations.

(x) Personnel management provides for fair and reasonable compensation to employees.

Thus, personnel management is an approach (an approach to deal with human beings in organisation), a point of view (regarding the personnel policies and wage administration), and a technique of thinking (as to how to motivate employees towards higher productivity) and a philosophy of management (of getting things done through people effectively and efficiently).

Nature of Personnel Management:

The emergence of personnel management can be attributed to the writings of human religionists who attached great significance to the human factor.

Lawrence Apply remarked. “Management is personnel administration”.

This view is partially true as management is concerned with the efficient and effective use of both human as well as non-human resources. Thus, personnel management is only a part of the management process. At the same time, it must be recognized that personnel management is inherent in the process of management.

This function is performed by all the managers throughout the organization rather than by the personnel department only. If a manager is to get the best of his people, he must undertake the basic responsibility of selecting people who will work under him and to develop, motivate and guide them.

However, he can take the help of the specialized services of the personnel department in discharging this responsibility.

Personnel management permeates all the functional areas of management such as production management, financial management, and marketing management. That is, every manager from top to bottom, working in any department has to perform the personnel functions.

Though the personnel department is created under the supervision of a person designated as 'Personnel Manager', it should not be assumed that the other managers are relieved of this responsibility.

Personnel management is not a 'one-shot' function. It must be performed continuously if the organizational objectives are to be achieved smoothly. To quote G.R. Terry, "The personnel function cannot be turned on and off like water from a faucet; it cannot be practiced only one hour each day or one day a week.

Personnel management requires a constant alertness and awareness of human relations and their importance in everyday operations."

The scope of personnel management

- (a) Employee training
- (b) Recruitment and maintenance of labor force.
- (c) Executive development
- (d) Determination of equitable wages and Salaries for laborers and employees.
- (e) Job analysis and job description
- (f) Labour welfare activities-such as education to children of the employee, recreation, sanitary conditions, etc.
- (g) Maintaining personnel records.
- (h) Maintaining sound human relations in industry.
- (i) Settlement of labor disputes.

Personnel Management – Philosophy

Over the years, Personnel Managers have witnessed the sweeping changes that have hit the industrial world from every part of the globe. The journey from regimentation and tight control to democratisation and peaceful coexistence is not a smooth one. It was the employer who had the final say initially.

The entry of trade unions has changed the rules of the game, more or less, permanently. Unions celebrated their victorious march on several occasions, for a painfully long time though. The 1980 and the 1990s saw competition heating up all over the world. The battle for survival began and more and more companies had to enter the global race in order to survive.

As customers started demanding more efficient and effective services from companies, both the employers and employees have realised the importance of working cooperatively in order to realise their own dreams, aspirations and expectations. With every turn and twist in this journey, the beliefs, attitudes and actions of Personnel Managers have undergone a rapid change.

They have also come to realise the dramatic shift in their roles. The emotional baggage of yesteryears is left at the gate itself. They have learnt the art of getting along with people through transparent policies, supportive communication, democratic principles, and mutually satisfying benefit plans and reward packages.

In a systematic manner, thus:

1. Tight Controls Do Not Produce Results:

The philosophical roots of personnel management are very strong. Gone are the days when employees are treated like commodities. The fallacious reasoning that people work for money only is also put to rest.

Discussions about getting things done through people using coercive steps, control measures, arm twisting tactics, etc. are not encouraged in the industrial world these days. Employers have also realised the painful fact that such tight controls, strong supervision and rigorous disciplinary steps may work only in emergency situations but not always.

2. People Want Freedom:

People resist any steps that would come in the way of their democratic rights and personal freedom. In the name of higher productivity, you cannot put people to tasks which they do not like, tasks which demand too much, tasks which are boring and monotonous. People want to be recognised, praised and appreciated. They need the company of others.

3. People Love the Company of Others:

They want to share their concerns, feelings, thoughts with others while at work. You cannot erect barriers between people and prevent them from having fun while at work. Any attempt to do so will be resisted strongly. The industrial history has proved this point on more than one occasion. People have a genuine hunger for interaction. After all, man is a social animal.

4. Make People Happy and Satisfied:

Instead of turning the factory into a fortress, managers should focus attention on how to make people happy and satisfied. This can happen only when people are treated with respect and dignity — when they are given an opportunity to utilise their talents fully, when they are put

on jobs which are interesting and rewarding, when they become partners in the progress of a company.

5. The Factory is Not the Personal Property of Employers:

The factory is not to be used as a platform for personal aggrandizement. It is to be looked at as a place where people come to spend their time, energies and resources in order to make a decent, happy and comfortable living. The factory is not the personal property of the owners. It does not belong to members of an ivory tower club. The sooner the factory owners realize this, the better.

6. Employee's Attitude Also Changing:

There is, no doubt, a discernible change in the attitude of both employers and the employees' nowadays. The employees also have realized that beyond a point militancy does not work, especially when the firm's very future is threatened by cut throat competition. We cannot put the factory to rest on silly grounds and flimsy causes.

When you incite people to strike work for reasons that do not stand the test of economic logic, then there will be question marks over the trade union philosophy and its continued existence. Personnel Managers, too, have realised the importance of taking people into confidence on every major decision affecting the lives of large majority. They have come to know that to make things work, they need to move closer to the hearts of employees. Ivory tower decisions will not produce results.

They have to step down and mingle with the mainstream in order to get superior results. A large part of their lives needs to be spent with workers in order to put the finger on the problem causing trouble — like an expert surgeon. As long as the worker is not getting a fair share of the cake, no amount of persuasion and proselytization would work.

DEVELOPMENT

The following are some of the factors which may be held responsible for the growth of Personnel management

(1) Industrial Revolution—Industrial revolution played a very significant role in the development of industries. Industrial revolution brought in revolutionary changes in the methods and techniques of industrial production. With the introduction of developed machineries and techniques, various complex problems emerged. To meet this situation personnel management was emphasised.

(2) Experiments in Social Sciences— New experiments and research in social sciences also contributed to the growth of personnel management. Hawthorne experiment in the field of psychology influenced the attitudes of the employers to a great extent. Researches in behavioural sciences also contributed to the development of personnel management. These experiments developed new techniques of selection and training.

(3) Fast changes in technology—With the development of science and technology, new methods of production were developed. New techniques and processes were developed in the

fields of marketing and communication which affected the personnel relations and industrial development. To cope with the problems of industrial development new management principles were developed.

(4) Awakening in labour—After World War I, workers began to become united and trade unions emerged. Trade unions expressed the concern of workers about working conditions—levels of wages, stability of employment and status in the society. Political movements, Russian Revolution in 1917, emergence of International Labour Organisation in 1919 also subscribed to the concept of industrial democracy.

(5) Attitude of the government—The attitude of the Government towards labour management and business have changed considerably. Government's participation in the economic areas has increased tremendously. Government comes to the rescue of the workers against the exploitation by employers. The idea of workers' participation in management has been accepted by all the governments of world. Governments have enacted various labour laws for the welfare of the workers. The government attitude was one of the factors in development of personnel management.

(6) Cultural and social changes—Education, population problem and changes in social value of the labour also contributed to the development of personnel management. Education brought the change in the attitude of labour towards their work. Population problem resulted in the problems of unemployment, wage fixation, migratory character of the labour and labour turnover. These problems resulted in the development of personnel management.

(7) Change in the size of the Business—With the increased use of machinery and capital large scale production become possible. Division of labour and specialisation functions were developed requiring a large number of workers. In order to get the work done by these people efficiently, the need of personnel management was felt.

(8) Change in the attitude of Management—Development of scientific management, industrial revolution, awakening of workers, favourable attitude of Government towards labour and change in the social value of workers compelled the management to make a change in its attitude towards labour. The workers which were regarded as commodity or as slave in earlier years, are now regarded as partners in management.

(9) Problem of Coordination and Control—Large scale production created the problem of control over the thousands of workers in an enterprise. The need of coordination between personnel objectives, developed methods and techniques and overall objectives of the organisation was realised. The problem of control, and coordination required personnel management.

(10) Changes in the form of business organisation—In earlier years, business was carried on under sole proprietorship. With the advent of joint stock companies, the size of the business has increased. So new management techniques were developed to cope with personnel.