Personnel Management To Human Resource Management (HRM): How HRM Functions?

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Any enterprise now a significant part of the world economy both in terms of trade and employment. The performance of a business organisation is in part dependent on the capability of its human resource. The knowledge and experience of employees is a source of competitive advantage, however, whether this is realised or not may depend on having the right human resource policies. Managers therefore seek to implement best practice, and in multinationals there is the potential for intra-organizational learning across national boundaries. The human being is the most important element in the development process and its ultimate goal. Attention to the management of human affairs and the effort to make man an effective contributing member in the development plans within organizations, is the responsibility of those working in the field of human resources management (HRM) which has become a distinguished field of management worldwide and plays an important role especially in the developing countries. This study discussed personnel management to Human Resource Management and how HRM Functions.

Keywords: Personnel, Human Resource Management, Function

Introduction

The history of personnel management begins around the end of the 19th century, when welfare officers (sometimes called ‘welfare secretaries’) came into being. They were women and concerned only with the protection of women and girls. Their creation was a reaction to the harshness of industrial conditions, coupled with pressures arising from the extension of the franchise, the influence of trade unions and the labour movement, and the campaigning of enlightened employers, often Quakers, for what was called ‘industrial betterment’. As the role grew there was some tension between the aim of moral protection of women and children and the needs for higher output (CIPD, 2014).
The First World War speeded up change in the development of personnel management, with women being recruited in large numbers to fill the gaps left by men going to fight, which in turn meant reaching agreement with trade unions (often after bitter disputes) about ‘dilution’—accepting untrained women into craftsmen’s jobs and changing manning levels.

During the 1920s, jobs with the titles of ‘labour manager’ or ‘employment manager’ came into being in the manufacturing industry and other industries where there were large factories, to handle absence, recruitment, dismissal and queries over bonuses and so on. Employers’ federations, particularly in engineering and shipbuilding, negotiated national pay rates with the unions, but there were local and district differences and there was plenty of scope for disputes.

During the 1930s, with the economy start to pick up, big corporations in these newer sectors saw value in improving employee benefits as a way of recruiting, retaining and motivating workers. Nonetheless, older industries such as textiles, mining and shipbuilding which were hit by the worldwide recession did not adopt new techniques, seeing no need to do so because they had no difficulty in recruiting labour.

The Second World War brought about welfare and personnel work on a full-time basis at all establishments creating war materials because an expanded Ministry of Labour and National Service insisted on it, just as the Government had insisted on welfare workers in munitions factories in the foregoing conflict. The Government saw specialist personnel management as part of the drive for greater efficiency and the number of people in the personnel function grew substantially; there were around 5,300 in 1943.

Around 1945, employment management and welfare work had become combined under the broad term ‘personnel management’. Experience of the war had shown
that output and efficiency could be influenced by employment policies. The role of the personnel function in wartime had been largely that of implementing the rules demanded by large-scale, state-governed production, and thus the image of an emerging profession was very much a bureaucratic one.

Following the growth of poor industrial relations during the 1960s a Royal Commission under Lord Donovan was set up. Reporting in 1968, it was critical of both companies and unions; personnel managers were criticised for lacking negotiation skills and failing to plan industrial relations strategies. At least in part, Donovan suggested, these deficiencies were a concern of management’s failure to give personnel management sufficiently high priority.

In 1960s and 70s employment started to develop considerably. At the same time personnel techniques developed using theories from the social sciences about motivation and organisational behaviour; selection testing became more widely used, and management training expanded. During the 1970s, specialism’s started to improve, with reward and resourcing, for example, being addressed as separate issues.

By the mid-80s, the term ‘human resource management’ arrived from the USA. The term ‘human resources’ is an fascinating one: it seemed to suggest that employees were an asset or resource-like machines, but at the same time HR also appeared to emphasise employee commitment and motivation.

Today’s HR profession encompasses a number of specialist disciplines, including diversity, reward (including compensation, benefits, pensions), resourcing, employee relations, organisation development and design, and learning and development (the history of which is covered in detail in the next section of this factsheet). Most recently, in developing the Profession Map, the CIPD has defined ten ‘professional areas’ covered by the HR profession (CIPD, 2014).

Discussion
Personnel Management

Personnel management is an administrative function of a business that exists to provide the personnel needed for organizational activities and to manage the general employee-employer relationship. Personnel management can be defined as obtaining, using and maintaining satisfied employees. It is an important part of management concerned with employees at work and with their relationship within the organization.

Personnel Management is thus essentially an administrative record-keeping function, at the operational level. Personnel Management efforts to maintain fair terms and conditions of employment, while at the same time, efficiently managing personnel activities for individual departments. It is expected that the outcomes from providing justice and achieving efficiency in the management of personnel activities will result eventually in achieving organizational success.

Personnel management refers to the functions that many employers now refer to as Human Resources. These are the functions that Human Resources work perform relative to the organization’s employees and include recruiting, hiring, compensation and benefits, new employee orientation, training, and performance appraisal systems.
Personnel management also comprises developing and implementing policies and processes to create an orderly, employee-supportive work place. It is an older term that is falling into disuse in modern business organizations. Personnel management is a term that is still used in various government agencies, and primarily in the non-profit sector, to describe the function that deals with the employment of people within the business organization. When most think of it, though, tend to think of the more transactional and administrative aspects of the HR management functions, however, others still use the term to refer to the whole range of HR responsibilities and services. Moreover, the term, personnel management, brings forth images of employee unions, strict job classification systems, and established pay grades that leave line management with few management options. The main problem with the personnel management view is that it leaves out the strategic components of the possible HRM role. It must include responsibility for training and organization development. On the other hand, these are not included in personnel management. Nor is the performance management system approach to developing employees and their careers.

**Human Resource Management (HRM)**

In practice, the HR function within business organisations in the UK (and elsewhere) is infinitely flexible, organisationally contingent over time and driven principally by the external contexts of the age; and these often change within short periods of time. Undeniably, the history of HR in the UK and elsewhere shows that it has had to change its priorities and focus its actions by re-inventing itself continuously. It has been largely in response to external socio-economic factors beyond the immediate control of HR practitioners or senior managers. Because of these reasons a variety of definitions, frameworks and models can be found in any of the basic (or not so basic) texts and in the wide range of articles examining and exploring the functions, roles and antecedents of contemporary HRM in organisations. Nevertheless, some understanding of the differing frameworks and intellectual underpinnings of HRM necessary, if readers are to identify, recognize and analyse the major external and internal contexts within which HR professionals operate nowadays.

One major text in the field, Marchington and Wilkinson (2008), defines HRM curtly as the management of employment. Another standard text provides no agreed definition of HRM but distinguishes between ‘soft’ and ‘hard’ versions of it. These writers, drawing upon Guest (1987) and Storey (1992), claim soft HRM ‘recognises employees as a resource worth investing in, and tends to focus on high commitment/high involvement human resource practices.’ Hard HRM ‘identifies employees as a cost to be minimised, and tends to focus on “flexibility techniques” and limited investment in learning and development’ (Beardwell, Claydon, 2007). Boxall and Purcell (2008) regard HRM in the English-speaking world as all those activities associated with the management of employment relationships in the firm (CIPD, 2014).

Hence, Human Resource Management is the process of recruitment, selection of employee, providing proper orientation and induction, providing proper training and the developing skills, assessment of employee (performance of appraisal), providing proper compensation and benefits, motivating, maintaining proper relations with
labour and with trade unions, maintaining employees’ safety, welfare and health by complying with labour laws of concern state or country. Human Resource Management (HRM) is the functions within an organization that focuses on recruitment of, management of, and providing direction for the people who work in the organization. HRM can also be performed by line managers.

HRM is the organizational functions that deal with issues related to people such as compensation, hiring, performance management, organization development, safety, wellness, benefits, employee motivation, communication, administration, and training.

Human Resource Management Functions

Human Resource Management (HRM) all about balancing the organization’s people and processes to best achieve the goals and the strategies of the organization, as well as the goals and the needs of workforces. The leading role an HR manager has to fulfil integrating business operations and strategies across a wide array of culture, products, and ideas, while effectively delegating work among human resource specialists and line management. Apart from being concerned with local issues of employees, HR must deliberate below functions and effects of workforce diversity, legal restriction, performance management, training and professional development of the organization.

1. Learning and development (L&D)

Learning and development (L&D) strategy is an organisational strategy that articulates the workforce capabilities, skills or competencies required to ensure a sustainable, successful organisation and that sets out the means of developing these capabilities to underpin organisational effectiveness (CIPD, 2014).

Organisational learning and development are of crucial and strategically important. This is not just a matter of extensive training in task skills, but of completely new ways of thinking about work, and of working and relating with one another. Individuals at all levels need to be able to think and work ‘outside the box’. They need to be able to do so without prior experience, clear guidelines, or close supervision. Overall, this amounts to the need for using high levels of cognitive skills, including learning how to learn. It also amounts to the need for managers to train and develop their existing workforce, facilitate their learning within a learning culture, and with appropriate resources, and train and develop new employees. And, beyond the organisation, it amounts to the need to develop a learning society.

Learning isa process within the organism which results in the capacity for changed performance which can be related to experience rather than maturation. (Ribeaux and Poppleton. 1978: 38) It is now widely recognised that intelligence is not just a cognitive capacity - note the theory of multiple intelligences (Gardner, 1985, 1999), and the recent interest in emotional intelligence (Pickard 1999b). Hence learning is not just a cognitive process that involves the assimilation of information in symbolic form (as in book learning), but also an affective and physical process (Binsted, 1980). Our emotions, nerves and muscles are involved in the process, too. Learning leads to change, whether positive or negative for the learner. It is an experience after which an individual ‘qualitatively changed the way he or she conceived something’ (Burgoyne and Hodgson, 1983: 393) or experienced ‘personal transformation’
(Mezirow, 1977). Learning can be more or less effectively undertaken, and it can be more effective when it is paid conscious attention. Development, however, is the process of becoming increasingly complex, more elaborate and differentiated, by virtue of learning and maturation. (As will be noted later, it is sometimes assumed that development connotes progression and advancement.) In an organism, greater complexity, differentiation among the parts, leads to changes in the structure of the whole and to the way in which the whole functions (Reese and Overton, 1970: 126). In the individual, this greater complexity opens up the potential for new ways of acting and responding to the environment. This leads to the opportunity for even further learning, and so on. Learning therefore contributes to development. It is not synonymous with it, but development cannot take place without learning of some kind (Collin, 2001).

1.1 Training and Development

The HRM department is responsible for providing on-the-job as well as refresher training for all employees who newly hired and for the existing. This one of the most important function and lack of training opportunities only increases frustration levels among employees. Thus, training systems must be streamlined across all locations in order to make communication and sharing of resources a convenient task. Measurement and monitoring is another vital aspect of training in order to foster adoption of employees’ new skills.

Training and development is a function of human resource management concerned with organizational activity aimed at bettering the performance of individuals and groups in organizational settings. This has been known by several names, including "human resource development (HR development)", and "learning and development (L&D)".

2. Recruitment and Selection

Recruitment is the process of having the right person, in the right place, at the right time. It is crucial to organisational performance. Recruitment is a critical activity, not just for the HR team but also for line managers who are increasingly involved in the selection process. All those involved in recruitment activities should be equipped with the appropriate knowledge and skills. (CIPD, 2014)

The great deal of consideration and resources is required to attract, hire and retain an experienced, committed and well-motivated workforce. This is perhaps one of the most basic HR functions. There are several essentials to this task such as developing a job description, advertising the job postings, screening applicants, conducting interviews, making offers and negotiating salaries and benefits. Corporations that value their people put a serious amount of investment in recruiting and staffing services. As the right set of talented employees can not only raise the companies profile but also help it achieve profitability and keep it running effectively and productively.
3. Professional Development

Operational HR departments allow and encourage the workforces with opportunities for growth, leadership training and education, which in turn contribute to the success of the company. Sponsoring for career advancement seminars, training, corporate social responsibilities and trade shows will make employees feel important and cared for by the team and business.

4. Performance Appraisal

Performance appraisal (or performance review) is a process for individual employees and those concerned with their performance, typically line managers, to engage in a dialogue about their performance and development and the support they need in their role. It is used to both assess recent performance and focus on future objectives, opportunities and resources needed (CIPD, 2014). The performance appraisal is a review and discussion of an employee’s performance of assigned duties and responsibilities. The appraisal is based on results obtained by the employee in his/her job, not on the employee’s personality characteristics. This process also referred to as a performance review, performance evaluation, (career) development discussion, or employee appraisal is a method by which the job performance of an employee is documented and evaluated.

5. Benefits and Compensation

The corporation is more likely to be successful, if it adapts new ways of providing benefits to workforces. More or less, non-traditional benefits that can attract and retain new skilled workers are:

- Flexible Working Hours or Workdays
- Extended Vacation Time
- Paternity Leave or Childcare
- Medical/Dental Insurance
- Corporate Gym Membership Discounts
- Continuing Education/Skills Development
- Award & Recognition Programs
- Health Care Insurance
- Life Insurance
- Disability Insurance
- Retirement
- Voluntary Accidental Death and Dismemberment Insurance
- Leave Transfer Program
- Tuition Assistance Plan
- Training Opportunities

6. Ensuring Legal Compliance

Human Resource Management do the compliance with labour, tax and employment laws, which is a vital part of safeguarding the organization’s continued existence. HR
has to be aware of all the mandate laws and policies regarding employment practices, working conditions, tax allowances, required working hours, overtime, break times, minimum wage, and discrimination policies as noncompliance can affect productivity and ultimately, profitability of the company.

7. Equality and Diversity

7.1 Equality: Equality is ensuring individuals or groups of individuals are treated fairly and equally and no less favourably, specific to their needs, including areas of race, gender, disability, religion or belief, sexual orientation and age. Promoting equality should remove discrimination in all of the aforementioned areas. Bullying, harassment or victimization also considered as equality and diversity issues.

7.2 Diversity: Diversity aims to recognise, respect and value people’s differences to contribute and realise their full potential by promoting an inclusive culture for all staff and students.

7.3 Promote Equality and Diversity: Best possible way to promote equality and diversity by:
- treating all staffs fairly
- creating an inclusive culture for all employee
- ensuring equal access to opportunities to enable employees to fully participate in the learning process
- enabling all staff to develop to their full potential
- equipping staff with the skills to challenge inequality and discrimination in their work/study environment
- making certain that any learning materials do not discriminate against any individuals or groups
- ensuring policies, procedures and processes do not discriminate no one

8. HR Strategy

Strategic HR is the strategic management of human resources aligned with the organisation’s intended future direction. It is concerned with longer-term people issues and macro-concerns about structure, quality, culture, values, commitment and matching resources to future need. You’ll find here information on HR strategy, HR capability, alignment of the HR function with business strategy and the contribution of HR to business performance. (CIPD, 2014)

The Globalization of individual businesses and capital markets over the past two decades has changed the business scenery. The maximum of companies have expanded operations overseas, and even strictly domestic businesses are facing competition from overseas. In the direction of respond to global competition is more necessary than ever to implement a right HR strategy in order to improve the productivity and effectiveness of the industry.

HR strategy needs to be affiliated with the organization’s vision, mission and goals. Within developing an HR strategy, the company must analyse the characteristics of its industry, determine its competitive advantage, and identify key processes and
main individuals. Generating different strategies for all groups of people in the organization may be necessary, depending on their skills, knowledge and accountabilities.

Conclusion

This research based on a comprehensive review of related literature and thorough examination of the HRM studies. It introduced careful thought, analysis and research in a conscientious effort to explore HRM. I hope this study will open new dimensions for other researchers to carry more research in the field to crystallise other related issues, which can contribute to the knowledge and to the enhancement of HRM practices within the world.

In the context of Human Resource Management (HRM), organisations increasingly encouraged to implement a range of practices which, it is argued, will improve their competitiveness in the global market area. Therefore, change initiatives within organisations follow one after the other. Thus far, although there is apparent acceptance among practitioners and academics that evaluation is a crucial step in any process of continual improvement the reality is often that little has been done to assess the impact and degree of success of each initiative before organisations progress to the future.

Human Resource Management moving away from traditional personnel, administration, and transactional roles, which are increasingly outsourced. HRM now anticipated adding value to the strategic application of employees and that employee programs impact the business in measurable ways. Hence, the new role of HRM involves various functions, strategic direction and measurements to determine worth.

Bibliography

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