

UNDERSTANDING PERSONNEL/HRM

LEARNING OBJECTIVES

- ❖ What is PM/HRM?
- ❖ What are the objectives of PM/HRM?
 - What is unique about HRM?
 - HRM stakeholders.....
- ❖ Distinction between PM & HRM
 - Evolution of HRM in Bangladesh
 - Who completes HR tasks?
 - HRM Model
- ❖ Key activities of human resources
 - Responsibility for HRM
 - Line vs. Staff authority
 - Prospects of HR manager
- ❖ Outstanding personal qualities

‘EMPLOYEES ARE THE MOST IMPORTANT ASSET OF THE ORGANIZATION’

- The quality and effectiveness of the organization is determined by the quality of the people that are employed.
- Success for most organizations depends on finding the employees with the skills to successfully perform the tasks required to attain the company's strategic goals.

According to the British Institute of Personnel Management :

“Personnel Management can be defined as “that part of management which is concerned with people at work and with their relationship within an organization.”

According to American Management Association:

Human Resource Management is that field of management which has to do with planning, organizing and controlling various operative functions of procuring, developing, maintaining and utilizing a work force in order that

- (a) the objectives for which the company is established are attained as efficiently and economically as possible;
- (b) the objectives of all levels of personnel are served to the highest degree; and
- (c) the objectives of the community are duly considered and served.”

OBJECTIVES OF PM/HRM





PERSONAL

- It is concerned with the optimum utilization of the human resources within and organization.
- It is concerned with the creation of conditions in which each employee is encouraged to make his best possible contribution to the effective working of the undertaking.
- It is also concerned with the development of the sense of mutual respect and trust between management and workers through sound relations.
- It endeavors to increase the productive efficiency to the workers through training, guidance and counseling and
- It tries to raise the morale of the employee.

OBJECTIVES OF PM/HRM



ORGANIZATIONAL

- To recognize the role of HRM in bringing about organizational effectiveness.
- HRM is not an end itself. It is only a means to assist the organization with its primary objectives.
- Simply stated, the department exist to serve the rest of the organization.

OBJECTIVES OF PM/HRM



SOCIAL

- To be ethically and socially responsible to the needs and challenges of the society while minimizing the negative impact of such demands upon the organization.
- The failure of organizations to use their resources for the society's benefit in ethical way may lead to restrictions.
- For example, the society may limit HR decisions through laws that enforce reservation in hiring and laws that address discrimination, safety or other such areas of social concern.

WHY IS HRM IMPORTANT?

- **Service is delivered by people.**
- **Low quality HR leads to low quality customer service.**
- **In the 21st century effective knowledge management translates into competitive advantage and profits.**
- **Knowledge comes from a firm's people.**

WHAT IS UNIQUE ABOUT HRM?

HR is multidisciplinary:

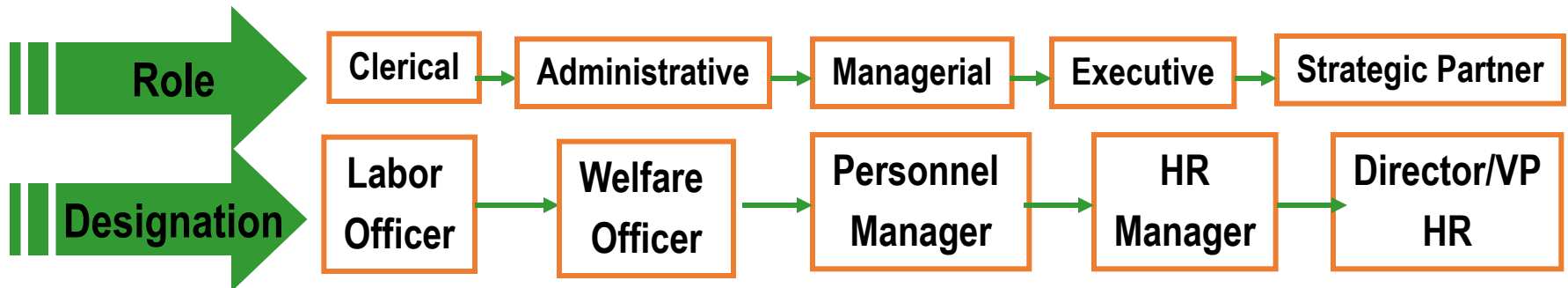
- It applies the disciplines of Economics (wages, markets, resources), Psychology (motivation, satisfaction), Sociology (organization structure, culture) and Law (Maternity Benefit Act, Min. Wage Act, Factories Act, IRO, etc.).
- HR is embedded within the work of all managers, and most individual contributors due to the need of managing people (subordinates, peers and superiors) as well as teams to get things done.

HRM STAKEHOLDERS

- **Society**
- **Organization/Owners**
- **Employee**

EVOLUTION OF HRM IN BANGLADESH

Period	Functions	Development Status	Outlook
1930s	Employment	Beginning	Paternalism
1940s	Welfare Activities	Struggling for Recognition	Well-being
1950s	Compensation & Benefits		• Legalistic
1960s	Industrial Relations		• Operational
1970s-1980s	<ul style="list-style-type: none"> • Human resource Planning • Training & Development • Performance Management 	Achieving Sophistication	<ul style="list-style-type: none"> • Professional • Impersonal
1990s-2000s	Strategy implementation	Promising	Philosophical



REPORT: ROYAL COMMISSION, 1931

- ✓ **The Labor Officer should be subordinate to no one except the General Manager of the factory.**
- ✓ **The qualities required of a Labor Officer should be integrity, personality, energy, the gift of understanding individuals and he should have a linguistic facility.**
- ✓ **If he is of the right type, the worker will rapidly learn to place confidence in him and regard him as a friend.**
- ✓ **All labor should be engaged by him and none should be dismissed without consulting him.**

DISTINCTION BETWEEN PERSONNEL MANAGEMENT (PM) & HUMAN RESOURCES MANAGEMENT (HRM)

Dimension	PM	HRM
Perspective	Short-term perspective	Long-term perspective
Point of View	Compliance	The psychological contract based on commitment
Control	External control	Self-control
Perception	Pluralist perspective	A utilitarian perspective
Role	Specialist role	Strategic role
Outlook	Cost-minimization	Maximum utilization

DISTINCTION BETWEEN PERSONNEL MANAGEMENT & HRM (CONT'D)

Dimension	PM	HRM
Employment contract	Careful delineation of written contracts	Aim to go beyond contract
Rules	Importance of devising clear rules	Can do outlook, impatience with rule
Guide to management action	Procedures	Business need
Behavior referent	Norms/customs and practices	Values/mission
Managerial task vis-à-vis labour	Monitoring	Nurturing
Initiatives	Piecemeal	Integrated

DISTINCTION BETWEEN PERSONNEL MANAGEMENT & HRM (CONT'D)

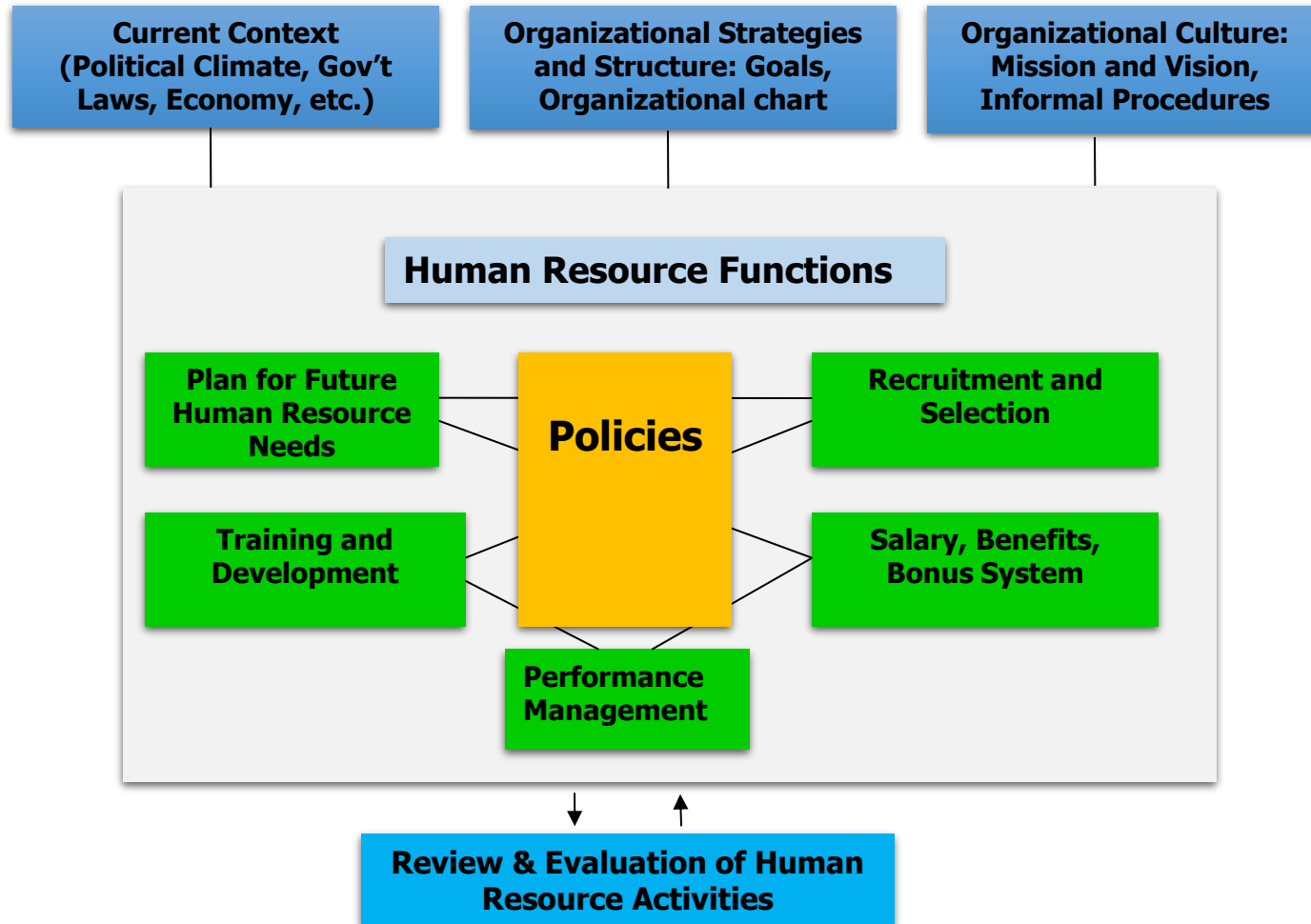
Dimension	PM	HRM
Job design	Division of labor	Team work
Conflict handling	Reach temporary truce	Manage climate and culture
Training and development	Controlled access to courses	Learning organizations
Respect for employees	Labor is treated as a tool which is expendable and replaceable	People are treated as assets to be used for the benefit of an organization
Shared interests	Interests of the organization are uppermost	Mutuality of interests
Evolution	'Employee advocate'	'Member of the management team'

SOURCE

Aswathappa, K., "Human Resource and Personnel Management", Tata McGraw-Hill Publishing Company Limited, 3rd Edition, 2002, p. 6. and Guest, 1987, cited in Gamage & Pang, 2003, p.256.

- **Line Managers**
- **Human Resource Managers**
- **Shared Service Centers**
- **Outsourcing Firms**
- **Technology interfaces**

HRM MODEL



KEY ACTIVITIES OF HUMAN RESOURCES

- Human Resource Planning
- Human Resource Policies
- Salary and Benefit Administration
- Human Rights and Labour Laws
- Recruitment, Selection and Orientation
- Performance Management
- Training and Staff Development
- Communications and Counselling

RESPONSIBILITY FOR HRM

- The responsibility for human resource management activities rest with each **MANAGER**.
- If a **MANAGER** does not accept this responsibility then HR activities will only partially get done.
- HR department provides strategies, systems, tools and support to Managers to ensure effective staff management!

LINE vs. STAFF AUTHORITY

- **Authority:** The right to make decisions, direct other's work, and give orders.
- **Line manager:** A manager who is authorized to direct the work of subordinates and responsible for accomplishing the organization's goals.
- **Staff manager:** A manager who assists and advises line managers. HR managers are generally staff managers.

PROSPECTS OF HR MANAGER

- “Personnel is the fast track to the top” and “Human Resource Director are the new corporate heroes”.
- It is said that in the years to come, a tour of duty in the Human Resource Department will be mandatory for any executive in Bangladesh who aims to be Chairman or Chief Executive Officer.

OUTSTANDING PERSONAL QUALITIES

- **A lively intelligence**

The personal function demands a marked degree of analytical ability and great resourcefulness. Good judgment, intellectual honesty, alertness and keen perception are also ranked high among the desirable mental traits.

- **A high degree of freedom from bias**

To be truly effective, personnel management requires of its practitioners an impartial, objective attitude toward management, toward the workers & toward the society. The personnel managers' plans, his decisions, his counsel – all must be dictated by the total requirements of the situations. This implies sincerity, fearlessness, and above all honesty.

OUTSTANDING PERSONAL QUALITIES (CONT'D)

- **A compelling Manner**

The ability to inspire confidence, to encourage friendliness and to elicit cooperation and enthusiasm is invaluable to the pioneering effort that will be required for him.

- **Understanding the People**

Such understanding includes appreciation of human wants and aspirations, of individual differences in aptitudes and abilities. It manifests itself in an increasing effort to provide others with the opportunities, the encouragement and the motivation of their development.

OUTSTANDING PERSONAL QUALITIES (CONT'D)

- **A good Executive**

He must be organization minded and know how to delegate assignments. Since personnel departments themselves are often complex and need a strong executive at the top, his management ability must compare favorably with that of the other top executives in the company.

- **A good salesman**

Not the over aggressive type, but the kind who can sell sound management ideas to employees and interpret labor's ideas to the employer. Here a good sense of values is all-important.

OUTSTANDING PERSONAL QUALITIES (CONT'D)

- **A good Negotiator**

He should be able to conduct meetings between management and labor without letting the arguments come to a boil, able to maintain his own equilibrium and get a good night's sleep even after spending an entire day at the conference table with the most arrogant of union leaders.

- **He must be a Good Technician**

Able to analyze details concerning labor laws, interpretations and executive orders. Incidentally, he must also have the faculty of adapting himself gracefully to changed conditions.

OUTSTANDING PERSONAL QUALITIES (CONT'D)

- He must have the quality which president Roosevelt once described as a "Passion for anonymity". This means that he will not look for opportunities to claim credit, that he will enjoy engineering a deal for which someone else gets a praise, and that he will consider the line supervisors the real personnel managers of the company and constantly try to build them up as such.
- He must be fully conversant with existing labor laws and regulations. He must also know the language of the people.