

EVOLUTION OF HRM

The evolution of HRM can be traced back to Kautilya Artha Shastra where he commends that government must take active interest in public and private enterprise. He says that government must provide a proper procedure for regulating employee and employee relation.



Period before industrial revolution – The society was primarily an agriculture economy with limited production. Number of specialized crafts was limited and was usually carried out within a village or community with apprentices assisting the master craftsmen. Communication channel were limited.

Period of industrial revolution (1750 to 1850) – Industrial revolution marked the conversion of economy from agriculture based to industry based. Modernization and increased means of communication gave way to industrial setup. A department was set up to look into workers wages, welfare and other related issues. This led to emergence of personnel management with the major task as

- Worker’s wages and salaries
- Worker’s record maintenance
- Worker’s housing facilities and health care

Post Industrial revolution – The term Human Resource Management saw a major evolution after 1850. Various studies were released and many experiments were conducted during this period which gave HRM altogether a new meaning and importance.

Frederick W. Taylor gave principles of scientific management (1857 to 1911) led to the evolution of scientific human resource management approach which was involved in

- Worker’s training
- Maintaining wage uniformity
- Focus on attaining better productivity.

Hawthorne studies, conducted by **Elton Mayo & Fritz Roethlisberger (1927 to 1940)**. – Observations and findings of Hawthorne experiment shifted the focus of Human resource from

increasing worker's productivity to increasing worker's efficiency through greater work satisfaction.

Douglas McGregor Theory X and Theory Y (1960) and Abraham Maslow's Hierarchy of needs (1954) – These studies and observations led to the transition from the administrative and passive Personnel Management approach to a more dynamic Human Resource Management approach which considered workers as a valuable resource.

As a result of these principles and studies, Human resource management became increasingly line management function, linked to core business operations. Some of the major activities of HR department are listed as-

- Recruitment and selection of skilled workforce.
- Motivation and employee benefits
- Training and development of workforce
- Performance related salaries and appraisals.

Strategic Human Resource Management Approach

With increase in technology and knowledge base industries and as a result of global competition, Human Resource Management is assuming more critical role today. Its major accomplishment is aligning individual goals and objectives with corporate goals and objectives. Strategic HRM focuses on actions that differentiate the organization from its competitors and aims to make long term impact on the success of organization.

IMPORTANCE OF HUMAN RESOURCE MANAGEMENT

The importance of human factor can be discussed as follows:

a) Social Significance:

Proper management of personnel, enhances their dignity by satisfying their social needs. This it does by i) maintaining a balance between the jobs available and the jobseekers, according to the qualifications and needs; ii) providing suitable and most productive employment, which might bring them psychological satisfaction; iii) making maximum utilization of the resource in an effective manner and paying the employee a reasonable compensation in proportion to the contribution made by him; iv) eliminating waste or improper use of human resource, through conservation of their normal energy and health; and v) by helping people make their own decisions, that are in their interests.

b) Professional Significance:

By providing a healthy working environment it promotes teamwork in the employees. This it does by i) maintaining the dignity of the employee as a human-being. ii) providing maximum opportunities for personal development; iii) providing healthy relationship between different work groups so that work is effectively performed; iv) improving the employees working skill and capacity; v) correcting the errors of wrong postings and proper reallocation work.

c) Significance for Individual Enterprise:

It can help the organisation in accomplishing its goals by: i) creating right attitude among the employees through effective motivation; ii) utilizing effectively the available human resources; and iii) securing willing co-operation of the employees for achieving goals of the enterprise and fulfilling their own social and other psychological needs of recognition, love, affection, belongingness, esteem and self-actualisation.

CHALLENGES IN HRM:

The HR Managers of today may find it difficult because of the rapidly changing business environment and therefore they should update their knowledge and skills by looking at the organization 's need and objectives.

1. Managing the Vision:

Vision of the organization provides the direction to business strategy and helps managers to evaluate management practices and make decisions. So vision management becomes the integral part of the process of management in times to come.

2. Internal Environment:

Creating an environment which is responsive to external changes, providing satisfaction to the employees and sustaining through culture and systems is a challenging task.

3. Changing Industrial Relations:

Both the workers and managers have to be managed by the same HRM Philosophy and this is going to be a difficult task for the managers of tomorrow.

4. Building Organizational Capability:

Even in the adverse circumstances the employees have to be made to live in psychological state of readiness to continually change.

5. Job Design and Organization Structure:

Instead of depending on foreign concepts we need to focus on understanding the job, technology and the people involved in carrying out the tasks.

6. Managing the Large Work Force:

Management of large workforce poses the biggest problem as the workers are conscious of their rights.

7. Employee Satisfaction:

Managers should be aware of techniques to motivate their employees so that their higher level needs can be satisfied.

NEW TRENDS IN HUMAN RESOURCE MANAGEMENT

- Attitude Surveys
- Better Communication Channels
- Change in the Work-Life
- Job Redesign
- Job Enlargement
- New approaches to compensation and rewards
- Career Planning
- Performance Appraisal
- Decentralization

- Initiating and facilitating process of change
- Enlarging the knowledge base
- Developing team spirit
- Facilitating the employees desires of self-actualization.