



Human Factor and Role of the Present Day's HR Managers

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Abstract: Human resource is a product of the human relations movement of the early 20th century, when researchers began documenting ways of creating business value through the strategic management of workforce. The function was initially dominated by transactional work such as payroll and benefits administrations, but due to globalisation, company consolidation, technological advancement and further research, HR now focuses on strategic initiative like mergers and acquisitions, talent management, succession planning, industrial and labour relations and diversity and inclusion. Today, managing the expectations and motivations of a skilled workforce has brought with it attendant complexities in terms of the need for robust HR practices and organisational procedures. Hence, the HR manager is expected to take on the mantle of a business partner along with managers of other line functions, in driving the firm's strategies. The shift in focus from traditional HRM to strategic HRM was inevitable.

Keywords: Human Resource Management, strategic management, globalisation, workforce, business strategy.

I. Introduction

Human factor plays a crucial role in the development process of an economy. The economic development of both developed as well as developing countries is closely inter-woven with the level of development of human resources. It is, in fact, said that all development comes from the human mind. The quantity and quality of human contribution, it should be recognised, are entirely dependent upon the human mind, physical ability and behaviour. A nation, however rich it may be in the possession of the physical resources, cannot achieve any propriety unless it is endowed with rich human mind and rich human behaviour. Lewis observed "there are great differences in development between countries which seem to have roughly equal resources, so it is necessary to enquire into differences in human behaviour. The human resources are, therefore, to be developed

and properly organised in order to bring about economic development in any country. Adam Curie pointed out that "countries are underdeveloped because most of their people are underdeveloped. Myrdal noted that lack of organisation of human resources is largely responsible for the backwardness of the otherwise rich nation. The phenomenal economic development achieved by a country like Japan, poor in its natural resources, can be attributed to its rich human resources. In essence, the difference in the level of economic development of the countries is largely a reflection of the differences in quality of their human resources. 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.

At the micro level, human resources is the most valuable asset in the organisation and not the

money or physical equipment. It has, in -fact, come to be recognised as an important economic resource. Today an employee is no more treated as a labourer or just as a factor of production, but is treated as a human resource possessing human dignity, respect, value, humanness and the like. According to Megginson, human resource may be thought of a “the total knowledge, skills, creative abilities, talents and aptitude of an organisation’s work force, as well as the values, attitudes and benefits of an individual involved..... It is the sum total of inherent abilities, acquired knowledge and skills represented by the talents and attitudes of the employed persons”. Jucius, calls the human resources ‘human factors’, which according to him, refer to the whole consisting of inter-related ,inter dependent and inter-acting physiological, psychological ,sociological and ethical components⁵.

The significance of human resources has been aptly summed up by Drucker thus: “managers are fond of saying ‘our greatest asset is people’. They are fond of repeating the truism that the only real difference between one organisation and another is the performance of people”. The basic objective in utilising human factor is to obtain a maximum return from the human resources’. The individual and organisational goals are sought to be achieved through effective utilisation of human resources. It may be noted that an organisation’s performance and resulting productivity are directly proportional to the quantity and quality of its human resources.

Most of the problems in organisational settings are human and social rather than physical, technical or economic. In the words of Sheldon, “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 men. It is not a complex of

matter, but a complex of humanity. It fulfils its human energy. Its body is not an intricate maze of mechanical devices but a magnified nervous system”. Dietz observes that” a business of an industry can be thought of as an inter-weaving of human elements and material elements with the human elements, innovations and many other environmental-experimental influences effect the individual as he works. People come to work with certain specific motives to earn money, to have better prospects in future and to be treated as human beings. It is these people who provide the knowledge and much of the energy through which organisational objectives are accomplished. Likert, rightly observes, “all the activities of any enterprises are initiated and determined by the persons who make up that institution, plants, offices, computers, automated equipment, and all else that a modern firm uses are unproductive except for human effort and direction of all the tasks of management. Managing the human component is the central and most important task, because all else depends on how well it is done.

II. Implication of Human Factor for Management

Since all organised effort is uncertain to produce or make available some sort of goods or services, the human factor of production must be managed in such a way as to promote its full contribution. All managers or executives in an organisation, therefore, must give due consideration to the technical skills required of their personnel, i.e., “the factor of production aspect of people”. But, ‘the human factor of production’ is much more than what this phrase implies, i.e., it represents productive power required in an organisation and the manager’s problem is to channelize this power. However, human beings are even much more than a productive factor in the sense that they are

members of social system of every organisation interacting with one another. People in any organisation manifest themselves not only through individual actions but also group interactions. When individuals come to work-place, they bring with them not only their technical skills but also their personal feelings, perceptions, desires, motives and values. Therefore, an employee in an organisation must not be dealt with as a technical factor but as a human being. The concept of treating the worker as economic factor of production had become out-dated with the adoption of humanitarian approach during the present century. The Hawthorne studies have dramatized the fact that the worker is not a glorified machine, an inert instrument in the production system. People are human and would like to be treated as such. People do not work for bread alone. They have multifarious need-physical as well as psychological. Satisfaction of psychological needs is as important as physical needs. The work environment should be so designed as to provide for the restoration of man's dignity¹⁰. Clearly managers cannot achieve their objectives if they that human factor as only something that can be bought. In fact, they have to assume the responsibility for encouraging the human resources to contribute fully for the achievement of their individual, group as well as organisational objectives.

It is understandable that in dealing with the people in an organisation, it is essential to encompass all dimensions of the human factor. A close observation of employees reveals that they are 'complex creatures'. Firstly, as technical machines (psychological creatures) in 'physical, muscular, manipulative and energy-exerting operations', they require various inputs of food, rest and environmental conditions for their sustenance. Since the physiological dimensions of human

beings necessitate adequate protection against various hazards that might lead to physical disabilities or might cause physical pain or loss of income from an inability to continue work, they need physiological security. Secondly, as individuals in a working organisation, they have a 'feeling dimension' (psychological creatures) – like and dislikes of very personal nature that they cause happiness or enthusiasm or depression. Thirdly, people have a 'social dimension' as well – they like to interact with others around them. They have social needs – they want status, prestige, compliment or appreciation and other such things which can, in part, accrue to them only if they interact appropriately in different group situations. Lastly, human beings also have an 'ethical dimension' or in other words feelings of right or wrong. This does not mean that an individual alone is correct in personal standards of fairness but it surely implies that ethical notions are often a significant part of individuals' actions and needs and thus human beings act ethically. In this way, human beings in an organisation have necessarily to be regarded as physiological, psychological, sociological as well as ethical creatures. The proportions or intensities of these dimensions of the human factor in employment may differ from one situation to another but the fact remains that these are the basic parts of the human factor in any working organisation. Undoubtedly, the physical and mental attributes of human resources are highly pertinent to organisational performance and productivity.

Further, it is important to remember that the employees in any organisation are not to be viewed as static individuals since the quantity as well as the quality of human resources may be modified by such environmental factors as education, training and development, with acquired knowledge, understanding talents, etc., human beings can

produce new ideas, develop and improve capital goods and modify the available physical and financial resources with a view to achieve greater productivity, satisfaction and the objectives set by an organisation. Thus, as put by Jucius, “people are unlike inert metal; they are in a continuous process of change and of maturing. In maturing, they are characterised by increasing self-determination in place of passive activity; increasing varieties of behaviour in place of limited ways of behaviour; increasing ability to concentrate in place of short interest span; increasing time span of planning in place of short-range perspective; increasing movement to equality with others in place of subordinate positions and increasing awareness of others in place of self-concern and just self-awareness” – Thus ‘human aspects are subjective and changeable, qualitative and dynamic, varying with cultural and personal backgrounds, economic events and with the passage of time indeed a complex of perplexing forces. Managers or executives in any working organisation must, therefore, handle this dynamic nature of the human factor.

It is now clear that the handling of human resources is entirely different from that of physical, material and financial resources since unlike the latter, the former are not standardised, interchangeable or passive. People are responsive; they feel, think and act; therefore, they cannot be operated like a machine or shifted and altered like a template in a room lay out. A lot of complexities are involved in human resources management as people are essentially self-managing. They decide the nature, time and place of employment. They react to the changing conditions unlike other resources. The physical and mental health of employees must be considered by the management and that state of their mind had much to do with the value of their services. No two persons are alike in mental

abilities, culture, traditions, sentiments, perceptions, learning abilities, cognitive process, internal stimuli, sentiments and the like. They differ widely as they are subject to many and varied influences. Hence, tactful handling of human factor is highly essential.

If human factor is properly utilised, it may prove a dynamic motive force for remaining an organisation at its optimum results and also work as an elixir for maximum individual and group satisfaction in relation to the work performed. Besides, it is necessary that managers must understand fully what an individual wants and why ‘the actions of all human beings are goal-oriented’, i.e., human behaviour is directed towards the accomplishment of certain needs, aspirations, motives, drives, etc. With a proper understanding of human behaviour, the managers would be able to shape it effectively in the right direction towards the attainment of the maximum contribution of work-force employed for accomplishing the desired objectives, increasing organisational productivity and satisfactions of individuals concerned. Successful management depends upon the management of human behaviour. Dealing with human factor is, therefore, a formidable, at the same time, a very challenging job for all managers, especially the personnel executives who must acquire a comprehensive knowledge of human behaviour in a given situation or work environment so as to make it adequately congenial for enhancing the performance of employees effectively.

The other factors which complicate the task of human resources management are; technological innovation and the consequent increase in the recruitment of skilled and experience people increase in formal education, which broadens the employee background, increasing involvement of the Government. And enactment of legislations,

changing employee roles and their values, changing structure of employment, the increasing share of women employees, employees from scheduled communities (disadvantaged groups), growing strength and involvement of union in management's section, etc. the other important is the changing trends in approach towards human resources management, from commodity approach to factor of production approach, material resources idea, humanitarian approach, human relations approach, the citizenship approach to the partnership approach.

III. Role of Present Day HR Managers:

Over the past two and half decades, lot of changes take place in areas of the management, no exception to Human Resource Management and the managers, but in India, the change has been more significant in the last decade or so, after liberalisation. In the present day, managing the expectations and motivation of all classes of workforce in any organisation has brought with it attendant complexities in terms of the need for robust HR practices and organisational procedures. In the past, HR considered as a support function for any business, HRM today is required to take on a more strategic role in order to align itself with the organisation's business strategies. Hence, the HR managers are expected to take on the mantle of a business partner along with managers of other line functions, in driving the firm's strategies. The shift in focus from traditional HRM to strategic HRM was inevitable.

The present day HR Managers are expected to play multiple roles that of a leader, trainer, counsellor, mentor and as a change agent besides his professional responsibilities in the organisation. As an employee sponsor or advocate, the HR manager plays an integral role in organisation's success with

his knowledge and advocacy of his people. This includes the expertise in create congenial environment in which the employees choose to be motivated, contributing to the organisational development as an important stake holder

The constant evaluation of the effectiveness of the organisation results in the need for the Human Resource professional to frequently champion change. The HR professionals need to contribute to the organisation by continuously assessing the effectiveness of the HR function. To achieve the overall success of the organisation, the HR manager identifies the organisational mission, vision, goals and action plans.

The country with huge young human resources has witnessed a revolution in the field of the same. It has gone from being just a support function to strategic partner in the growth of a business. The HR function of 21st century, India has made a transition from being 'behind-the scenes' support appendage to becoming the critical differentiator in business. Rapid global changes have made organisations realise people are the key to growth, the only strategic resource that any enterprise truly needs. This has led to organisations continuously using their innovative HR practices as their unique selling proposition to keep up with the times in the wake of rapidly changing labour landscape. Organisations now realise and recognise that a 'Highly engaged employee' plays a very significant role to success, across business sectors.

IV. Conclusion:

In view of the fast changing business environment, the entire HR policy framework needs to be re-evaluated in the light of globalisation. HRM must go beyond known boundaries of personnel and industrial relations, and must step into all functional areas to understand and re-design

jobs and expectations of output. Instead of simple performance evaluation, culture of direct accountability must be established, levels and tools of motivation have to be redefined, and compensation packages must be made more competitive and output related. Management policies and information flow must become transparent, and decision making would have to all levels. HRD strategy has to be linked with the business goals of the organisations, as it is going to play a major role to cope with the challenges posed by new economic environment. Therefore, it is important for business organisations to align their corporate strategy, as addressing these challenges require the talents, energies and performance of human resources. In the global economy, organisation will become successful only when they develop capabilities such as responsiveness, speed, agility, learning capacity and employee competence.

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