

Personnel Management: Functions, Nature, Principles, and Importance!

Personnel Management (staffing function of Management), also known as Human Resource Management. Personnel management is concerned with the proper use of human factors. Personnel management may be defined as that part of the management process, which is primarily concerned with the human constituents of an organization.

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.

Functions of Personnel Management:

Functions of Personnel Management are two types: 1. Managerial Functions
2. Operative Functions!

1. Managerial Functions:

The Managerial functions of a personnel manager involve POSDCORB (Luther Gullick) i.e., Planning, organisation, staffing, directing, coordinating, reporting and budgeting of those who actually perform the operative functions of the Personnel Department.

The following are the managerial functions (viz. planning, organising, directing and controlling) performed by a personnel department:

A. Personnel Planning:

Planning lays down a pre-determined course to do something such as what to do, how to do, where to do, who is to do etc. A personnel manager plans in advance the trend in wages, labour market, union demands etc. Through planning, most of the future problems can be anticipated.

B. Organising:

According to J.C. Massie, "An organisation is a structure, a framework and a process by which a co-operative group of human being allocates its task among its members, identifies relationships and integrates its activities towards common objectives." The personnel manager has to design the structure of relationships among jobs, personnel and physical factors so that the objectives of the enterprise are achieved.

C .Directing:

This function relates to guidance and stimulation of the subordinates at all levels. The personnel manager directs and motivates the employees of his department so that they work willingly and effectively for the achievement of organisational goals,

D. Controlling:

A personnel manager has to constantly watch whether there is any deviation from the planned path. Controlling is concerned with remedial actions. Continuous monitoring of the personnel policies relating to training, labour turnover, wage payments, interviewing new and separated employees etc., is the backbone of controlling.

If deviations are unavoidable, corrective action can be planned in advance. Controlling helps the personnel manager to evaluate the performance of employees of the personnel department so far as the operating functions are concerned.

2. Operative Functions:

The operative functions of the Personnel Department are also called service functions. These include.

- (a) Procurement function
- (b) Development
- (c) Promotion, transfer and termination function
- (d) Compensation function
- (e) Welfare function
- (f) Collective bargaining function
- (g) Miscellaneous functions.

These functions of the personnel Department are discussed below:

(1) Procurement:

It includes:

- (a) Recruitment i.e., tapping the possible sources from where prospective labour supply will come.

(b) Getting information regarding prevailing wage rates and job requirements.

(c) Selecting the best candidate by following a systematic selection procedure.

(d) Maintaining the records of employees.

(e) Introducing the new employee to the officers of the other departments such as Security Officer, Time Keeper, and Cashier etc.

(2) Training or Development Function:

The training of the new employees and also of those who are being promoted is the crucial function of Personnel Department. A training programme is devised for this purpose. The training increases the skills and abilities of the employees.

The various aspects of training are:

(a) Training to new employees, instructors and supervisors.

(b) Training in safety equipments and various policies of companies.

(c) Training through improvement of education such as evening classes, films, Entertainment programmes etc.

(d) Encouraging employees to give suggestions.

(3) Promotion, Transfer and Termination:

The performance of the employees is evaluated for the purpose of taking decisions concerning the employment. Merit rating is undertaken for evaluation of the performance of the employees.

The functions of the Personnel Department in this regard are given below:

(a) To lay down a promotion policy.

(b) To formulate policies regarding transfer and termination.

(c) Analysis of voluntary separations and knowing the possible causes of such separations.

(4) Compensation:

The employees should get adequate and equitable remuneration for the work being done by them.

The functions of the Personnel Department concerned with fixation of fair wages are:

- (a) To evaluate jobs and determine their worth in terms of money.
- (b) To collaborate with those who formulate wage plans.
- (c) To assist in formulation of policies regarding pension plans, profit sharing programmes, non-monetary benefits, etc.
- (d) To compare the wages of the enterprise with the industry and remove inconsistencies, if any.

(5) Welfare Activities:

These activities relate to physical and social well-being of the employees and include:

- (a) Provision of medical facilities such as first aid, dispensaries, etc.
- (b) Suggesting ways and means by which accidents can be eliminated or minimised.
- (c) To make provisions for restaurants and other recreational facilities.
- (d) To apply the labour laws effectively.
- (e) To publish a plant magazine.

(6) Collective Bargaining:

It includes:

- (a) To assist in the negotiations which are held with the union leaders?
- (b) To know the grievances of employees and following their problems properly.

(7) Miscellaneous:

- (a) To advise the line managers regarding administration of personnel policies.
- (b) To secure co-ordination of all personnel activities.
- (c) To have an effective communication system.
- (d) To provide good working conditions.

Nature of Personnel Management:

1. Personnel management includes the function of employment, development and compensation- These functions are performed primarily by the personnel management in consultation with other departments.
2. Personnel management is an extension to general management. It is concerned with promoting and stimulating competent work force to make their fullest contribution to the concern.
3. Personnel management exist to advice and assist the line managers in personnel matters. Therefore, personnel department is a staff department of an organization.
4. Personnel management lays emphasize on action rather than making lengthy schedules, plans, work methods. The problems and grievances of people at work can be solved more effectively through rationale personnel policies.
5. It is based on human orientation. It tries to help the workers to develop their potential fully to the concern.
6. It also motivates the employees through it's effective incentive plans so that the employees provide fullest co-operation.
7. Personnel management deals with human resources of a concern. In context to human resources, it manages both individual as well as blue- collar workers.

Principles of Personnel Management:

Principles of personnel management help the personnel managers to conduct and direct the policies in a proper way.

These principles are:

1. Principle of Maximum Personnel Development:

By this principle, the workers are developed to the maximum extent, so that their developed ability, cleverness, productivity and efficiency can be used for the firm's objective.

2. Principle of Scientific Selection:

This principle enables to have a right person for the right job.

3. Principle of High Morale:

Ideal wage policy should be offered to the workers so that their morale becomes high and they work with interest.

4. Principle of Dignity of Labour:

The labour should feel proud of their work.

5. Principle of Team Spirit:

Team spirit must be developed in the workers. They should work collectively with collective responsibility, and should have sense of cooperation, unity and mutual trust.

6. Principle of Effective Communication:

There must be effective communication between the management and workers otherwise complex problems like mistrust, hatred and ill-will arise which in turn affects the production of the organisation.

7. Principle of Joint Management:

This creates responsibility in the labour with increasing mutual faith and friendship. This improves the labour relations.

8. Principle of Fair Reward:

Labour should be given proper compensation for the work. This develops industrial peace.

9. Principle of Effective Utilisation of Human Resources:

Personnel management should be developed for the effective use of the human resources. Proper training should be awarded to the personnel for their development.

Importance of Personnel Management:

Personnel management is important for avoiding the following consequences:

1. To hire the wrong person in the job
2. To experience high turnover
3. To find your people not doing their best
4. To waste time with useless interviews
5. To have some of one's employees think their salaries are unfair and inequitable relative to others in the organisation.
6. To allow a lack of training to undermine one's department's effectiveness.

7. To commit any unfair labour practices.

The acquisition of skilled, talented and motivated employees is an important part of personnel management. The acquisition phase involves recruiting, screening, selecting and placing personnel. Retaining competent individuals is also important to an organisation. If qualified individuals regularly leave a company, it becomes necessary to continuously seek new personnel, which costs money and time.

The opposite of retention is, of course, termination, an unpleasant part of any manager's job. Occasionally, some employees must be terminated for breaking rules, failing to perform adequately or job cutbacks.

Developing human resources involves training, educating, appraising and preparing personnel for present or future jobs. These activities are important for the material and psychological growth of employees. It is not possible to satisfy the need for personnel in an organisation if it does not have an active employee development programme.

For utilising the full potential of manpower, there is need to understand both individual and organizational needs. It is also necessary to match two things: availability of different types of manpower, over time and organisational needs for such manpower. Personnel management is normally regarded as a staff function whose role is to serve the organisation and help it achieve its objectives.
