

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

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Any enterprise now is 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 (HR). 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 HR 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 HRM and how HRM functions.

Keywords: personnel, human resource management (HRM), function

Introduction

The term “human resource management” (HRM) has been commonly used for about the last ten to fifteen years. Prior to that, the field was generally known as “personnel administration”. HRM has changed in name various times throughout history. The name change was mainly due to the change in social and economic activities throughout history. Industrial welfare was the first form of HRM.

Personnel administration, which emerged as a clearly defined field by the 1920s, was largely concerned the technical aspects of hiring, evaluating, training, and compensating employees and was very much of “staff” function in most organizations. The field did not normally focus on the relationship of disparate employment practices on overall organizational performance or on the systematic relationships among such practices. The field also lacked a unifying paradigm.

HRM developed in response to the substantial increase in competitive pressures in business organizations began experiencing by the late 1970s as a result of such factors as globalization, deregulation, and rapid technological change. These pressures gave rise to an enhanced concern on the part of firms to engage in strategic planning - a process of anticipating future changes in the environment conditions (the nature as well as level of the market) and aligning the various components of the organization in such a way as to promote organizational effectiveness.

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