

A Chronological Review of Human Resource Management

Pankaj Thakur

Faculty in Department of Management

Govt. College Sarkaghat Distt. Mandi Himachal Pradesh-India,

& Research Scholar at Himachal Pradesh University Business School Shimla -5.

Abstract:

Human Resource Management being called so today has a long history. Its evolution was subject to changes in social and economic environment and some of them have been highlighted in this article. The past of HR is very long and humble. Its present is positive, bright and challenging. The future of HR is even more challenging as it is going to be thought provoking profession. The chronology of HRM can be traced right from the pre-historic times to the postmodern world. This article presents how the HR came in to practice over a period of time and where it is today. Only a brief review has been presented in this article that focuses mainly on the past and present of the HRM.

Keywords: Human Resource Management (HRM), Chronology, Past and Present.

Introduction:

Defining HRM

According to **DeCenzo and Robbins (1973)** Human Resource Management is acquiring people, developing them, motivating them for higher performance and maintaining them so that they achieve organizational objectives. According to **Edwin B. Flippo (1984)** Human Resource Management is the planning, organizing, directing and controlling of the procurement, development, compensation, integration, maintenance and separation of human resources to the end that individual, organizational and societal objectives are accomplished. **Armstrong (2006)** defined Human Resource Management as a strategic and coherent approach to manage the valuable assets of an organization-people who individually and collectively contribute to achieve the goals of the organization. From this definition, **(Johanson, 2009)** deduced that HRM is a function in organizations designed to enhance employee performance in service of their employer's strategic objectives. According to **Collings & Wood, (2009)** HR is primarily concerned with how people are managed within organizations, focusing on policies and systems of the organizations. HR is also concerned with industrial relations, that is, keeping a balance between organizational practices with the regulations arising from collective bargaining and governmental laws. **(Klerck, 2009)**.

The growth of Human Resource Management has been revolutionary in UK and USA. The key stones of the modern concepts of Human Resource Management date back to the era of industrial revolution where large scale production was done with the help of machines and the factory owners faced problems in dealing with their workers. The modern era is witnessed by continuous changes incorporated in policies by companies in order to develop and maintain their workforce. Today, a special management department has been incorporated by organizations to deal with the factors and issues related to manpower. The concept of Human Resource Management was utilized ever since human beings started following an organized way of life. This form of management could be seen even during ancient times, when only the 'best' soldiers were recruited in royal armies, or the 'best' individuals were given preference in relation to particular job for which they were fit. However, the practices have gone through a lot of changes with the passage of time but the moral of them is remaining the same.

The Pre Historic Period so called Early Roots of HRM:

The Human Resource Management's concept dates back to around 1800 B.C. when minimum wage rate concept was included in the Babylonian Code of Hammurabi. Moses around 1200 B.C. conceived "Span of Management" and other related concepts of the organization. According to the literature of Egypt of 1300B.C. the people practiced art of management in different forms that recognizes the importance of organization and administration in the bureaucratic set up. The Chinese are known to be the first to use employee screening techniques of management, way back in 1115 B.C., while the Greeks used the

apprentice system of training in 2000 BC. These practices showed the importance of minimum wages for workers, supervisory role and selecting & training the right individuals for related jobs.

The Industrial Revolution:

The industrial Revolution which started in England during the later part of 18th century and earlier part of 19th century spread to USA and other nations of the world. This revolution brought the transformation in the practices of production. Manual goods were replaced by machine goods and cottage industries were replaced by factories (**Dulebohn et al., 1995**). The small scale production got replaced with large scale production. The agrarian economy transformed into industrial economy. With the improvement in production the employment relationships got altered. This led to migration of labour, division of labour, growth of technical & skilled employees, rise in materialism and monotony & boredom in jobs. The practices of management were autocratic and paternalistic to supervise the workers. For the welfare and safety of workers; management was least concerned and they workers were used to be controlled by force and fear (**Slitcher 1919**).

“Personnel”:

Around 1800, Robert Owen an English factory owner referred to be father of personnel management introduced many social reforms for the welfare of workers. He was one of the earliest management thinkers to realize the significance of human resources. He started cooperative movement in 1828 in England. He made provisions for reduced working hours, housing facilities, education of workers and their children and a system of discipline with justice (**Dulebohn et al., 1995**). In some cases, the employers assume the role of paternalistic employers and provided housing facilities, medical facilities, recreational facilities and pension schemes etc. to workers (**Davis, 1957**). These practices were designed to promote cordial relations between management and workers, to increase productivity, and to prevent worker conflict and unionization (**Dulebohn et al., 1995**). These practices provided the foundations for many of the employee benefits that are used to attract, motivate, and retain workers today. They are also used as norm for many benefit systems in Western nations. In the era of the civil war during (1860s), labour-management disputes began to occur. During that time period employers wanted to baffle the unions and they believed that performance would get enhanced with change in the working conditions (**Dulebohn et al., 1995**). As a result, welfare programs escalated. These programs were focused to benefit businesses not workers. With the increased influence of trade unions welfare programs grew in scope in the late 1800s, several organizations in USA appointed welfare secretaries and also launched schemes for worker participation. With the passage of time the role of welfare secretary evolved into the employment manager and, at a later stage of time, the “personnel manager”. They looked after functions like recruitment, training, fire, discipline, and reward employees.

Many organizations adopted paternalistic attitude towards the employees but some employers were manhandling the employees which led the workers to act collectively. They joined the protection societies, later called labour unions (**Scarpello, 2008**). Employers well tried to curb the unionization and made the employees to sign yellow dog contracts which would let the employees not to join unions.

Labour Relations / Human Relations:

During **1900s** the management theorists in UK and USA started examines the work and work systems and gave different models, approaches and theories on the basis of psychological and sociological research needs. Engineers (e.g., Frederick Taylor), Industrial and Organizational Psychologists (e.g., Lillian Gilbreth), Sociologists (e.g., Max Weber), and Management scholars (e.g., Heny Fayol) put their focus on strategies for increasing organizational efficiency. Frederick Winslow Taylor, called father of Scientific Management gave principles of Scientific Management, were best exemplified by Henry Ford in his vehicle manufacturing plant. The principles of scientific management put emphasis on job itself, and broke the job into components and found a best way to perform the job. It also involved scientific selection of workers for the job. This suppressed the autonomy of workers and stressed that workers should be watched closely to

ensure the performance as expected by the organization. Frank and Lillian Gilbreth explored the new ways for eliminating unnecessary motions and reducing work fatigue. During the same time Max Weber suggested that efficiency of organization can be improved by setting strict legitimate rules and regulations. The new job design and autocratic management system escalated the levels of conflicts between employees and employers. In the 1930s National Labour Relations Act, the Norris -LaGuardia Act (1932), the Wagner Act (1935) and other laws led to strengthen the growth of unions. The term labour relation became widely used in 1930 and Wagner Act described the collective bargaining model of HRM to remove the labour inequalities and to introduce democratic rights, a due process in the organizations (**Kaufman, 1993**). In view of these policies, many organizations started rebuilding their personnel departments in order to deal with the collective bargaining (**Dulebohn et al., 1995**).

World War II created a huge demand for labour which slowed the growth of unionization. The consequence of war was wage freezes and no strikes. But this embarked a great need of HRM. In the post war period the workers and unions were strongly determined to recover their losses. The Federal Labour laws and wage controls created an increased demand for personnel department in the organizations. In addition to it, the growing powers of unions and industrial unrest led to the passage of the Taft Hartley Act. This act was enacted to equalize the power between the labour and management. Parallel with depression human relation movement also influenced the development of HRM. The human relation movement has its genesis from Hawthorne experiments at Western Electric Company in Chicago USA. It then grew and expanded in to industrial sociology. Core ideas from human relations, industrial sociology along with industrial psychology gave origin to a new field called organizational behaviour in the early sixties. The Elton Mayo of Harvard Business School is considered as father of human relations. The human relations movement energized the application of psychology and sociology to study the problems at workplace. Mayo and his colleagues identified that problems of industrial relations are due to lack of cooperation and team work. The workers are over stressed and they have a sense of insecurity. Mayo therefore, concluded that factory is not only an economic unit but it is a social unit and effective cooperation can be gained only when there is a balance between worker's efficiency and worker's sentiments. HRM practices that met workers' psycho-social needs promoted a humanistic leadership style. There was alignment of interests, more effective cooperation, and higher organizational performance. The Human Relations movement emphasized that workers have social needs. This approach broadened the view of HRM beyond the individual and the job, and stressed the work group, cooperation and social structures of organizations (**Dulebohn et al., 1995; Scarpello, 2008**). The industrial relations field was at its peak during the period 1945 to 1960, almost a stretch of fifteen years (**Kaufman, 1993**). By the end of 1950, the industrial relation was one of most visible and important area of practice. There was maximum enrollment of students in USA in to labour relation courses. The Cornell University had maximum number of enrollments and it had forty faculty members. Toward the end of 1950s the human relation movement drifted and it challenged the assumption that people do not want to work, but it stressed that human resources made important contributions to the organizations. As a result the personnel management was replaced by the term human resource management, which emphasized that the human resources were important assets to the organizations. The term human resource with respect to employees was first used by **John. R. Commons** in his book "**Distribution of Wealth**" in 1893. In the 1960s and 1970s the human relation approach evolved into Quality of Work Life (QWL). This approach tried to bring a balance between productivity of organization and well being of employees. Only in the early 1980s, HRM term started to take a different meaning from personnel management. It was indicated by the fact that people started to talk about HRM (**Galang, Elsik, and Russ (1999)**). "HRM is recognized to have originated from U.S. business schools."The Harvard and Michigan O business schools were the ones played particularly important roles in this transformation (**Legge, 2005; Reichel & Mayrhofer, 2009**). HRM had evolved through five different stages or models from the early 1800s: Craft (dominant to 1820s), Market (dominant to WWI), Technical (dominant until WWII), Career (dominant into 1980s), and Commitment (emergent) (**Lawrence 1985**). The HRM is a new paradigm built around the emergent commitment model of managing people (**Walton (1985)**). The emergence of HRM has been associated with controversy about its meaning as there were differences between the stereotypes of personnel management and HRM (**Guest (1987)**).

Strategic HRM to Today:

All these changes and challenges in the HRM led to the development of new HRM function (**Kochan, Katz, & McKersie, 1986**). The principles, application and focus of HRM are different from personnel management. The HRM is convergence of three factors namely human beings, resources and management. The focus of HRM today is on effective management and utilization of human resources to achieve desired objectives. The all HR processes are strategically aligned and speaks about the strategic nature of

contemporary HRM. The Harvard Model suggests strategic approach to HRM and it reflects the choice to manage employees, nature of relationship between employer and employees and psychological relationship between employer and employee **Beer et.al (1985)**. The new HRM function is a strategic companion to the organizations as human resources have been recognized critical to the functioning of organizations in the knowledge based economies. The late 20th century witnessed increased reliance on the employee relations and HRM fostered the relations between the management and employee (**Dulebohn et al., 1995**). The most US companies started to adopt Japanese management practices like TQM, QC and others. It was recognized and emphasized that human resources are critical to provide a competitive edge to the organizations. HRM has evolved from a “personnel” function to a human relations, then labor relations, then industrial relations, and most recently strategic HRM function. The adoption of strategic approach in management of human resources is beneficial for corporate.

Human resource management is complex and rapidly growing field of practice in both industry and academia. HRM is crucial function for the success of any organization. In this article the chronology of HRM has been articulated. The modern strategic HRM is dynamic function. It refines the philosophies, practices and contribution to organizational effectiveness in response to external influences such including economic, demographic, legislative, technological and social changes as well as its own history. HRM confronts issues like ethical issues, roles and function issues, association and group issues. The strategic HRM is playing a role to solve these issues in creative and effective ways. This article traces the roots of HRM, further explains the development of HRM from labour problems that surfaced in the 19th century to the multifaceted strategic nature of HRM today. It briefly explains the transitions/ shifts that took place in the HRM field. The success of HRM is not a matter of strategy but it focuses on how line managers implement the strategies. (**Sikora & Ferris ,2014**). I hope that this article will foster additional research on HRM and lead to the better understanding of the field as a whole. This will also help the academicians and students to have a snapshot of HRM field and they may further guide the others to go through the field of HRM.

References:

- Armstrong, M. (2006) *A Handbook of Human Resource Management Practice*, (10th ed.) Kogan Page, London.
- B. Flippo Edwin. *Personnel Management* (6th ed.) McGraw-Hill International Publications
- Bach Stephen. *Managing Human Resources Personnel Management in Transition*, (4th ed.) Blackwell Publishing
- Beer, M., Spector, B., Lawrence, P., Mills, D. and Walton, R. (1985) *Human resource management: A general manager's perspective* , New York, Free Press. Quoted in Gettler, L. (2009) *When the only way is up*. HR Monthly, May, p.12.
- Chhabra T. N. *Human Resource management Concepts and Issues*, (5th ed.) Dhanpat Rai & Co. (p) Ltd.
- Cohen, D.J., *HR past, present and future: A call for consistent practices and a focus on competencies*, *Human Resource Management Review* (2015),
- Collings, D. G., & Wood, G. (2009). *Human resource management: A critical approach*. In D. G. Davis, K. (1957). *Human relations in business*. New York: McGraw-Hill.
- DeCenzo A. David & Robbins P. Stephen *Personnel / Human Resource Management* (3rd ed.) Prentice Hall India
- Deadrick, D.L., & Stone, D.L., *Human resource management: Past, present, and future*, *Human Resource Management Review* (2014),
- Dulebohn, J. H., Ferris, G. R., & Stodd, J. T. (1995). *The history and evolution of human resource management*. In G. Ferris, S. D. Rosen, & D. T. Barnum (Eds.), *Handbook of human resource management* (pp. 18–41). John Wiley: Hoboken, NJ.
- Galang, C., Elsik, W., & Russ, G. (1999). *Legitimacy in human resources management*. *Research in Personnel and Human Resources Management*, 17, 41–79
- Guest, D. 1987: *Human resource management and industrial relations*, *Journal of Management Studies*, 24(5), 503–21.
- Johnason, P. (2009). *HRM in changing organizational contexts*. In D. G. Collings & G. Wood (Eds.), *Human resource management: A critical approach* (pp. 19-37). London: Routledge
- Kaufman, B. E. (1993). *The origins and evolution of the field of industrial relations in the United States*. Ithaca, NY: ILR Press.

- Klerck, G. (2009). Industrial relations and human resource management. In D. G. Collings & G. Wood (Eds.), *Human resource management: A critical approach* (pp. 238-259). London: Routledge
- Kochan, T., Katz, H., & McKersie, B. (1986). *The transformation of American industrial relations*. New York: Basic Books.
- Lawrence, P. (1985). The history of human resource management in the United States. In R. Walton, & P. Lawrence (Eds.), *HRM: Trends and challenges* (pp. 15–34). Cambridge, MA: Harvard University Business School Press
- Legge, K. (2005). Human resource management. In S. Ackroyd, R. Batt, & P. Thompson (Eds.), *The Oxford handbook of work and organization* (pp. 220–241). Oxford: Oxford University Press.
- Mahoney, A. Thomas & Deckop, R. John. *Evolution of Concept and Practice in Personnel Administration / Human Resource Management (PA/HRM) (1986) Yearly Review of Management of Journal of Management*
- Scarpello, V. G. (2008). Parallel approaches to development of the HRM field and HRM education. In V. G. Scarpello (Ed.), *The handbook of human resource management education: Promoting an effective and efficient curriculum* (pp. 3–37). Thousand Oaks, CA: Sage.
- Slichter, S. H. (1919). *The turnover of factory labour*. New York: Appleton.
- Patrick M. Wright and Michael D. Ulrich *A Road Well Traveled: The Past, Present, and Future Journey of Strategic Human Resource Management*, *The Annual Review of Organizational Psychology and Organizational Behavior* (2017)
- Sikora, D. M., & Ferris, G. R. (2014). Strategic human resource practice implementation: The critical role of line management. *Human Resource Management Review*
- Walton, R. (1985). From control to commitment in the workplace. *Harvard Business Review*, 63, 77–84
- Viswanathan, Rajeesh. *Principles of Management Concepts & Cases*, (1st ed.) Himalaya Publishing House
<http://www.buzzle.com/articles/history-of-human-resource-management.html>

