

The human resource glossary – assignment

[Business](#), [Management](#)



Human resources have become the politically correct way of addressing Earth's most valuable resource the human being. There is a long history of attempts to achieve an understanding of human behavior at the workplace. From early 1890, academicians and practitioners developed theories and practices in order to explain and influence the behavior of employees at the work. The Human Resource Glossary by William R. Tracey defines Human Resources as: " The people that staff and operate an organization".

The people that work within an organization are subject of common analysis for political economics, economics, corporate business and psychology. In political economics and economics, the employees are taken into consideration as one of the four production factors: Labor, while in the corporate world they are known as Human Resource or Human Capital and it is not referring to the people within an organization as physical matter, but what those people bring and contribute to organizational success.

Sometimes it is called intellectual capital when it reflects creativity, knowledge, skills and motivation. The authority level that deals with it, it's called Human Resource Management. (SITE1) The original term, Personnel Management was used to describe " the specialist management function which determines and implements policies and procedures which affects the stages of the employment cycle" (BOOK). It first appeared in the early years of the 20th Century and it had an administrative nature, dealing mostly with payroll, employment law and handling related tasks.

The term of Human Resource Management is the result of the famous Hawthorne experiment of Elton Mayo of the Harvard School of Business

Administration. This experiment was meant to demonstrate the connection between theory and practice of Personnel Management with Psychology. The term began to be used in the 1950s, to designate the expansion of traditional personnel management to include modern psychology. Site 2) The term defines a managerial perspective which argues the need to establish an integrated series of personnel policies to support the organizational strategy (Buchanan, 2004). A number of authors stress the difficulties of identifying clear differences between personnel management and HRM, and maintain that the most obvious change is a " re-labeling process" (Legge, 1989) Some experts, such as Lowry (1990) and Fowler (1987), argue that there is no major difference between human resources and personnel management going further by suggesting that " HRM is the continuing process of personnel management". They also state that the two terms can be used interchangeably with no difference in meaning. The truth does not go so far beyond that and it has been proven that the slight differences are mostly philosophically by nature. Michael Armstrong goes forward by saying that he believes that the difference between the HRM and PM is only in approach and not in substance. Armstrong, 1992)He also found and listed the following series of similarities between the two terms: values are the same in term of respect for the individual, developing people to achieve the maximum level of competence; they both place the right people in the right jobs i. e. job division; they have the same level of participation and communication within employee relationship, same range of appraisal, training and management techniques are used in HRM and PM.

Karen Legge(1989), however corrects Armstrong by identifying three key differences between HRM and PM. These differences are: HRM is more concerned with managerial staff unlike personnel management, which is aimed primarily at non-managers, HRM is focused on integrated line management unlike PM which seeks to influence the line management; HRM emphasizes the importance of senior managers being involved in the management of culture, unlike PM which has not really sought this.

Another difference comes from the fact that the human resources is broader in scope than the personnel management due to the fact that the human resource incorporates and develops personnel management tasks while implementing new procedures and techniques of work such as teamwork. The main goal of the Human resource management is to reach the maximum level of efficiency, and due to this, it is in a continuous quest of developing techniques, procedures and implement new methods to stimulate the workforce.

Regarding the motivators, personnel management typically motivates employees with material compensation such as bonuses, rewards and sometimes even the simplification of work responsibilities through promotions because from the PM point of view the motivation necessary to improve the job performance comes from the satisfaction of the employee. While for HRM the primary motivators are seen the work groups, effective strategies for meeting challenges and creativity.

Regarding the autonomy, we can distinguish the personnel management from the HRM as being an independent function of the organization while the

HRM tends to be an integral part of it. With human resources, all the managers of an organization are often involved in a way or another to achieve the chief goal of developing necessary skills of handling personnel-related tasks. Nowadays the distinction between the PM and the HRM is growing wider due to the fact that PM deals with a more individualized approach which eventually leads to positions such as agents, bookers, basically less people but with a closer relationship between them.

Regardless of term, the management of the human resources within an organization is an essential tool that ensures not only the overall success of the organization but it also enables a jovial environment within the company, increase in job satisfaction and performance. Word Count: 1013 Mathis, R. L; Jackson, J. H. (2006)_Human Resource Management_. Thomson South-Western Pieper, R. (1990)_Human Resource Management: An International Comparison_. _ Walter de Gruyter Armstrong, M(1992) Human Resource Management: Strategy and action.

Kogan Page Limited Buchanan& Houczynski(2005)5th Edition, Organizational Behavior : an introductory text. Prentice Hall Madison, N(2007), ' WiseGeek'. Is there a difference between HRM and PM? Available from [5th July 2008] Price, A(2007) 3rd Edition Human Resource Management in a Business context. Thomson Squire, A(2005) ' Adam Squire' _HRM vs. PM_. Available from <http://adamsquire.co.uk/wp-content/Adam%20Squire%20-%20CIPD%20Assignment.pdf> [5th July 2008]