Part I

Managing people

This part underpins the rest of the Handbook. It deals with the approaches and philosophies that affect how people are managed in organizations, the roles of the HR function and its members, and the special considerations that affect international people management. The term ‘people management’ embraces the two related concepts of human resource management (HRM) and human capital management (HCM), which are defined and explained in the first two chapters. These have virtually replaced the term ‘personnel management’, although the philosophies and practices of personnel management still provide the foundations for the philosophy and practices of HRM and HCM. The relationships between these aspects of people management are modelled in Figure 0.2.
People management

The policies and practices which govern how people are managed and developed in organizations.

Human resource management

‘A strategic and coherent approach to the management of an organization’s most valued assets – the people working there who individually and collectively contribute to the achievement of its objectives.’

Human capital management

‘An approach to obtaining, analysing and reporting on data which informs the direction of value-adding people management strategic investment and operational decisions at corporate level and at the level of front line management.’

Personnel management

‘Personnel management is concerned with obtaining, organizing and motivating the human resources required by the enterprise.’

(Armstrong, 1977)

Figure 0.2 Relationship between aspects of people management