

Introduction to human resources management concepts commerce essay

[Business](#)



Human Resource Management can be defined as a function which deals with recruitment, training and improvement, motivation and employee health and safety (York, 2009). On the contrary Watson (2002) argues that there is confused situation about HRM and no exact definition exists to define this term because it's used in several manners. I observe HRM as a department working for organisation development in terms of hiring skilled and correct people and providing them the facilities they aim for to build good employment relationship. HR builds good relationship by motivating and training the workers to enhance their expertise. Multi National Company (MNC) or Small Medium Enterprise (SME) requires the services of HR for their establishment. HR has to work in all conditions like if company is going in loss or in profit, because this department contributes to it. Even in the period of Recession HR has to make strategies and implement them for the betterment of organisation. Comparatively to other conditions this period is supposed to be the toughest for HR, as they have to make bold decisions about hiring or firing and paying workers incentives or increase in salary. Further discussion is done on how HR proceeds in the time of allegedly coming out of recession? Recession is the decline in economic growth of a country for a period of time. In other words it can be defined as downturn in Gross Domestic Product (GDP) of a country for duration of two or more consecutive quarter, and this definition is supported by many experts and professionals. It is a normal consequence of the economic cycle which happens after every few years because of fluctuation in rates of goods and investments gone wrong which decline the GDP. Smith (2009) argues that still in the 21st century after facing so many recessions in past few decades

the appropriate definition of recession is ambiguous. However recession always hurts the economy and creates troubles for the companies in terms of heavy losses. According to King (1997) recession typically give rise to unemployment, losses, drop in shares of company, decrease in production of companies and reduces the investment rate. Organisations come up with a department HR which looks after the employee and assess them to see if they worth in company's improvement and do they need them in recession or in normal times. HR helps the organisation to employee those people who are skilled and useful, on the contrary they redundant those people who doesn't perform good because in recession they need money to survive in the market and these are few methods to save money. In present we are facing Recession. Further more discussion is done on link between HR and recession and how HR practice in recession.

Organisation and Business Strategy

Strategic Alignment of HRM

Strategic Alignment of HRM has immense importance in the modern working culture. Alignment principle is to take all the missions and goals of an organisation according to the strategic business plan (Holbeche, 2004).

Presently experts are saying that recession is gradually getting over in different parts of world and few parts have overcome it, therefore strategies should have been made before the bad time strikes because it give a competitive advantage to fight and survive the hard time. If a company has a plan to follow so when the recession is getting over they would take brave decisions to accelerate the improvement such as a plan of hiring new staff if needed or motivating the present workers to work harder for the better

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result and giving them rewards if not in terms of money then as a few hours off from work. So a proper plan can work for the company even in recession or coming out of it. According to HR perspective they have to plan for the following questions suggested by Holbeche (2004) and Woodard (2008):

Where are we at present? What we want to achieve? Are there any problems? How to solve it? How should we do? What skills do we require to be flourishing? What skills do we need to survive for the next 5 years? How shall we achieve the target? If these questions are correctly answered and proper planning is done for these a company can possibly survive the recession because they have cleared the aims and objects which they have to achieve and fix a target for them, in other words they have defined their framework. Gundersen and Riddell (1999) suggest it's necessary to develop strategic response to compete in this global environment. Figure 1. A System Approach for Strategic Human Resource Planning by Idris and Eldridge (1998).

HR practice with organisational strategy and culture.

Working according to the above framework and making the strategies when coming out of recession and in normal should keep in mind the contexts such as location, SME or MNC, global or local, demographics, public or private and east or west for culture (Connor, 2010) because it is very important due to the change in environment and the mentality of people. Culture of company and the people working in it should match up, and HR is responsible for it. If both the things will not cope properly there are maximum chances of delay or indecent work. Solution for this circumstance can be training or internship for the employee in the company to get involved in the environment. But

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again the problem stands, if culture has not been adopted by the trainee it will be a loss to the company who pays for it. So I suggest HR department should make place for internship, because in this time intern will do some work of the company as well as he will adopt the culture and it can be good strategy while coming out of recession. In times of recession HR try to reduce the workforce and give more work to the existing employee, it will increase the pressure on the person and if it's a MNC the person will definitely think about leaving the job if he has other opportunities but if it's SME or family owned business the person responsible has to achieve the target to improve the company. Different people have different mentality some are loyal to work and some are not, and HR has to find out those people who can work harder and harder in bad times where company needs full support of the employees to come out of recession. HR has to motivate the workers for better performance and those who perform well should be rewarded. It might demoralize other people, so there should be a strategy to back them and support them to work hard or otherwise they won't be loyal anymore.

HRM in the Context of Modernisation

The changing nature of work

The working terms and conditions are changing frequently as the demand changes, as in present the recession is getting over gradually in different parts of world. HR has to manage the internal and external changes to deliver the best (Burke & Ng, 2006). In the present situation organisations face the difficulties which they have to handle and look after such as the expectation of pay increase, holidays, participation, involvement, rewards and performance of employee more over changing governmental policies

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and increasing competition (Burke & Ng, 2006). While coming out of recession HR should work on these problems and make proper strategies to solve it and motivate the staff to deliver the best for the betterment of company to quickly come out of hard times. Further the problems are discussed individually.

Employment Relationship

Employer and employee work according to the contract is termed as Employment Relationship (Beardwell & Claydon, 2007), but if one decides to terminate the relationship the impact on other can be negative. It happens because of changing nature of work which should be quickly adopted by both. To keep it strong HR has to provide them with maximum facilities to gain their loyalty and motivate them for better performance. If they don't need the employee they fire him, it might demotivate him, but if redundancy money is been offered it will keep good relationship. When the recession is ending you might need them so HR can hire them again on the basis of facilities they offer. Person might not accept it, but will definitely think if he is been offered a good contract comparatively to the one he is bound in. HR can offer them part-time job or a full time it depends on the requirement of company, so if they have good relationship they can get the services of that person.

Government Rules

At present recession is getting over, the organisations are trying their level best to overcome or survive, if the government change the rules which have direct effect on the progress of company and the employee it will be difficult

to cope with. Nowadays importance is given to health & safety and holidays for ease of the employee. In present conditions an employee asks for vacation HR have to allow them instead of knowing the situation, they can't force to work according to rules. In these conditions I suggest HR should put forward a proposal stating if the person works in these days they will give some increase in the pay for the particular period. But the negative side of this suggestion is, may be other employee can take it as an opportunity to get increase pay for short time. Therefore HR should keep it secret with the particular employee or if employees start doing the negative thing then they look for those people who they need at the moment put forward the proposal and reject others.

Workload, Performance and Rewards

In the days or ending of recession organisations increase the workload on the employee, few handle it but few gets frustrate. It can have negative impact on the performance and health of the employee. Farrell & Geist-Martin (2005) writes that maximum employee blame workload for their stress. HR should take care of it and allow workers some flexibility such as working from home, long breaks in working day or group work. Though long breaks will kill the time but helps the employee to get fresh and work properly, whereas group work will reduce the pressure of work because it will be distributed between them. When workload is increase performance should be measured regularly and if the employee does well he should be rewarded. Reward must be based on performance (York, 2009) in which HR should analyse efficiency, sales and profit per employee and punctuality (Beardwell & Claydon, 2007). To motivate the employee reward should be

given quickly on his performance suggested by Hackett and McDermott (1999), so he tries to work eagerly to achieve the next reward. Rewarding particular person might de-motivate other employee so there should be a plan to encourage them like involving them in important meetings or ask their contribution to achieve big tasks, few people may not accept it mentally but other might be motivated. Rewards should be given keeping in mind the culture and mentality of people and the country they live in, because they might feel that instead of cash a holiday will be good for them, or promotion would motivate them comparatively to rise in pay. So keeping in mind these pros and cons rewards should be given.

Appraisal

Performance of an employee can be analysed through directing them to write an office diary in which they write about the work done by them. It will help the HR managers to write the appraisals to put forward their performance in front of them and commenting on it that how company appreciate it. Few people may not like it as their lacking are mentioned in it which might demotivate them, and those who performed good feel proud and get motivated. I suggest appraisal should be hand in personally as people may not like to show their good or bad performance to everyone. For those who are discouraged due to appraisal a meeting or lunch with the manager discussing the problems might motivate them for the future work.

Participation and Involvement

Changing nature of work demands participation and involvement of the employee to progress the company out of recession. The problem HR has to

face is selecting those people who like to participate and get involved in team work. Participation is power orientated and gives right of joint decision making (Beardwell & Claydon, 2007), which might leads to the problem such as arguments because of different view. Solution can be, make group of those people who likes to work together, an alternate suggestion is test the mentality and put them together to work. But negativity is company might get similar results continuously, and positivity is participation will motivate employee and we might get a good idea which can help company to improve in recession. Whereas organisation utilize involvement of employee to use their knowledge for innovative idea to achieve the competitive advantage (Beardwell & Claydon, 2007), this strategy is essential at recession's end. The employee is been involved but don't have any power to take decision which might de-motivate him, so participation should be preferred to encourage the employee to perform better.

Organisation and Job Design

Flexibility

Flexibility is adopted to structure the firm and react to varying situation (Holbeche, 2004). HR produce the model to be flexible and offer part-time jobs, but according to Holbeche (2004) it is a problem faced by managers. Flex time policy allow employee to select their preferred working hours (York, 2009) which does not support firm at times of recession. I think giving part times jobs is good because it will help the people who have health issues, family problem and students. Even it will decrease rate of nonappearance, boost output and shrink overtime (Lewison, 2006 and York, 2004) which is beneficent in (or end of) recession. Best advantage HR can

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attain is, if their permanent employees are not loyal part timers may be more skilled and can help the organisation.

Resourcing the Organisation

Recruitment and Selection

While coming out of recession the most courageous strategic decision HR has to take is shall they recruit new people? On what basis they should select? I suggest recruiting new people would be beneficent but if the selection is done properly. They should analyse what sort of person they want for the job, and he should be selected on base of his experience. HR should target the person they require (Wells, 2008), if HR is successful in recruiting it will be a competitive advantage (Beardwell & Claydon).

Negativity of new recruit at hard times is loyalty, as he observes company is not making profit he might not work hard to improve the progress, whereas adopting the organisation culture for new employee would be difficult, if he is not flexible. However, new recruit should be assessed regularly. An alternate solution is HR can select present employee and train them to get better result. One more option can be, if HR analyse the market where they stand and select an international person to perform the job (Holbeche, 2004), but it depends on the nature and place of work and most consideration should be given to will he suite for the job. Disadvantage can be high pay which firm has to offer when they recruit from west part for the east part. So keeping in mind the cost alternate is to provide training to existing employee or new recruit.

Training

Training the existing employee is good HR strategy to follow. It will motivate the employee to work harder as he can observe the importance given to him by the firm. Moral of people who are not selected may drop, so to motivate them HR can arrange meeting or presentation for them with the guys who are getting training, so they can also learn from their experience. In times of recession companies don't prefer training, however according to me it worth because if the employee get advance knowledge he can utilise it for firm's improvement. But recession circumstances does not give you time to train so new recruitment with all advance knowledge would be preferable as it's not time gaining. HR has to consider another problem that if they provide training to employee they might leave the firm and join other, which will be a dreadful loss. Solution for this problem is sign a contract which states they cannot leave the firm within some years.

International HRM

HRM in Global Marketplace

' Variation in currencies languages customs and culture interact to make International HRM' (York, 2009). Multinational organisations and those SME's who deals with international market required international HRM to analyse the global market and take necessary decisions for the company such as selection and recruiting of higher and lower staff or transferring the existing employee to another region for improvement of firm. In recession times transferring should be done on the basis of person's capability to adapt the changes, at the same time manage and develop others (Holbeche, 2004).

Pros and cons of this decision can be the person find it hard to adjust with
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the people of different mentality, however he can make big difference in changing the environment of the firm to achieve competitive advantage. International HRM work is to manage the strategy in such manner through which all workforces build up similar understanding to achieve the goal (Holbeche, 2004) of improving organisation's present condition in the recession time. International HRM's subdivision in local countries should provide details of present marketplace and their requirement according to which strategies and transferring should be done. Problem might rise of unqualified staff in a particular region that provide false data which might collapse the company strategy, so international HR should keep an eye and resource them with some international talent through which they can fight against recession (Holbeche, 2004). International HRM of global firm sends their worker on durable international task (York, 2009) which might not suit employee and further York (2009) tells three reasons of doing it which are filling empty position, advancement of management and organisational progress. Before doing it they should analyse the ethnocentric, polycentric, geocentric and regiocentric conditions to select the right person (York, 2009), otherwise this strategy might go in wrong direction because of culture and environmental differences. Considering the cultural differences international HRM can come with an alternative to cope with the region differentiation through formation of transnational team who bring collectively all the employees of diverse culture, cast or sect (Holbeche, 2004) and give rise to better performance in conditions of recessions. Negativity is team making is time gaining as well as cost effective because employees might need some training.

Conclusion

Summing all the discussion about how HR should proceed in times of allegedly coming out of recession they require proper strategies and skilled persons who can implement them. All strategies and suggestions put forward should be decided keeping in mind the cost effect. In recession money is the main thing which is hard to make. In harsh times company needs support of employee to work harder for improvement and in return they need rewards and motivation to encourage them for their hard work. Recruitment, selection and training at higher or lower level should be done but according to the circumstances. Concluding everything I recommend HR should give more attention towards motivating people in terms of flexibility, rewards, reduced workload, vacations, bonus, rise in pay and promotion according to performance.