

Measuring the impact of given hrm strategy commerce essay



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Human resource is seen as one of the most critical differentiators contributes to the organizations competitive advantages. All the other assets, such as products, markets, cash, buildings and equipment are passive require human application to generate value (Caliskan, 2010). It is the manpower that plays the key factor to sustaining the productivity for the organizations. How people being managed effectively and the behaviours of theirs can tell an organization's performance. In other words, the organizational performance can be explained by productivity, efficiency, effectiveness and competitiveness made by the employees.

INTRODUCTION

This essay will discuss why work ethic principles and values are part of the human resources strategy, how training and further education can enhance employees' behaviours therefore to offer more to the organizations' performance, and how human resources impacts on corporate performance.

THE FACTORS INVOLVED IN MEASURING THE IMPACT OF GIVEN HRM STRATEGY

Every organization is powered by its people. And the organizational effectiveness is viewed by the quality of services deliver to their customers who develop the organizations' reputation. HR strategies play to role to help to organizations to delivery excellent services. Successful organizations see HR strategy formulation and execution as a continuous and dynamic process. In fact, effective HR strategies are essential to ensure productivity and maximum success for organizations.

Effectiveness is one way of measuring the impact of HRM strategy implantation. The true success of the human resources management could not be just measured by the organization's financial targets. We should not treat strategies isolated, they need to be bundled. Therefore, to measure the effectiveness of strategic contribution of human resource management should focus on the overall contribution to the success of the organization, in terms of added value, competitive advantage and the impact on business performance (The Association of Business Executives , 2008). And typically, ways in which this contribution has been made will include:

Develop a positive and healthy working environment

Enhance positive motivations and commitment

Increase employee skills and extended the skills base

Provide employees with extended responsibilities so they can make full use of their skills and abilities

Provide career opportunities and define competence requirements

Provide career development and job security to employees

Instituting processes of performance management and continuous development

Use reward management system to convey messages about what the organization believes to be important.

Share information and management transparent. Provide employees with invoice.

Treat employees as partners instead of team players. (The Association of Business Executives , 2008)

THE AVAILABLE TOOLS USED FOR MEASURING THE EFFECTIVENESS OF HRM STRATEGY

Organizations need to have a complete system for the followings:

Identify what process should achieve (i. e. its objectives), then measure what is actually being achieved, compare what is actually being achieved against what should have been achieved, then provide required corrective actions if necessary, last implement new actions.

By doing all these can measure weather the HRM strategy being effective or not. The popular concept for measuring the effectiveness of human resources strategy these days are: Balance scorecard and Benchmarking.

Balance scorecard is comprehensive management tools to measure and share the organization's progress towards its achievement of the strategic goals. More specifically, the balance scorecard is a strategic planning management system that consists of people, strategy, process and technology to align the organization to share a version of achieving its success and getting the people working on the right tracks. Added value, it is people who develop visions, define and set goals, develop strategic plans and implement them (The Association of Business Executives , 2008). This right organization structure is to develop employees being motivate and

managed effectively, gain their commitment therefore to deploy them effectively, productively. For example, traditional measures of performance such as value of sales per salesperson,

With this strategic management scorecard system, the organization's operational performance such as financial status, customer results, operational efficiency and capacity building can be measured and valued.

The balance scorecard is also a communication system through the whole organization to provide better aligning strategic objectives with resources. It sets goals and drives all the employees to adopt and adjust their attitudes and behaviours/actions to achieve them.

The balance scorecard helps people within the organization to come to a better understanding regards the interrelationships between different organizational functions. Therefore the top management can avoid the functional barriers and improve decision-making and problem solving. Ultimately enhance the organization's performance.

Last but not least, the balanced scorecard helps the organization focus on the future not simply the past or present.

Another popular tool of measuring organization's performance is Benchmarking. In fact benchmarking has long been recognized in industry as an effective means of improving business performance. Benchmarking is frequently cited as the second most popular global technique (after business planning) for performance improvement (Benchmarking, 2006).

The shortest definitions of benchmarking is “ Finding and implanting best practice” (Camp, 1995). It means searching for industry best practice that lead to superior performance. Benchmarking is the process of comparing one’s business process and/or best practices from other industries.

Organizations benchmark themselves in quality, time and cost etc. against their real peers therefore to improve their performance.

Benchmarking process diagram

(Bencharmarking, 2006)

There are two types of benchmarking: Informal and Formal benchmarking.

Here I would only talk about formal benchmarking, which consists:

Performance and best practice benchmarking. Performance benchmarking involves comparison of the organization’s financial status (such as expenditure, cost of labour, adherence to budget, cash flow, revenue collected etc.) and non-financial measures (such as staff turnover, budget processing time, complaints etc.).

Through benchmarking, the organization can recognize whether is being a leader or it is far behind in the market. For example, by comparing the income with the organization itself to the industry, the organization can know whether it is making too small profits or there is still more rooms to grab more profits. These processes involve identifying, capturing, analysing and comparing, the organization gains knowledge to know its status well enough which leads to better business strategies and responding human resources practices.

The CONNECTION BETWEEN HRM STRATEGY AND ORGANIZATIONAL PERFORMANCE

Human resource is considered the most important factors to gain and sustain competitive advantages for organizations. In order to achieve this, the human resource management practices need to be aligned within themselves (internal fit). The human resource management also need to be aligned with the organization's strategy (strategic fit) (Lamboij, Sanders, Koster and Zwiers, 2006).

Human resources strategy should always match the business strategy. It should be flexible, compatible, adoptive, integrated, and effective to the organizational changes. The goals of HR strategy process are strictly concerned with the managing people effectively which can assist in the achievement of organizational objectives.

The best fit human resource strategies that help the organizations to gain and sustain competitive advantages should be:

Invest in people to increase capability and align skills to the organizational needs through on-the job and off-the job training and further educations. Providing training and development, job security and satisfaction are key human resource techniques essential for high performance.

Acknowledge the organization's identifies and the knowledge/attitudes that require to meet the organizational goals and satisfy the customers.

Define and promote the behaviours and positive attitudes required for organizational success and encouraged, valued and rewarded them. The <https://assignbuster.com/measuring-the-impact-of-given-hrm-strategy-commerce-essay/>

better employees know what to expect from them, the more they behave cooperatively towards their co-workers and their supervisors. HRM provides professional conduct guides that apply to from hourly employees up to top management to determine business related acts or behaviours are right or wrong.

Appoint right employees with the right skills/abilities to do the right jobs to let them feel fulfilled and challenged.

Gain employees' commitment and loyalty to the achieve organization's missions and goals.

ETHICAL CODES OF CONDUCT/BEHAVIOUR IN HRM STRATEGY

There are a number of reasons why developing a workplace code of ethics is crucial. Workplace ethics is the moral conducts of behaviours developed by a place of business to determine what is expected of employees in a particular settings. Managers play the key role to take responsibility for determining and enforcing the acceptable and expected standards within their organizations. Workplace ethics set the rules of conduct for everyone at a particular business environment. It helps everyone to know what is encouraged/expected or inappropriate at work. If everyone is clear on what kind of behaviours are expected and what is unacceptable, employees are able to be point out when there are some actions are out of the lines.

Workplace ethics also ensures that employees are treated equally and they always have rights to speak for themselves. Workplace ethics helps to enhance reputation by gaining consumers to think that the organizations are

somehow better than their competitors. More importantly, the ethical standards/values are shared and known within the organizations by the entire staff, the environment will be conducive to values-driven behaviours, such as values that can guide decision making and discussion and information sharing; values can help to enhance a sense of commitment to the organizations and therefore, are an important part of high commitment management. Values can improve the all the relationships within and outside the organizations. For example, within the organization, between the organization and its workforce, values and ethics codes identify the attitudes towards equal opportunities and diversity; Between management and employees, value and code ethics guide the managers to maintain a professional relationships with employees, and to identify the importance of trust, respect and equality; Between employees, values and ethics codes identify what sort of behaviours are expected among employees. Outside the organization, values and ethics and make an organization stand out among other competitors to its customers and consumers (The Association of Business Executives , 2008). Indeed an organization that has good value and ethics code can impress its customers with their attitudes, the responsibilities they have towards the social responsibility and the views of the environment, etc.

THE ETHICAL IMPLICATIONS OF STRATEGIC HUMAN RESOURCE MANAGEMENT

Human resource managers are in a key position to ensure that ethics codes management is applied through the whole organization. Communications and training programmes are essential. And managers need to make

decisions ethically to determine business-related acts or behaviours are right or wrong. Business ethics can provide businesses with moral guidelines in conducting their affairs.

Managers often face ethical dilemmas in the workplace but they may not be aware of it. One reason is the manager is not trained in ethics so it is difficult to know when an ethical issue exists (Mintz, 2011). The first step in making ethical decisions is to be sensitive to identify the unethical signposts in question. Determine whether your decision harms one or more parties while benefiting others. Managers need to be aware that ethical decision making causes the consequences of the actions on others – the stakeholders in the specific situation.

The next step is to identify alternative choices and actions to evaluate them in the ethical way. Be sure to follow the laws, regulations, practices and company policy including the code of conducts. From an ethical perspective certain guidelines apply such as don't violate anyone's rights; be fair-minded in deciding how best to resolve the dilemma, always follow basic virtues including honesty, integrity, reliability and being responsible and accountable for one's actions (Mintz, 2011). After evaluating the alternatives from the ethical perspective, managers need to know for certain how the potential decision might affect the stakeholders. It should create trusting or even legal problems/reputation damage among employees and top management. The last step in ethical decision-making is the most difficult one. It takes a lot to carry out an ethical decision with ethical action. It could be the case that the ethical decision and ethical action would actually do harm to the company reputation or other employees' image among the <https://assignbuster.com/measuring-the-impact-of-given-hrm-strategy-commerce-essay/>

organization. For example, if sales A found out that sales B, one of the top sales in the company, misleading customers a bit regarding the product (not a serious mistake) in order to get more sales. In this case, should sales A reports to the top management straight away or just pretend nothing happen? If reports to the top management, they may likely not do anything. Or they would think sales A is just getting jealous with sales B, which will lead them to think that sales A is not the type of guy that they want to keep for long term. Or the top management invest in the detail and find out the truth and they have to fire sales B, which the consequence will be the company lost a top sale and some big customers therefore it effects the organization's reputation and selling targets. One of the the rational way to deal with this unethical issue will be “ whistle-blowing”. Sales A could make an anonymous complain or letter to report this unethical behaviour explain the behaviour or issue in detail as well as how the issue should be resolved.

Nowadays organizations have employees from different culture background. One thing managers need to ensure that they do not discriminate unfairly in their decisions or actions towards employees, either before or during the employment. Organization should provide equal opportunities to everyone within the organization. Managing cultural diversity is never easy. Recognising the behaviours of discrimination is the first step towards establishing equal treatment working environment.

All in all, the responsibilities of good managers in making ethical decisions are:

Be sensitive with the ethical issues in working environment

Be clear with the responding consequence followed by the ethical decisions/actions

Identify company policy, code of ethics conducts and carry out the ethical actions

TRAINING METHOD IN WORK PLACE

Training in an organization can be divided to two broad types. They are on-the-job trainings and off-the job trainings. With on-the-job trainings, employees receive trainings while they are at work. In this way, employees are conducting and learning when they are working. On-the-job training gives employees motivation to start the job. Some reports indicate that people learn more efficiently if they learn hands on rather than just listening to the instructors.

Example: New engineers could work with experienced engineers. They could ask questions about the machines and the tools they are operating on, the problems they may come across the usual solutions to them etc.

Instructors need to make the plan for what should be taught, and how much time spend on it, and after the trainings employees will informed about their progress.

The main methods of on-the-job/off-the-job training included:

Demonstration / Instruction – Showing on site to the trainers specifically how to get the job done.

Coaching - a more detailed and intensive method of training that involves a close working relationship between the experienced trainers and the trainees. Coaching gives trainees the chance to ask questions and receive honest answers.

Lectures - Lectures usually take place in a classroom-format. Giving lectures supply huge amount of information to a lot of people in a short amount of time. But lectures could get boring and trainees lose interest in it.

Group discussion - Group discussion is most likely to take place in a classroom where a group of people discuss issues. Group discussion can allow employees to ask questions and provide ideas for the management. Comparing to lecture, it gets more involvement from the employees, and managers can heave the voice from the employees.

Role playing - Role playing allows employees to act out issues that could occur in the work place. Role playing can be effective in connecting theory and practice.

There are many methods of trainings. The key is to find the best training method to suit the actual situation. Assess each training method implemented in the organization and get feedbacks from trainees. Then decide to adopt the most effective method to specify the training programme (Silva, 2011)

FURTHER TRAINING AND DEVELOPMENT

These days for every business their goal is to stay competitive in the market.

And highly skilled, motivated and committed staff is the key factor to achieve

that goal. Further-training widens employees' skills and acknowledge, and therefore enable their personal advancement to contribute more to the organization's performance. Providing career development helps to motive employees and gain their commitment.

In details, firstly, training and development helps in maximizing the human resource which further helps the organization to achieve organization goals as well as their personal goals. Secondly, training and development helps to provide opportunities to broaden employees' knowledge, increase their skills, improve their personality even. Thirdly, training and development helps in increasing the productivity of the employees that helps the organization further to achieve its long-term success. Fourthly, training and development helps building the positive attitudes, good team spirits, and friendly working environment among the organization. It also helps improving the quality of work and work-life. Last but not least, training and development helps in the organization development. For example, the organization gets more effective decision making and problem solving with dedicated and skilled staff. Training and development helps in developing leadership skills, employee motivation, loyalty, positive attitudes, good perceptions between managers and employees.

CONCLUSION

Human resource is the most valuable resource to gain and maintain competitive advantage for organizations. From above we know that HRM impacts greatly on organizational performance. There are available tools such as balanced scorecards and benchmarking to measure the

effectiveness of HRM. In workplace, unethical issues are inevitable and <https://assignbuster.com/measuring-the-impact-of-given-hrm-strategy-commerce-essay/>

ethical codes of principles are necessary for every company. Managers need to make ethical decisions and act on them ethically. Training and further education improves employees' skills and abilities therefore enhance the organization's performance greatly.