

Human resource management

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



The evolving nature of the economy has shifted people's attention to the term 'Human Resource Management'. Human resource management according to Danny Samson refers to "the activities undertaken to attract, develop and maintain an effective workforce within an organization" (Samson & Daft 2005). Since human resource management is mainly dealing with workforce, employee motivation is one important component of this area. Employees' level of motivation is a crucial component in determining a company's performance (McKanic 2005). Hence, it is not surprising to find that the most requested article in history of Harvard Business Review publication is Frederick Herzberg's 1967 article entitled "One More Time: How Do You Motivate Employees?" (Garmager & Shemmer 1998). Realizing the importance of these two areas this essay will outline reasons why human resource management in general and employee motivation in particular has become crucially important, by showing the impact they have on an organization. Next, we shall discuss some challenges faced in dealing with human resource management and employee motivation. Lastly, this essay will outline some methods relevant to creating a motivated workforce. Firstly, reasons why human resource management and employee motivation have become increasingly important. Human resource management has become essential for a number of reasons, among which include the existence of competitive pressure to dominate a market, the ever changing nature of the economy as well as the complexity of the labor market (Samson & Daft 2005, p. 441; Lusthaus et al. 1999, p. 62) For example, competitive pressure in today's market is rather fierce and stiff (Garmegger & Shemmer 1998). Rapid economic growth has resulted to companies trying

fiercely to differentiate its products and services from competitors in order to increase market share (Lecture 5 2006, Samson & Daft 2005, p. 441) . In order to be distinctive, human resource management plays an important role as it deals with the workforce (Anthony et al. 2002, p. 749, What Intel is and What it isn't 2001). This is because, the quality of the workforce would have a huge impact on the quality and the distinction of services or products sold (Samson & Daft 2005; Anthony et al. 2001, p. 749, What Intel is and What it isn't 2001). A good example for this would be Toyota, a renowned car manufacturing giant, famous for its extensive employees benefits, whilst making tremendously high profit each year (The Economist January 29th, 2005). According to an article published in the magazine The Economist, The Car Company in Front (January 29th, 2005) under its human resource management, Toyota allows flexible positive working condition and gives its workers a certain degree of power to attain access to business information, and control the production line to encourage an increase in the production capacity and the company's performance as a whole. This shows how an effective human resource management robustly affects a company's performance. Looking more specifically, employee motivation is one area under human resource management. In Harvard Business Review (Kotter 2001) it was clearly stated that ongoing and effective motivation is imperative as it would result to an organization's ability to overcome hurdles and achieve its missions and visions. This could be explained by looking at the positive effects motivation has on people (Kotter 2001). When a person is hardly motivated, there is little that he or she can do because motivations as well as inspiration energize people (Kotter 2001, Marsh 1998, p. 10-44).

Consequently, employee's skills are underutilized resulting to the underperformance of a company (Kotter 2001, Conlon 2003). In other words, a company could not perform to its greatest potential due to inefficient employees who lacks motivation and support. Another way of explaining the importance of employee motivation is to look at what motivation itself means (Samson & Daft 2005, p. 573). According to Samson and Daft (2005) motivation refers to internal as well as external sources that stimulate interest and perseverance to pursue an act. Motivation to employees therefore directly affects productivity (Samson & Daft 2005, p. 573). This is why performance management consulting firms like the Guild Associates has reformed their training workshops to focus more on motivating employees as it is believed to match the new business requirements to increase productivity (McKanic 2005). Now that we have identified the importance of human resource management in general, and employee motivation in particular, it is imperative to understand the challenges faced in these areas before implementing strategies. Human resource management deals with people, and employee motivation is one of them (Lecture 5 2006).

Diversification is a huge word in dealing with people as people are diversified and they vary from one person to another (Katz 2003; Gray & Roberts 2003). This sets hurdles in implementing motivational strategies that fix the differences to achieve common organizational goals (Lusthaus et al. 1999, Samson & Daft 2005, Katz 2003). Another problem regarding motivation is that it is subject to changes. People are motivated by different reasons at different times and under different circumstances (Gray & Roberts, 2005). An employee may be highly motivated by money this year and start craving for

power and recognition the following year. According to Marsh (1999) such extrinsic rewards however, could indirectly kill intrinsic desires people are naturally born with as they tend to become materialistic or get depressed over stiff competition. This sets another hurdle for managers in choosing the right motivational strategy. Since human resource management and employee motivation are critical but challenging, how to build a motivated workforce becomes an interesting question for managers. Human resource management plays a role in creating a motivated workforce. Training to improve performance and performance appraisals to keep track of employees' performances are two important elements in human resource management to create a motivated workforce (Samson & Daft 2005, Lecture 6, 2006). But more importantly is employee's motivation to ensure an effective and motivated workforce. Motivating strategies depend heavily upon a manager's personal foundation of what constitutes motivation (Samson & Daft 2005, Kotter 2001). The most recent theories however is contemporary approach which outlines three common theories used in deciding approaches to motivate employees. These are content theories, process theories and reinforcement theories (Samson & Daft 2005, McCuddy 2005). Content theories highlight the needs that motivate people, while process theories explain how workers choose behaviors to get what they need, and how they determine such choices are successful (Ferguson 2000, Motivation n. d., Samson & Daft 2005). Reinforcement approach simply shows the link between behavior and its consequences(Samson & Daft 2005). Under process theories are equity theory and expectancy theory (Ferguson 2000, Samson & Daft 2005, Motivation n. d.). Equity theory is

simply the theory which believes that a motivated workforce could be formed if the working environment shows parity and fairness (Ferguson n. d.). Equality in this case is measured through the inputs-to-outcomes ratio (Samson & Daft 2005). For example, if the amount of efforts put to a project leads to an equal pay rise to everyone involved, the workforce as a whole would be motivated to perform better. On the other hand, if the job pay is selective and is not equal, despite equal efforts poured by everyone, the workforce would be dispirited by the inequality and would not perform to their greatest potential. The issue on equality has become even more prominent with the realization of globalization taking place in the economy (James 1998). According to James (1998), the emergence of multinational companies with turnovers bigger than GNPs in most countries has resulted to ‘ geographically spread and racially diverse foreign workforces’. Hence, it is imperative for these companies to practice equity as any inequity may results to chaos which would badly affect the company’s performance (Anthony et al. 2002). An example of a company trying to practice equity in its business is the world’s biggest food chain retailer, McDonald. McDonald continues to ensure equal participation by all members of society in its organization and allow them equal chances to participate in its intensive and recognized training programs. Not only has McDonald been listed as the top companies for minorities to work, it has also received awards for “ fostering leadership development among women" (Anthony et al. 2002, Garnegger & Shemmer, 1998). The Equality approach practiced by McDonald motivates employees to perform to their greatest potential regardless of their condition of being a minority, or not. The other contemporary approach in building a

motivated workforce is based on the reinforcement theory. Reinforcement theory uses the consequences of an action to instill motivational values in an organization (McCuddy 2005). Under reinforcement theory, there exist four reinforcement tools to achieve desired values among workforce which are positive reinforcement, avoidance learning, punishment as well as extinction (Motivation n. d.; Ferguson 2000; Samson & Daft 2005). Positive reinforcement and avoidance learning are pleasing results and the elimination of unlikable consequences following the employees fine performance or actions (McCuddy 2005). Positive reinforcement includes impromptu praises to punctual workers and pay rise while one scenario of avoidance learning includes when a supervisor stops complaining when an employee's work tend to consistently improve. Extinction and punishment are the act of withholding positive rewards and the imposition of undesired actions taken on employees following their unfavorable behaviors (Samson & Daft 2005, Ferguson 2000). Among the examples of extinction and punishment include withholding raises as well as warning an employee. To create a motivated set of workers, the managers must always recognize their good work, and take rightful actions when employees' performances deteriorate. A good example of a company which practices the expectancy theory is Intel, a leading technology company whose reward and recognition program is directly based performance and results (Anthony et al. 2002). An article on Intel (2002) revealed that the total compensation is made up of base pay, benefits, and results driven bonuses. An 8-week sabbatical with pay is also rewarded to loyal employees who served the company for more than 7 years (What Intel is and what it isn't n. d.). In February, Intel would

rank and rate each of its employees according to their individual performance. Although this may motivate those who have performed well, critics believe that this could set depression and stress among workers, hence hindering better performance in the future (Marsh 1998).

Conclusively, this essay has outlined the importance of human resource management and motivating employees especially in improving company's performance and overcoming obstacles as an organization. The challenges faced in dealing with these two aspects were also highlighted to show hurdles faced by managers to get a motivated workforce. However, effective strategies have been discussed to overcome the challenges and help managers build a dynamic workforce, motivated to achieving their greatest performance. All in all, human resource management, in general, and motivating employees in particular are two important keys towards a holistically better organization. (1788 words) Reference: 1. Samson, Danny & Draft, Richard L. (2005) Second Pacific Rim Edition : Management, Thomson, Melbourne 2. The Economist (January 29th, 2005), Toyota : The Car Company in Front, Australia 3. Samson, D. (2006) Managing People and Organization Lecture 5, The University of Melbourne, Australia 4. McKanic, Arlene (2005) Maximizing Employee Performance, Vol. 35, Iss. 7; p. 54, Black Enterprise, New York. [http://proquest.umi.com/mate.lib.unimelb.edu.au/pqdweb? did= 782908361&sid= 3&Fmt= 4&clientId= 1423&RQT= 309&VName= PQD](http://proquest.umi.com/mate/lib/unimelb.edu.au/pqdweb?did=782908361&sid=3&Fmt=4&clientId=1423&RQT=309&VName=PQD) 5. Garmegger, Tim & Shemmer, Lynn (1998) Rich in culture, rich in profits, Vol 75, Iss. 10; p. 1, HR Focus, New York [http://proquest.umi.com/mate.lib.unimelb.edu.au/pqdweb? did= 35174653&sid= 4&Fmt= 3&clientId= 14623&RQT= 309&VName= PQD](http://proquest.umi.com/mate.lib.unimelb.edu.au/pqdweb?did=35174653&sid=4&Fmt=3&clientId=14623&RQT=309&VName=PQD) 6.

Anthony, W. Kacmar, K Perrew, P (2002) Human Resource Management — A strategic approach, Harcourt College Publishers, Philadelphia 7. Kotter, J. P. (2001) What Leaders Really Do, Harvard Business Review, USA. 8. Conlon, Maurice (2003) British Medical Journal, Vol. 327, Iss. 7411; p. 389 [http://proquest.umi.com/mate/lib/unimelb.edu.au/pqdweb? did=4295271&sid=4&Fmt=4&clientId=14623&RQT=309&VName=PQD9](http://proquest.umi.com/mate/lib/unimelb.edu.au/pqdweb?did=4295271&sid=4&Fmt=4&clientId=14623&RQT=309&VName=PQD9). James, David (1998) Global Reach finds prejudice everywhere, Business Review Weekly, <http://www.brw.com.au> 10. What Intel is and what it isn't, n. d. 11. Gray, Sky & Roberts, Nina (2003) Culture, competency and risk management: where will the three meet? Vol. 76 Iss. 6; p. 50, Martinsville [http://proquest.umi.com/mate/lib/unimelb.edu.au/pqdweb? did=535370391&sid=3&Fmt=4&clientId=14623&RQT=309&VName=PQD12](http://proquest.umi.com/mate/lib/unimelb.edu.au/pqdweb?did=535370391&sid=3&Fmt=4&clientId=14623&RQT=309&VName=PQD12). Katz, Mia (2003) The current state of diversity training Vol. 55 Iss. 6 pg 26, Kansas City [http://proquest.umi.com/mate/lib/unimelb.edu.au/pqdweb? did=482411891&sid=3&Fmt=4&clientId=14623&RQT=309&VName=PQD13](http://proquest.umi.com/mate/lib/unimelb.edu.au/pqdweb?did=482411891&sid=3&Fmt=4&clientId=14623&RQT=309&VName=PQD13). Motivation, n. d. <http://www.acad.polyu.edu.hk/~msklma/OM/motivation.html> 14. Mc Cuddy, Michael (2005) Core Concepts of Organizational Behavior, Valparaiso University 15. Lusthaus, Charles et. Al (2002) Organizational Assessment,