

# The true effect of human resource management on an organizational performance - d...

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



## **The true effect of human resource management on an organizational performance**

Chapter one 1 Introduction of the study In particular, this research study will seek to explore the true effect of human resource management on an organisational performance; this is to say that the study seeks to measure the true effect of human resource management in improving organisational performance. The research study will employ the use of case study technique and the organisation that has been selected for this study is the McDonald's Corporation. Therefore, the researcher will focus on measuring the true effect of McDonald's human resource management in improving the performance of the restaurants. This chapter will begin with a brief background study on the topic of human resource management and then a brief overview of McDonalds. Thirdly, this chapter will spell out the research problem and thereafter the objectives of the study as well as the research questions. Lastly, this first chapter will state the significance of the study and the scope that it will cover.

1. 2 Background of the study According to Mathis and Jackson (2010), the roots of human resource management can be traced back to the industrial revolution whereby companies started engaging in mass production for commercial purposes and therefore, there was an urgent need of hiring more employees to the extent that even children were introduced into the working life at a young age. During this particular time when human resources provided to be a critical part of an organisation, there was little known about effective human resource management and this contributed to widespread violation of employees' rights since this labour sector had not been fully formalized and regulated. Stewart and Brown

(2010) stated that the numerous industrial strikes that characterized this area were necessitated by the widespread violation of employees' rights that was going on in nearly all of the manufacturing companies. Employees' plight during this era was denoted by low wages and poor working conditions. According to DeGraff (2010), the industrial strikes led to the emergence of human resource management whereby the welfare of the employees received more focus from the management of the companies in order to avoid future strikes, which had proved detrimental to the companies that were affected. Factors that marked the emergence of effective human resource management included the abolishment of child labour, development of labor unions, strategic recruitment, and selection of workers. DeGraff (2010) further added that the studies by Fredrick Taylor on lean manufacturing sparked an interest on the actual contribution of the workforce on an organisation's productivity and this contributed to human resources been acknowledge as a significant part in the productivity of an organisation. In the present world, human resource management is a source for organisation's competitiveness meaning that it directly affects the performance of organisations.

1. 3 McDonald's Corporation According to Warwick (2013), McDonald Corporation is largest public traded hamburger fast food restaurant chain in the world, which serves averagely 60 million customers in over 115 countries across the world on a daily basis. The McDonald brothers originally started the company in 1940 but it was fully acquired by Ray Kroc who joined the company as a franchise agent in 1955. The McDonald's restaurants offer a wide menu to their customers, which consist of French fries, hamburgers, chicken, cheeseburgers, soft drinks,

breakfast items, desserts, milkshakes, fruits, smoothies, wraps, salads, and fish. Presently, the company boasts of total assets worth over \$32 billion and total revenue of over \$27 billion and a net income of over \$ 5 billion in the

past financial year. 1. 4 Statement of the problem There are numerous studies, which have focused on the impact of human resource management but there is no or very little comprehensive studies that focuses on the relationship between human resource management functions such as selection and training, among others and how such functions directly improve the performance within an organisation. Therefore, this present study will seek to fill this gap or enrich the knowledge that is already available pertaining to the true effect of human resource management in

improving the performance of an organisation. 1. 5 Research objective To measure the effectiveness of human resource management in improving an organisational performance and in particular, the bottom-line of a business

organisation 1. 6 Research questions How does recruitment and selection of employee affect organisational performance? How does employee training and development affect organisational performance? How do employee retention strategies affect organisational performance? What is the impact of human resource management on the bottom-line or profitability of a

business organisation? 1. 7 Significance of the research study This study is significant because it will clearly identify how the functions inscribed in human resource management affect the performance of an organization.

Secondly, the findings of this research study will help in enriching the researcher's knowledge as well as the current available body of knowledge that focus on human resource management. 1. 8 Scope of the research

study Since the research study will focus on the McDonald's Corporation, the researcher will select two McDonald's restaurants that are easily accessible and where the management and the staff will be willing to participate in the research process. Therefore, the findings will directly show the effect of human resource management on McDonald's restaurants performance.

References DeGraff, J. (2010). " The Changing Environment of Professional HR Associations". Cornell HR Review. Mathis, R. and Jackson, J. (2010). Human Resource Management (13th Edition). U. S. South- Western Cengage Learning Stewart, G. and Brown, K. (2010). Human Resource Management. (2nd edition). U. S: Wiley Publishers Warwick, J. (2013). Where Chefs Eat: A Guide to Chefs' Favorite Restaurants. London: Phaidon Press