

# Human resource management

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In the world of knowledge economy, human resource has become the key element of resource in enterprise development, where human resourcing management is receiving more and more attention. There is a viewpoint about HR resourcing, which is that HR Resourcing represents a collection of practices for the control of individual employees in organizations. This article will analyze this idea using hard and soft models of human resource management (HRM) and the gap between rhetoric and reality. Firstly, a definition of HRM is necessary before the deep study.

Secondly, it will explain what the HR practices are and the main HR practices. The introductions of best practice and best fit are also exhibited in this part. Then, it examines the hard and soft HRM and a gap between rhetoric and reality. It can be indicated that rhetoric reflects soft HRM, whilst reality links to hard HRM. After that, this article moves attention to control and commitment. Finally, the conclusion will be made based on evidences before. Definition of HR Resourcing and HRM The HR resourcing has been expanded to a greater extent than at any time. It is a significant area for organization.

A leaning of HR resourcing is necessary before analyze and understand the problem in a deep-going way. HR resourcing means ‘ the recruiting, selecting and retention and removal of employees’ (Pilbeam, 2006). HR resourcing is fairly close to the people resourcing. Turning to HRM, it is definite as ‘ the science and the practice that deals with the nature of the employment relationship and all of the decisions, actions, and issues that relate to the relationship’ (Ferris, Rosen & Barnum, 1995, p. 1). Simply, HRM is a management subject, which is focus primarily on the people in organizations.

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The main task in this subject is to recruit, select, train and develop individuals for an organization (Aswathappa, 2005, p. 5). HR practices HR practices mainly include recruitment and selection, appraisal, training and development, pay and rewards and so on (Marchington & Wilkinson, 2005, p. 87). It serves for the organization. Therefore, they must meet the needs of organization (Budd, Scoville & Labor and Employment Relations Association, 2005, p. 198). An organization would be in the advantageous position in competitions and realize economic goal of maximizing income if optimizing labor resources.

Some introductions to several HR practices will be listed next: 1. Recruitment and Selection—It is one of the most important components of HR practice. An enterprise would be in the advantageous position in competitions and realize economic goal of maximizing income if getting the appropriate person at the right moment. Individuals not only have skills and personality but also fit well with the organization (Keagy & Thomas, 2004, p. 271). 2. Appraisal—This is a method to judge the performance of employees. The appraisal results are used to evaluate excellent performance and poor performance in many organizations.

It also provides evidence to decide the salary or wage of an individual employee. Appraisal system ensures that the judgments are lawful, accurate and fair (Fletcher & Chartered Institute of Personnel and Development, 2004, p. 139). 3. Training and Development—It is widely believed that training can lead to strong performance improvement. In other words, training and development a necessary way to raise working efficiency (Laird, Naquin &

Holton, 2003, p. 300). 4. Pay and Rewards—This part is also an important aspect for HR practice. Performance-based pay is used in most of the cases.

It is usually based on outcome and performance of employees. If a worker's outcome is higher than expected, a salary raise is available, and vice versa. Employees work hard under the stimulus of pay and reward system (Jackson, Schuler & Werner, 2009, p. 403). Best Practice and Best Fit There are two approaches which link to HRM activities. The two approaches are 'best-practice' approach and 'best-fit' approach (Pilbeam & Corbridge, 2006, p. 44). Each of which is inspected below. Best practice approach makes enterprises adopt HR policies. And it is more possible that HR practices can create a high commitment workplace.

It will improve organization performance (Nickson, 2007, p. 11). According to Pfeffer (1998), people should be the key and given top priority, and not the profits. The 'best-practice' approach is very similar with the 'soft' HRM model. There are seven factors of successful organizations, which include:

1. Employment Security—this is the basic or fundamental for high-performance management practices, such as training, information sharing and selective hiring. Companies are afraid to training new people. The reason is that it costs a lot of manpower, financial power and material resources. However some people are not expected to stay long. Then, the company will not keep investing heavily.
2. High Compensation Contingent on Performance—Compensation can be done depends on the organizational performance. For instance, gain profit sharing, or individual or skill individual or team performance.

3. Selective Hiring—It requires that the organization should have a good skill and judgment to recruit the right person. The goal is to meet and satisfy organization's needs. The organization also trains people according to the individual features and behaviors. Ensure all of employees are brought into fullest play. 4. Self-managed Teams—It is the key part of high-performance management systems. They use hierarchical control of work rather than peer-based control, and permit individuals put ideas together for the benefit of organization. 5. Training—It is obvious that training provide a skilled and motivated workforce, which aims to help the enterprise accomplish the purpose successfully. 6. Reduction of Status Differentials—The abilities of make rational use of skills, ideas is vital important. That makes the performance of organization remains steadily.

7. Sharing Information—It is an essential part of high-performance work systems. The most important reason is that sharing of information on the firm's performance and strategies make employees consider that they are trusted. In addition, there is no sense that training or motivating employees if they don't gain the key information. Comparing with best practice approach, best fit approach is closely related organization's strategy and structure. Fombrun (cited in Pilbeam & Corbridge, 2006, p. 50) indicated that a perfect HR system could result in increased profits.

And HR system should be geared to business strategy. Kochan and Barocci (cited in Marchington & Wilkinson, 2005, p. 100) used life-cycle models to show why employees adopt diverse policies. The activated process of this model is analyzed. The processes mainly include four stages: start-up,

growth, maturity and decline. In the first stage, to secure the development of organization, a strong commitment and flexibility is fundamental. The supervisors must retain and motivate employees to work. When it comes to the growth stage, new procedures are established according to the need of social development.

At the same time, the strong commitment should be kept and retained. As markets begin to mature, it would be more attentive to the costs of labour. Workers may be dismissed by company. In the last stage—decline stage, there are many problems which appear. Employees would experience pay cut. And training tends to re-skilling (Marchington & Wilkinson, 2005, p. 100).

**Hard and Soft HRM** There are two different models of HRM. They are hard and soft HRM. Hard HRM is described as ‘an instrumental and economically rational approach to human resource management’ (Nickson, 2007, p. 9).

It pays more attention to the importance of ‘strategic fit’. In other words, HR policies must be linked to business strategy. Specifically, human resources are same as the other resources for organization. Human resource can be calculated as same as other resources. The organization could exploit and control them to the maximum level in order to obtain maximum profits (Brewster, 2005, p. 9). On the other hand, the soft version is seen to be ‘much more about adopting a humanistic and developmental approach to human resource management’ (Nickson, 2007, p. 9). Personnel policy is closely interconnected with strategy.

It is based on high level of democratization and managerial commitment to employees. The importance of human resource is dug out fully. The

Company always regards HR as the most significant strategic resources and solicits and trains various professionals extensively. It means that the organization earns high trust, collaboration, high commitment and high productivity from employees (Brewster, 2005, p. 9). Walton (1985, p. 79) indicates that " a model that assumes low employee commitment and that is designed to produce reliable if not outstanding performance simply cannot match the standards of excellence set by world-class competitors".

And the choice between a strategy based on control and a strategy based on commitment is discussed. Through the discussion from the two aspects mentioned above, it can be find out that ' hard' HRM treats human resource as an ordinary resource and focuses on strategy, while ' soft' HRM more concerns the commitment and adaptability (Brewster, 2005, p. 9). Hard and soft HRM approaches provide two different choices for manager. A gap between rhetoric and reality is embodied in hard and soft HRM. The gap between rhetoric and reality

It can be seen that ' soft' HRM is more suitable for the purpose human resource management in theory, because Soft HRM concerns on individual development. It emphasizes the importance of employees. They can contribute to organizational goal by developing their abilities and getting a sense of satisfaction and achievement (Armstrong, 2000, p. 7). Nevertheless, there is a gap between policy rhetoric and reality. The HR models are not correctly applied and constantly developed in practice most time. Organizations' behavior and practice is inconsistent with HRM rhetoric totally. There are several reasons for this problem.

The primary reason is that the reality environment is more complicated and changeable and limited support from manager. Vaughan (1994, p. 26) suggests that " HRM rhetoric communicates an attractive image of people trusting each other, sharing risks and rewards, and united by a strong feeling of identity, but it gives little sense of the impersonal economic rationalism that characterizes management thinking in the real world". It is likely that the rhetoric is ineffective (Nickson, 2007, p. 15). It is reasonable that there is a gap between policy rhetoric and reality. Rhetoric is soft model whilst it appears not in reality.

The soft model focuses on commitment; while the reality pays more attention to strategic control, which is similar to the hard model. The organization will be confronted with the credibility and reputation problem of HRM if using rhetoric model because of the huge cost on employees. Therefore, soft HRM would be used in rhetoric whereas hard HRM is applied in reality. Control or Commitment The importance of commitment put first forward by Walton (1985). In his opinion, he believed that commitment strategy is more rewarding approach to HRM and Pfeffer's (1998) best practices model, compared with the control model.

It will increase efficiency and bring about the improved performance. In Walton's (1985) paper, control strategy was not effective, because it was based on the assumptions about the nature of contemporary work and workforce. On the other hand, the labor turnover is pretty low based on commitment. The reason is that workers can acquire more reward and a sense of satisfaction through the improved performance. It means that the



commitment model is likely more effective in organization. The commitment model is based on the organizational environment.

Recruitment process must fit in with the needs of organizational culture. Employees are highly respected and trust. As a result, productivity and efficiency is increased. What's more, employees prefer to share information with others (Martocchio, 2008, p. 169). However, there are still some problems in commitment model. The major problem of commitment model is the cost of commitment. A large amount of money and time is spent on employees, such as training, reward, security and so on. So it has credit with people (Martocchio, 2008, p. 169). Philosophy

From the reasons presented above, it is not completely correct that HR Resourcing represents a collection of practices for the control of individual employees in organizations. On one hand, Success in the knowledge-based economy of the 21st century depends heavily upon the availability of talents and skilled manpower at all levels. Soft HRM is based on high level of commitment to employees and employees are valued human assets and a source of competitive advantage. But hard model more concerns on control, which means that human resource is a cost, just likes the other resources for organization (Brewster, 2005, p. ).

For instance, the soft model suggests that individuals are worthy of training and development while the hard model implies that individuals are a cost which should be minimized. Therefore it is accurate that maximal training would come about in organizations following a soft HRM. As a result, individuals have the abilities to accomplish their works for the purpose of

improve organizational performance. This is one aspect of the matter. On the other hand, the difference between rhetoric and reality should be considered. There is a real phenomenon: organizational rhetoric is "soft" whilst reality tends to "hard".

It is widely known that organizations are focuses primarily on productivity improvement and benefits. Enterprise behaviors focus on control rather than elicit commitment of employees. To achieve this objective, the working hours of works are longer and work has been strenuous. This enterprise behavior may be considered as hard HRM, which is also a control. However, while improving profits, this should cause the stress and dissatisfaction of employees. If the situation goes on like this, enterprise will lose the trust and commitment from employees (Gill, 1999).

Consequently, both soft HRM and hard HRM are adopted by organization. In conclusion, owning a large scale of outstanding human resources is the most precious resources of company. In ideal status, soft HRM is more effective. That means commitment strategy is more rewarding approach to HRM. But organization can not apply soft HRM completely because of the complicity of reality. At the same time, soft model has its own incomparable superiority and possibility exists. HRM should be fundamentally soft or commitment in HR practice. Nevertheless, it also requires the support and limit of hard HRM.

Thus, HR Resourcing represents a collection of practices for the control of individual employees in organizations which is one-sided and partial.

Conclusion To sum up, the results of this article implies that rhetoric would strongly link to soft HRM and reality would be supported with hard HRM. This

study found that organizational rhetoric is "soft", which focus on treating employees as valued assets and a source of competitive advantage through their commitment, performance and skill. The "hard" model considers that employees are construed as an element of production.

In reality, organizations mix 'soft' and 'hard' HRM. The human resource is a factor of production and investment, and organizational practices put more attention on control rather than commitment of employees. However, hard HRM is not the sole constituent part for HR practice. There are some surveys which support that soft HRM and commitment is increasing. According to the exploring above, the conclusion is that it would be better to modify the view as: HR Resourcing represents a collection of practices for the control and commitment of individual employees in organizations.