

# Essay on human resources and management

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



## **Management**

### Introduction

Human resources is possibly the most valuable and unique amongst the various assets of an organization. Leon C. Megginson defines the term human resources as the entire workforce, along with the individual values, attitudes as well as beliefs. Management as a process comprises of various activities “ like planning, organizing, staffing, leading and controlling” which eventually facilitate the accomplishment of the long-term objectives of the organization. All the above said activities are got done through resourceful utilization of the organization’s human resources in different ways.

The management of human resources is perhaps one of the most challenging fields of contemporary management and business. It takes a whole load of things like an effective work force being built, handle the expectations of the thus built team and ensure best performance by the team in order to be an effective manager. It is also pertinent that the manager takes into account the responsibilities of the organization to the society in which the firm operates.

Competent managers and workforce are vital for the harmonization of efforts towards the eventual objectives which guarantee the endurance of the organization. Though such harmonization alone cannot guarantee victory, the lack of the same could obviously lead to collapse.

The business environment has become very fluid and turbulent in the recent times. This is principally true in most of the emerging economies globally today. The markets have become highly competitive and businesses have been forced to become more service-oriented. This being the scenario, it is a

very challenging task to attract, mould, develop and retain valuable human resources.

The expectations of the employees have also increased as more and more of them belong to the category of knowledge workers. They are in demand and they are in a position to choose their employer, and none except the best would do.

This paper critically analyses the statement that states that an organization's reward system can assist in the success of the organization success

## **Employee Relation and its significance**

Maintaining constructive relationships with the workforce is of vital important to every organization as this would have spin-offs on the eventual productivity and performance levels of the employees.

## **Maintaining Effective Communication**

There exists a lot of difference in employees in terms of their individuality, their requirements, anticipations, and performance. When requirements or their expectations are not met or achieved, it results in dissatisfaction. It is not easy for the management to satisfy and motivate every individual employee always.”

There can be numerous causes that might yield to dissatisfaction amongst the workforce. For instance, not being able to get a promotion or an increase in pay that would have been a long desire to the employee can lead to dissatisfaction and discontent. This despondency eventually turns out to become grievance when it is brought to the management's notice in an appropriate manner.

Tracking the grievances of employees will aid the organization to review the various policies and procedures that are in place, so that similar issues can be avoided in the future while also maintaining cordial relationship with the workforce.”

## **HRM and Industrial Relation**

The concept of personnel management essentially relies on the fundamental premise that if workers were to be managed they had to be constantly supervised. One of the premises was that all human beings are equally productive. And the most common result was punishment or loss of job when the productivity was not up to the desired standards.

With the unionization of the work-place, formation of unions at work, greatly contributed to the development of “ Labor Managers” at work place aimed at managing the industrial relationships. As the wars changed the industrial relations scenario and strikes were declared illegal, the importance of Industrial Relationships grew by leaps and bounds.

As the realization of the importance of Human Relations Approach increased and the fact that human productivity is also influenced by various factors like organization setting, motivation, work place conditions, and finally the need to align business goals with the employees’ needs. Instead of looking at business goals and employee needs being in direct conflict with each other but being mutual and compatible is the foundation on which the modern HRM is based on.

The major factors that influenced the movement from the Personnel Relations to HRM is the movement from collectivism to individualism, as also

the radical legislative changes that were undertaken in those times primary one being the banning of sympathetic work striking. Essentially both the principles are fundamentally aimed at improving the employee productivity and thereby boosting the top-lines (then – which meant direct impact on bottom lines) and better value delivery to the stake holders (now).

One way to encourage and retain employees is having as systematic program of career planning and development in place within the organization. Employees thereby feel concerned for and as a result become further motivated and dedicated. Organizations should thus offer training which helps in retaining proficient employees.

## **Reward System and Performance Appraisal (PA)**

### Purpose of PA

The most obvious reason to have a PA system is to incentivize performance and spur non-performers to perform ahead. The other important objectives that get met in the course of a PA system are to set clear goals for the next PA cycle. A very interesting sub-objective, but when viewed in isolation a major objective, that gets satisfied in a good PA system is to capture the learning needs of the organization. In practice the PA interview that could last anywhere between 30 minutes to 120 minutes is possibly the most critical time for employee retention, communication with the employee, and positive stroking for the employee. Compensation structuring can be undertaken and is discussed in greater length soon.

## **PA Method**

There are various methods of PA. The oldest and the most archaic system, still actually prevalent in certain industries is the confidential report method. In this method the immediate supervisor of an employee straight away ranks the performance of an individual without any reference to the employee what so ever. This system has a great scope for personal biases to creep in and destroy a transparent culture within the organization and strongly NOT recommended.

Then we have the KRA method wherein the KRAs are fixed before the period of review and are jointly reviewed between the supervisors and the employee and then ratings are accorded for each KRA. The final rating is left to the discretion of the supervisor, but based on the ratings mutually agreed on.

Then we have the most spoken method in vogue in vary many industries now is the 360 degree method wherein a peer, a customer and a supervisor together review and mark the performance of an employee.

Then we have the IBM method wherein, every employee fills in a weekly “value addition” report and files it with the supervisor. This is the report in which the employee report what value addition has been contributed by that employee over the week. This method needs a very high investment on IT for it to be successful and secondly is pretty cumbersome for the employer and employee to sit and reconcile 52 weekly reports. This is where the IT comes in. But still is very cumbersome and the limiting factor is the written communication skill of the employee.

## **Who does the appraising?**

In any method of appraisal, every stakeholder of the organization does the appraisal or at least gives inputs for the appraisals. The stakeholders include the immediate supervisor, peers, juniors, customers, and vendors for each position in the organization. This usually becomes a multi-dimensional matrix of appraisers for each position, each one of them contributing specific positional inputs into the appraisal system giving individual perspectives, for whom the appraisal is taking place and also neutralizing personal biases and other subjective elements of a typical appraisal system.

## **The performance review interview**

The performance appraisal interview is conducted by the immediate supervisor for every employee. The appraisal interview happens after inputs have been gathered from all the relevant sources along with objective analysis of the inputs thus received.

## **Conflicts in the appraisal interview process**

There would possibly be conflicts at various points in the performance appraisal process. However, the way the process is being designed by taking objective inputs from stakeholders of every position aims to substantially minimize these possible conflicts. However, in view of the fact that conflicts may arise, an extensive education program in the form of hand-outs and reading material have been specifically passed on to all the employees across the organization to resolve conflicts and handle them healthily.

## **Improving Employee Performance**

The PA system, the work ethic, as well as the overall environment of the organization is so designed that it aims to catalyze employee performance on and off the jobs. This creates a great work environment while creating value for money prepositions for the client. The carefully designed and nurtured work ethic of the organization also ensures creating the best value for money preposition as well as customer WOW experiences. All these are in total alignment with the business objectives of an organization.

## **Managing Unsatisfactory Performance**

In the unfortunate event that this kind of a fertile and healthy environment does not spur performance in an individual, there could still be two perspectives. The first being that not enough is being done to encourage great employee performance; factoring for this particular scenario employees not performing well enough are put on probation and moved to a different supervisor. The second scenario being, despite probating, shift of supervisors, and ample encouragement, employees failing to deliver optimal productivity and WOW customer experiences are often asked to leave the organization.

## **Conclusion**

Very active PA system in an organization must be the one to encourage performance and be an extremely positive experience for all the employees. The reward system must be taken as an opportunity to objectively evaluate and assess productivity, on-job performance, attitudes, and potential for each employee. Utmost care and caution must be exercised to ensure there



is no development of personal animosities and the entire exercise must be seen as a professional assessment of performance rather than individual settling of scores against one another.

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