

# Marketing financial production flashcard



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Legal and regulatory issues include civil rights legislation and laws covering safety and health, plant closings, and government deregulation in industries (Korman & Kraut, 1999). HRM policy and practices are primarily controlled by laws such as the policy on the maximum number of working hours, the minimum wage, the benefits that should be given to employees, as well as the practices to ensure safety at workplace and protection of women and minorities in the workplace.

Labour unions, security of tenure, taxes and equal employment opportunities are also covered by laws. Government created different agencies that monitor companies to ensure that their HRM practices followed the laws accordingly. Technology involves the obvious and subtle shifts caused by new products such as computers, fax machines, cellular phones, fiber optics, robots, space satellites, and various drugs and medicines (Korman & Kraut, 1999). Technology allows the use of automation, industrial robots and information technology in an organisation with the primary purpose of improving the work process. Technological innovation is the only way through which business organisations can develop new products and services while improving the existing ones (Anonymous, 2006) especially when competing in the international market where product life cycle has become significantly shorter in most industries such as electronics, computer, semiconductor and others. Technology also provides a basis for an organisation to attain the productivity and quality it needs to gain a competitive advantage (Anonymous, 2006) thus it usually posed organisational change.

Organisational change requires HRM to address alignment of employees' skills and competence to the technology used by the organisation. That is, as processes, technology and quality improve its human resources are capable of adapting to such changes. However, many firms are experiencing failure rate of about 50 to 70% when attempting to implement information management technology primarily due to neglect interface between the technology and the people in the workplace (Sarah & Sebastian, 1992).

Technology also poses threat to other members of the business organisation.

According to Bailey & Cotlar (1993), managers are finding their jobs redefined or eliminated as technology takes on more function functions and requires fewer personnel to perform certain tasks. Thus introduction of technology requires HRM to train and upgrade the technological skills and competence of employees at all levels in the organisation. Such employee development may include trainings on how to use a new equipment, how to perform the latest production processes, and the study and investigation of a new managerial practice. Attitudes and values which is the fifth factor mentioned by Korman & Kraut (1999) refer to subjects as varied as the psychological contracts formed with employers, notions about careers and commitment, feelings about extending employer benefits to cover unmarried partners, and others (Korman & Kraut, 1999). This factor is not a part of an organisation's external environment but of its internal environment.

The attitudes and values are basically the source of HRM practices in motivating employees and managing organisational behaviour. The attitudes and values of workers dictate their needs and the things that can satisfy them and make them happy with their jobs. However, as the attitudes and

values changes the needs of employees also changes thus the motivational practices used by HRM today will not be effective tomorrow. For example, when a single male employee got married, his needs will definitely change that when before he was motivated by short term financial rewards, after getting married, he will then be motivated by long-term rewards such as insurance and benefits or promotion.

Moreover, the management of psychological contract which is defined as “ the perceptions of both parties to the employment relationship- organization and individual- of the reciprocal promises and obligations implied in that relationship”, Herriot & Pemberton (1997) is part of HRM. Schalk & Rousseau (2001) added that “ the management of psychological contracts is a core task for firms that attempt to develop “ people-building” rather than “ people-using” organizations in an organisational climate characterised by trust”. Psychological contracts then involved effective communication between the organisation and its members. When an organisation has communicated its objectives and the direction it would like to take, HRM them must take the role of determining the needs and personal objectives of employees that should be met in order for the employees to function effectively for the attainment of both parties’ objectives. Through effective management of organisational behaviour and psychological contracts, a company culture and organisational identification are created which are important in making employees committed and improved cooperation.

Conclusion Human resource management does not operate in vacuum because the practices involved in its operation consider the internal and external environment of the business organisation. A firm’s external and

internal environment dictate how HRM should function depending on how the entire organisation, including the other aspects of a business such as marketing, financial, production and others, address the changes in its environment. References: Armstrong M. (1999) A Handbook of Human Resource Management Practice, Kogan Page, London Beardwell & Holden (1997), Human Resource Management: A Contemporary Perspective, London, Pitman Briscoe, Dennis & Schuler, Randall (2004) International Human Resource Management: Policies & Practices for the Global Enterprise.

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