

Organizational Effectiveness and Strategic HR

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Abstract

The primary actions of the strategic human resource manager is to translate business strategies into HR priorities. HRM is a strategic approach to the acquisition, motivation, development and management of the organization's human resources.

It is a specialized field that attempts to develop an appropriate corporate culture, and introducing programmes which reflect and support the core values to the enterprise and ensure its success.

The techniques for the application of HRM will include much familiar function of personnel managers, such a manpower planning, selection, performance appraisal, salary administration, training and management development. These will be overlaid by special programme designed to improve communication systems, involvement commitment and productivity.

Keywords: Introduction of HRM; Concept of Strategy; Importance; Significance of HR policies and practices; Organization structure and HR department.

Introduction

Human resource management is process of bringing people and organizations together so that the goals of each are met. It is that part of the management process which is concerned with the management of human resources in an organization. It tries to secure the best from people by winning their wholehearted cooperation. In short, it may be defined as the art of procuring, developing and maintaining competent workforce to achieve the goals of an organization in an effective and efficient manner.

In its essence, HRM is the qualitative improvement of human beings who are

considered the most valuable assets of an organization the sources, resources and end-users of all products and services.

HRM is no doubt, an outgrowth of the older process and approach. But it is much more than its parent disciplines viz., personnel management, and behavioral science.

HRM is also more comprehensive and deep-rooted than training and development. Its approach is multi-disciplinary from the beginning to the end. It is a scientific process of continuously enabling the employees to improve their competency and capability to play their present as well as future expected roles so that the goals of the organization are achieved more fully and at the same time the needs of the employees are also met to an adequate extent.

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The Concept of Strategy/Strategic HRM

Strategy determines the direction in which the organization is going in relation to its environment. It is the process of defining

intentions (strategic intent) and allocating or matching resources to opportunities and needs (resource based strategy), thus achieving strategic fit between them. Business strategy is concerned with achieving competitive advantage. The effective development and implementation of strategy depend on the strategic capability of the organization, which will include the ability not only to formulate strategic goals, but also to develop and implement strategic plans through the process of strategic management. Strategy is about implementation, which includes the management of change, as well as planning like:

1. A plan, or something equivalent a direction, a guide, a course of action;
2. A pattern, that is, consistency in behavior over time;
3. A perspective, an organization's fundamental way of doing things;
4. A ploy, a specific 'manoeuvre' intended to outwit an opponent or a competitor.

The formulation of corporate strategy can be defined as a process for developing and defining a sense of direction. It has often been described as a logical, step by step affair, the outcome of which is a formal written statement that provides a definitive guide to the organization's long term intentions. Many people still believe that this is the case, but it is a misrepresentation of reality.

In practice the formulation of strategy is never as rational and Linear. A process as some writers describe it, or as some managers attempt to make it. Strategy formulation is not necessarily rational and continuous. In theory, strategy is a systematic process: first we think, then we act; we formulate then we implement. But we also 'act in order to think'.

In practice, 'a realized strategy can emerge in response to an evolving situation' and the strategic planner is often 'a pattern organizer, a learner if you like, who manages a process in which strategies and visions can emerge as well as be deliberately conceived.

Importance of Human Resource Management

People have always been central to organizations, but their strategic importance is growing in today's knowledge-based industries. An organization's success increasingly depends on the knowledge, skills and abilities (KSA) of employees, particularly as they help establish a set of core competencies that distinguish an organization from its competitors.

With appropriate human resource policies and practices an organization can hire, develop and utilize best brains in the marketplace, realize its professed goals and deliver results better than others.

Human resource management helps an organization and its people to realize their respective goals thus:

At the Enterprise Level

Human Resource Management can help and enterprise in archiving its goals more efficiently and effectively in the following ways:

1. Attracting and retaining the required talent through effective human resource planning, recruitment, selection, placement, orientation, compensation and promotion policies.
2. Developing the necessary skills and right attitudes among the employees through training, development, performance appraisal, etc.
3. Utilizing effectively the available human resources.
4. Securing willing co-operation of employees through motivation, participation, grievance handling, etc.
5. Ensuring that the enterprise will have in future a team of competent and dedicated employees.

At the Individual Level

effective management of human resources helps employees thus:

1. It promotes team work and team spirit among employees.
2. It allows people to work with diligence and commitment.
3. It offers excellent growth opportunities to people who have the potential to rise.

At the Society Level

Society, as a whole, is the major beneficiary of good human resource practices. Hence sound human resource management has a great significance for the society. It helps to enhance the dignity of labor in the following ways:

1. Providing suitable employment that provides social and psychological satisfaction to people.
2. Maintaining a balance between the jobs available and the jobseekers in terms of numbers, qualifications, needs and aptitudes.
3. Eliminating waste of human resources through conservation of physical and mental health.
4. Human resource management also helps in multiplying employment opportunities.
5. With the help of HRM scarce talents are put to best use. Companies that pay and treat people well always race ahead of others and deliver excellent results.

At the National Level

Human resource and their management play a vital role in the development of a nation. The effective exploitation and utilization of a nation's natural, physical and financial resources require an efficient and committed manpower. There are wide differences in development between countries with similar resources due to differences in the quality of their people. Countries are underdeveloped because their people are backward. The level of development in a country depends primarily on the skills, attitudes and values of

its human resources. Effective management of human resources helps to speed up the process of economic growth which in turn leads to higher standards of living and fuller employment.

Significance of Human Resource Policies and Practices

Human resource policies and practices are very much important for an organization to function effectively. The organization must have an appropriate combination of Human Resource, money, material and machines. Human resource policies include the way in which organization deals with its man power. In other words these policies offer the general standards or parameters based on which decisions are made regarding Human Resource.

These policies serve as a road map for managers on a number of issues such as recruitment (the job for physically challenged only), selection (selection based on merit only), promotion (performance leads to promotion) and compensation.

Human resource policies and practices are beneficial for both the organization and its employee as follows:

For Organization

1. Good HR policies and practices help in developing the necessary skills and right attitudes among the employees through training development and performance appraisal etc.
2. HR policies and practices help in utilizing effectively the available human resources.
3. Good HR policies and practices are also helpful in securing willing cooperation of employees through motivation, participation and grievance handling etc.
4. Good HR policies and practices also ensure the organization will have in future a team of competent and dedicated employees.

For Employees

1. Sound HR policies and practices provide a work environment to the employee where they can develop themselves independently.
2. Good HR policies help in maintaining healthy relationships between individuals and different work groups.
3. With the help of good HR policies work allocation is made properly which give employees a kind of satisfaction.
4. Good HR policies and practices help in overall development of an employee.

Organization Structure and HR Department

In an organization structure, Human Resource Department has its own importance. The internal structure of a Human Resource Department depends on various factors such as nature and size of the organization, managerial preference to structure operation clearly, external forces etc. small firms have only a single section, headed by a personnel officer taking care of everything.

Human Resources Department: Role within the Organization:

The existence of a human resources department is vital to overall productivity and efficiency of the strong workforce in any thriving company. In most professional organizations, the role of the human resources department is not sidelined or eclipsed by other departments. In fact, good human resources can be one of the most valued and respected departments in an organization; their job is people, and people are the company's most important asset.

Yet while nearly everybody seems to implicitly understand the importance of an effective human resources department in the workplace, one might be hard pressed to find an employee at any level who could comprehensively describe everything that these professionals actually do.

That is because one of the major roles of a

human resources department in a successful business involves a lot of observation and analysis from behind the scenes. Indeed, the intelligence of the human resource department often involves what can be likened to "crunching numbers."

Compiling complex data and metrics that follow the performance of individual employees, as the move through the workforce is an important task, which has helped human resources, work out crucial solutions to inefficiency, sagging profit margins and more.

Due to the sensitive nature of human relations and the work that human resource departments must carry out, discretion is a crucial element to this field. That's because the management of performance can often involve tough decisions such as choosing who to let go, who to promote and who to hire. Keeping the decision making process behind closed doors is an ethical practice that breeds the least amount of contention possible.

But how are these decisions made? Nearly every employee today should be able to relate to the hiring process and the term review interviews that come with starting out and maintaining a job almost anywhere. Yet what the employee sees in these interviews is really just the tip of the iceberg in when it comes to the vast amount of work done by human resource specialists.

Indeed, performance management, message creation, job recruitment and promotion decisions take countless hours of observation and data analysis that result in the most beneficial decisions in the end. Just the 3 month review for new employees can reveal the fact that a lot of careful observation has gone into the job performance and training adaptation evaluation.

This means that a human resources specialist has been taking notes and methodically charting employees' progress in the most efficient and professional manner possible. It's not that easy, yet the work is essential to any company's optimized success.

Human Resources Policies and Practices-1

Emerging from years of downsizing and restructuring, and with a new appreciation for the value of their human resources, many organizations are moving rapidly to embrace a new approach to the management of human resource (HR) process. Job analysis helps to understand the qualities needed by employees, defined through behavioral descriptions, to provide optimum work performance. These qualities range from personality characteristics and abilities to specific skills and knowledge.

A job analysis provides an objective picture of the job, not the person performing the job, and as such, provides fundamental information to support all subsequent and related Hr activities, such as recruitment, training, development, performance management and succession planning. Job analysis serves two critical functions with respect to these processes.

Job analysis helps ensure that decisions made with respect to HR processes are good decisions i.e., fair and accurate (e.g., selections of the right parson for the job, appropriate decisions about training, performance management, development, etc.) and it helps ensure the defensibility of decisions made to employee (resulting in good HR management) and to the courts (resulting in saving of costs, time and reputation). Job Analysis is a process to identify and determine in detail the particular job duties and requirements and the relative importance of these duties for a given job. Job Analysis is a process where judgments are made about data collected on a job.

Purpose of Job Analysis

The purpose of Job Analysis is to establish and document the 'job relatedness' of employment procedures such as training, selection, compensation, and performance appraisal.

Determining Training Needs

Job Analysis can be used in training/"needs assessment" to identify or develop:

- Training content
- Assessment tests to measure effectiveness of training
- Equipment to be used in delivering the training
- Methods of training (i.e., small group, computer-based, video, classroom...)

Compensation

Job Analysis can be used in compensation to identify or determine:

- Skill levels
- Compensable job factors
- Work environment (e.g., hazards; attention; physical effort)
- Responsibilities (e.g., fiscal; supervisory)
- Required level of education (indirectly related to salary level)

Selection Procedures

Job Analysis can be used in selection procedures to identify or develop:

- Job duties that should be included in advertisements of vacant positions;
- Appropriate salary level for the position to help determine what salary should be offered to a candidate;
- Minimum requirements (education and/or experience) for screening applicants;
- Interview questions;
- Selection tests/instruments (e.g., written tests; oral tests; job simulations);
- Applicant appraisal/evaluation forms;
- Orientation materials for applicants/new hires

Performance Review

Job Analysis can be used in performance review to identify or develop:

- Goals and objectives
- Performance standards

- Evaluation criteria
- Length of probationary periods
- Duties to be evaluated

Methods of Job Analysis

Several methods exist that may be used individually or in combination. These include:

- Review of job classification systems
- Incumbent interviews
- Supervisor interviews
- Expert panels
- Structured questionnaires
- Task inventories
- Check lists
- Open-ended questionnaires
- Observation
- Incumbent work logs

Recruitment

According to *Edwin B. Flippo*, "Recruitment is the process of searching the candidates for employment and stimulating them to apply for jobs in the organization". Recruitment is the activity that links the employers and the job seekers. A few definitions of recruitment are:

A process of finding and attracting capable applicants for employment. The process begins when new recruits are sought and ends when their applications are submitted. The result is a pool of applications from which new employees are selected.

It is the process to discover sources of manpower to meet the requirement of staffing schedule and to employ effective measures for attracting that manpower in adequate numbers to facilitate effective selection of an efficient working force.

Recruitment of candidates is the function preceding the selection, which helps create a pool of prospective employees for the organization so that the management can select the right candidate for the right job from this pool. The main objective of the recruitment

process is to expedite the selection process.

Hence it can be said that Recruitment is a continuous process whereby the firm attempts to develop a pool of qualified applicants for the future human resources needs even though specific vacancies do not exist. Usually, the recruitment process starts when a manager initiates an employee requisition for a specific vacancy or an anticipated vacancy.

The ultimate aim of any recruitment process is to bring in good-quality new employees by the most objective, cost-effective and swift means possible. The appropriate use of IT can help a company to achieve this goal, but this Study also highlights the durability of traditional recruitment methods and stresses the importance of the human role in selection decisions.

When choosing which selection methods to use, it is important for a company to strike a balance between gaining a rounded view of the candidate and not using any more procedures than are strictly necessary. The organizations featured in this Study adopt a variety of selection tools, with many placing an increasing emphasis on the initial screening of applicants to filter out unsuitable candidates as early as possible. Thereafter, the face-to-face interview - now increasingly structured and competency-based - remains at the heart of most employers' recruitment processes, supplemented where necessary by psychometric tests and a full assessment centre approach.

Sources of recruitment

The sources of recruitment may be broadly divided into two categories: internal sources and external sources. Both have their own merits and demerits. In the selected public sector enterprises both the sources are adopted;

Internal sources

Persons who are already working in an organization constitute the 'internal sources'. Retrenched employees, retired employees, dependents of deceased employees may also

constitute the internal sources. Whenever any vacancy arises, someone from within the organization is upgraded, transferred, promoted or even demoted.

External sources

External sources lie outside an organization. here the organization can have the services of: (a) Employees working in other organization; (b) Job aspirants registered with employment exchanges; (c) Students from reputed educational institutions; (d) Candidates referred by unions, friends, relatives and existing employees, (e) Candidates forwarded by search firms and contractors; (f) Candidates responding to the advertisements, issued by the organization; and (g) Unsolicited application/walk-ins.

Methods of recruitment

Promotions and transfers

Many organizations prefer to fill vacancies through promotions or transfers from within whenever possible. Promotion involves movement of an employee from a lower level position to a higher level position accompanied by (usually) changes in duties, responsibilities, status and value. The Tatas, the Birlas and most multinationals have fast-track promotion systems in place. Whereas in transfer employees are transferred from one department to another according to their efficiency and experience.

Job posting

Job posting is another way of hiring people from within. In this method, the organization publicizes job openings on bulletin boards, electronic media and similar outlets. Hindustan Lever introduced its version of open job postings in early 2002 and over 40 positions have since been filled through the process.

Training and development

Training often has been referred to as teaching specific skills and behaviors. Examples

of training are learning to fire a rifle, to shoot foul shots in basketball and to type. It is usually reserved for people who have to be brought up to performing level in some specific skills. The skills are almost always behavioral as distinct from conceptual or intellectual.

Development, in contrast, is considered to be more general than training and more oriented to individual needs in addition to organizational needs and it is most often aimed toward management people. There is more theory involved with such education and hence less concern with specific Behavior than is the case with training.

Usually, the intent of development is to provide knowledge and understanding that will enable people to carry out non-technical organizational functions more effectively, such as problem solving, decision-making and relating to people.

Hence we can say that training is most important function that directly contributes to the development of human resources. This also happens to be neglected function in most of the organizations. Recent surveys on the investments made by Indian organization of training indicate that a large number of organization do not even spend 0.1per cent of their budget on training.

Many organizations do not even have a training department. If human resources have to develop, the organization should create conditions in which people acquire new knowledge and skills and develop healthy environment is institutional training. Training is a short-term process utilizing a systematic and organized procedure by which personnel acquire technical knowledge and skills for a definite purpose.

Here we should not forget that technology is developing continuously and at a fast rate and to cope up with these tremendous changes in technology a systematic and well-planned training is always required. Organizations that do not develop mechanisms to catch up with and use the growing technology soon become stale. There are some other reasons also for which this training becomes necessary.

1. Employment of inexperienced and new labor requires detailed instruction for effective performance on the job.
2. Increasing use of fast changing techniques in production and other operation requires training into newer methods for the operatives.
3. Old employees need refresher training to enable them to keep abreast of changing techniques and the use of sophisticated tools and equipment.
4. Training is necessary when a person has to move from one job to another because of transfer, promotion or demotion.

Human Resources Policies And Practices-2

One of the most difficult functions of human resource management is that of determining the rates of monetary compensation in the form of salary and wages. It is not only complex, but significant both to the organization and employees. Employee compensation decisions are crucial for the success of an organization. From a cost perspective alone, effective management of employee compensation is critical because of the total operation costs. Another reason for studying compensation from the organization's perspective is to assess its impact on a wide range of employee attitudes and behaviors and ultimately influence key outcomes like job satisfaction, attraction, retention, performance, skill acquisition, cooperation, and flexibility.

A sound compensation structure must be based on job evaluation program in order to establish fair differentials in payments depending upon differences in job contents. Besides the basic factors provided by a job description and job evaluation, those that are usually taken into consideration for determining compensation structure are:

- The organization's ability to pay
- The cost of living
- The prevailing market rate

- Productivity
- Supply and demand for labor
- Job requirements
- Managerial attitudes
- Trade union's bargaining power
- Psychological and sociological factors

The compensation structure must be linked to what the company is trying to achieve. It is not unusual to find a company with a wage structure in direct conflict with the company's overall objectives. For example, a company may plan to produce a high quality product while at the same time; it may have a direct incentive geared to quality.

Conclusion

The ultimate objective of any Human Resource Policy made is to have a satisfied workforce. It is because of the reason that a satisfied workforce is helpful in achieving the goal of an organization. If we talk about Human Resource Management it is a strategic approach to the acquisition, motivation, development and management of the organization's Human Resources. In this present scenario Human Being is treated as assets to the organization. So for getting the work done from the Human Resource its proper treatment is also required.

Hence it can be said that workers or employees satisfaction should be on the priority of any organization whether public or private. But the question arises that how can we come to know about the satisfaction level of anybody because is a psychological phenomena. For getting the actual picture about the workers satisfaction at various level of operations and regarding various Human Resource Policy made by the management, employers should designed the questionnaire in a manner so that it could get it filled from the employee of the entire organization.

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