

## Overview of Human Resources Management

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**ABSTRACT:** In an organization, employees are the ones who are responsible for carrying out work activities involved in operational process. It is the key job of managers and HR professionals to organize the employees in order to bring effectiveness in their performances. This can be done only if the employees are viewed as invaluable assets and not just machines. Considering employees as assets is an integral part of modern HRM and human capital management.

**KEY WORD:** Overview HRM, Tools, Reference

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### I. INTRODUCTION AND LITERATURE REVIEW

Human resource management plays very significant role in ensuring the success of the organisation and also helps to improve its brand image which in turn helps the company or the organisation to sustain in the market for long. The following will help to provide a brief idea regarding the concepts of human resource management as well as management with respect to different organisation. These further deals with the case scenario provided and the organisation related to the same one of the organisations provided being the Chicken Master. The given organisation has been compared to the popular organisation Google, in order to get an idea about the recruitment and the selection policies of the same.

Figure 1: HRM overview tools



Differentiate between personnel management and human resource management giving examples in two suitable organisations:

#### i. Personnel management

- It is considered to be a traditional approach for managing the human resources within the organisation.
- It can be briefly defined as obtaining, utilising as well as managing a satisfied work force within the organisation.
- It mostly focuses on employee welfare, employee relations as well as personnel administration.
- It has limited scope than human resource management.

- Personal functions are mostly concerned with ensuring employee satisfaction.
- Personnel management is usually focussed on or concerned with satisfied employees as well as increased production of the company.
- For example: Personnel Management polices is commonly practiced by the Gazprom Group of Companies. It was mostly followed by the companies in the earlier times. However, it is considered to be less effective and less apt as well when compared to the human resource management.

#### **ii. Human resources Management**

- It is considered to a modern approach towards the management of the human resources within the organisations.
- It can be broadly defined as the formal systems of management which are employed for maximising the performances of the human resources or the employees.
- Its focus areas consist of staffing, growth, motivation as well as proper maintenance of the employees within the organisations (Van Buren, Greenwood and Sheehan, 2011).
- It has broader scope than human resource management.
- The administrative functions are usually concerned with the achievement of goals of the company or the organisations.
- Human resource management is mainly concerned with the effectiveness, productivity, organisational culture as well as participation of the employees.
- For example: Human resource management is followed by, Google. However, it is implemented or rather followed by most of the top companies of the world.

### **1.2 Research Objectives**

The main objective of the study was to examine how human resource management functions help your chosen organisation in achieving its functions.

### **1.3 Research Methodology and Data Analysis**

Human resources or the employees are most valued asset for the organisations and therefore it is essential to ensure the proper management of the same which will ultimately prove to be helpful in the achievement of the desired results of the organisation (Bratton and Gold, 2012). The most important functions of human resource management are recruitment, selection, training and development, payroll, employee relations, compensation management and employee engagement policies. Google is known for its effective management of the human resources and also makes relevant efforts to ensure the satisfaction of its employees. It believes in empowering its employees in order to ensure the achievement of the goals of the company and also follows a flexible organisational structure which helps to ensure smoothing functioning of the organisation and also provides opportunities to the employees to take the important decisions related to their job roles rather than taking permission from their seniors.

Google always believes in hiring the best talent for their team in order to derive expected results from the same. It also believes in paying unfairly (that is paying more to people who perform better) in order to motivate the employee to work harder in order to achieve the rewards or incentives from the company. It also pays equal attention to the worst as well as the best employees. The human resource management of Google even involves relevant training and development programs in order to ensure continuous development in the performance of the employees as well as to ensure easy implantation of change within the organisation as and when required. Google one of the most famous companies of the world and is probably the only one to use 'people analytics' in order to ensure effective and efficient management of the HR functions. After the successful implementation of People Analytics, Google became the third most valuable companies of the world.

Line managers play an important role in order to ensure successful implementation of the human resource policies within the organisation. Line managers for the HR department mostly employed in the large organisations where the number of people working is significantly huge. Line managers play a crucial role in the company Google as well which is indeed a tough as it becomes significantly difficult at time to manage the engineers. The important responsibility of the line managers includes the following:

#### **Employee Engagement:**

The line managers are responsible for supervising the employees and hence play a significant role in creating the organisational culture for the employees working for the organisation.

#### **Performance Appraisal:**

They are also responsible for assessing the performance of the individual employees and also for conveying the feedback to their senior managers.

**Maintenance of Discipline among the employees:**

Maintaining discipline within the work place is important to ensure the healthy as well as a secure work environment and also ensure easy implementation of the HR policies and the procedures.

**Compensation Management:**

It is the responsibility of the line managers to ensure that the payments received by the employees are as per the performance of the employees. Moreover, the performance ratings provided by the line managers can either increase the pay structure of the employees or can also decrease the same as well. In the search process, the following keywords were used: — human resource management and business performance:

- HRM and business performance,
- Human resource management and company performance,
- HRM and company performance,
- HRM systems and employee productivity,
- Human resource management systems and productivity,
- HRM and employee wellbeing,
- Human resource management and organizational performance,
- HRM and firm performance,
- Human resource management and firm performance

**II. LEGAL AND REGULATORY FRAMEWORK IMPACT ON HUMAN RESOURCE MANAGEMENT**

Legal and the regulatory frameworks have a significant impact on the human resource management of the company. The rules and regulations or the laws associated with the employment are important to maintain smooth as well as healthy relationships between the employees as well as the employers and is different for different countries as well. Thus, it is indeed become very essential to be well versed with the laws related to the employment or the HR policies in order to handle the legal issues efficiently and successfully. Some of the important laws which have an impact on the human resource management of the companies can be stated as follows:

- i. **The Civil Rights Act of 1964:** This Act is important for the organisations as it prohibits the employers or the owners of the company to discriminate against the employees or the workers on the basis of their gender, race religion as well as national origin. Thus, it ensures that the human resource managers of the companies are fair while recruiting employees for their respective organisations.
- ii. **Equal Employment Opportunity Commission:** It is a body which is responsible for enforcing the Civil.
- iii. **Rights Act, 1964**
- iv. **Equality Act 2010:** at Harrods anti-discrimination laws are practised to ensure fair treatment and equality of work for all irrespective of employee's race, religion, age, gender, disability, nationality etc. Thus, diversity of workforce is maintained at Harrods and equality is ensured based on merit.
- v. **National Minimum wage ACT 1998:** this law helps to ensure fair treatment and compensation management at Harrods depending on nature of work and performance. It states that an employee above 21 years is entitled to minimum wage of 6.50 pounds daily working on an average of 8 hrs irrespective of gender(Harzing and Pinnington, 2010).
- vi. **Employment ACT 2008:** this law ensures a structured payment, policies and entitled benefits for employees working in Harrods. Example, an employee is entitled to standardised pay, insurance, child care leaves, work time flexibility to ensure safety and job security.
- vii. **Working time directive 1998:** this law ensures that employee at Harrods are eligible to get 28 days paid leave annually, work 8 hours/day. Employers cannot force employees to work beyond working time and beyond 40 hours/week an employee is entitled to receive overtime payments.
- viii. **Trade union and Labour Relation ACT 1992:** this law states that strikes are legal if announced to observe trade disputes. Thus, in Harrods efforts are deliberately made to ensure strong employee relationship to avoid trade disputes and maintain a smooth running of organization.
- ix. **Work and Families ACT 2006:** this law states that in case of emergencies or illness an employee can avail 12 weeks paid leave annually and in case of maternity employees can avail 18 weeks of paid leave.
- x. **Data Protection ACT 1998:** this law states that any company information, trade secret and personal information of employees or client is subjected to be confidential information to be used for purpose of trade only by Harrods. These cannot be disclosed to any employees and any attempt of misconduct is treated as offence without consent or authoritative rights(Harzing and Pinnington, 2010).

### III. THE REASONS FOR HUMAN RESOURCE PLANNING

Human resource planning is very vital for the organisations as it helps to determine successfully the number of people required as well as the essential which are required to be possessed by them in order to ensure the growth and the sustainability of the organisation. HR demand forecasting as well as supply forecasting which are considered to be important components of the human resource planning help to fulfil the future human resource requirements of the organisation successfully (Boxall and Purcell, 2011).

It is mentioned in the given scenario that the employee turnover rate of the organisation was increasing rapidly as the organisation did not follow any human resource management policy. The importance of human resource planning for the organisation can be cited as below:

- It helps to determine the future manpower needs of the organisation
- It also proves to be helpful for the organisation to adapt itself in accordance with the changes that occur in the external environment
- It also proves to be helpful in recruiting talented and skilful personnel for the organisation
- It also ensures the development of the human resources within the organisations
- It also ensures appropriate as well as maximum utilisation of the human resources towards achieving the desired goals of the organisation
- It also minimises the chances of uncertainties regarding the human resources of an organisation

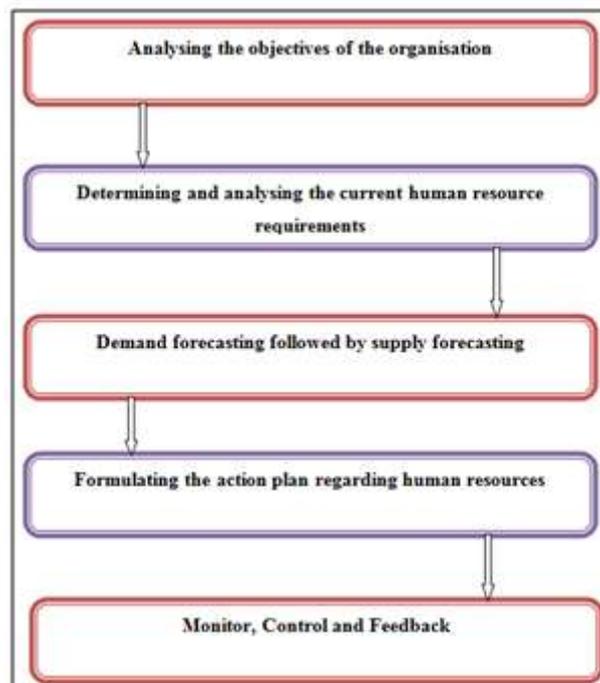
The major reasons for using as well as implementing the policies and the procedures related to the human resource planning are:

- To determine the number of employees required by the organisation
- To identify the skills of the employees that are essential for the organisation
- To identify the processes as well as the procedures which are essential for maximising the performances of the human resources
- To identify the ways that are essential for maintaining as well as retaining the employees within the organisations

### IV. THE STAGES INVOLVED IN PLANNING HUMAN RESOURCE REQUIREMENTS

Human resource planning can be defined as the process which helps to identify the current as well as the future manpower requirements in order to achieve the growth and success of the organisation. The steps involved in the process of human resource planning involve the following:

Figure 2: Stages of HRM



### **Identifying the objectives of the organisation as well as analysing them appropriately**

- This step mostly involves gathering the relevant data and identifying the future human resource requirements of various fields which may include marketing, finance and operations that form a part of the organisation

### **Determination or the inventory of the current human resource requirements**

- The updated data from the human resource information system must be collected in order to get an idea about the current employee capacity of the organisation, number of employees currently employed by the organisation, the level of performance as well as the potential of the employees of the organisation. Knowledge regarding all these things is very essential in order to fill up the available vacancies as well as to meet the future human resource requirements of the organisation

### **Demand and Supply Forecasting**

- It proves to be helpful in the appropriate estimation of the human resource requirements of the organisation in accordance with the different positions or the job profiles. It also ensures proper matching of the components of job analysis that is job specification and job description in order to ensure or rather facilitate the employment for the most appropriate candidate for the available vacancy within the organisation (KallunkiLaitinen and Silvola, 2011).

### **Formulation of the Action Plan**

- In order to develop an appropriate action plan it is first important to analyse whether the organisation is experiencing a surplus or deficit regarding the human resources. After analysing the present situation the action plan for the same must be drafted as to whether new recruitment policy is required to be framed or inter departmental transfer will be helpful, training, job rotation, voluntary retirement schemes or retrenchments, etc.

### **Implementation of the Action Plan**

- It involves monitoring, control as well as the evaluation of the effectiveness of the action plan for the organisation. The action plan is required to be strictly monitored in order to identify the deficiencies or issues if any regarding the same and to resolve the same successfully (Bloom and Van Reenen, 2011).

## **V. FINDINGS AND INTERPRETATION**

In contrast, there are studies that have argued the neutral or even negative impact of HRM on overall performance of companies. Namely, there is a possibility that overly formal approach to employee relationships may nullify the potential positive aspects of HRM systems. The main limitation of this research is the lack of categorizing articles by time periods and research samples. This would've shown how larger and smaller organizations are affected by HRM. However, the mentioned limitation is not severe and doesn't affect the main goal of this present paper. This study moderately contributes to the existing body of literature. It gives a concise view on HRM influence on business performance. In addition, a large set of other business metrics is also investigated such as employee wellbeing, employee productivity, and organizational climate. Certainly, there is room for further research. It is recommended to address additional sources regarding HRM practices and to add even more business metrics to create a larger "picture" of the HRM-business performance relationship.

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