

Lillian Matiza

ID: UB1820203BBU26036

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Human Resource Management: Purpose/Definition, Advantages, Disadvantages, Outsourcing, Recruiting/Selection, Improving Organizational Performance and how these benefit the organization.

Introduction.

Human resource management is basically a way of managing humans at their work place in search of performance and rating it well in order to also remunerate them well. According to Boxall *et al* (2007), HR is management of work and people in order to meet a desired end. In other words HRM is a systematic approach that consists of processes that are basically in all organizations, for example, selection, appraisal, rewards and development.

Armstrong, Michael and Boxall *et al* have similar views on the description of what HRM is all about. They both cover issues of selection and recruitment, reward management, learning and development, employee relations and many more.

Armstrong, Michael also adds issues of the roles of line managers and the function of HR.

Description.

Selection is the process of finding the right people for the right positions available or vacant in the organization. HR department is responsible for the recruitment and selection of these employees and they work together with the relevant department. These people or employees are selected with the basis of their resume and experience they have had. Also a background check on the experience should be done by the HR department and also by the manager.

Employment agencies or outplacement firms are used to help organizations recruit. There are quite a number of ways that an organization can use to recruit like open houses, newspaper inserts, online job placement sites, airplane banners and more. Arthur, Diane (2006) have in their book suggested some guidelines to use during recruitment. They suggest the organization should present itself as a conducive place for one to work and state all benefits and these have to be believable benefits. Also the organization must be specific on the attributes it seeks from the applicant and also use different sources to increase the chances of getting the right person. There should be no time to waste; once there is an opening whatever is needed should be done immediately. Lastly but not least show enthusiasm as this attracts applicants.

Appraisal involves performance management per employee. Managers and HR experts can work together to achieve greater results for the organization. For example some employees need to be identified first before being assigned jobs or a new task. Most employees can be qualified but without any long term goals or strengths to be in a certain place. Therefore the HR experts and the managers can work together to mentor and train in order to achieve great profits and results.

Employee rewards are some of the things that some organizations take for granted as even in the short term period or long term period employees still need to be appreciated and this is one great way of incentivizing the employees and growing the business performance. Development entails the development of high quality employees.

HRM aims at achieving goals through its employees hence good planning and the right talented people selection, good rewards, employee development, performance development are some of the attributes to be considered in the business in order to achieve favorable results. Armstrong, Michael state that HRM is there to help the organization achieve its goals through its employees. In other words the organization needs people to achieve its goals hence the necessity of HRM.

Armstrong also says HR is there to help the organization, this basically means that there is a direct attachment between the organization departments like the HR and the finance department. This is where issues of making profits, compensation and benefits are done by HRM experts working together with the finance department.

HRM is mainly concerned with people who are also the backbone of the organization. Strategic HRM monitors its people through observing and collecting, analyzing and reporting information that would give value to the people. HRM regards managing people as taking care of assets and emphasizes that it is important to invest in these assets through various programs like development programs. HRM can only achieve its goals through other departments of the business therefore a good business strategy must be put in place. HRM highly regards people as a strategic way and means to achieve its set goals and make value for money.

Armstrong, Michael in their book quote Nalbantian *et al* (2004) how he defines the importance of HCM. They say human capital as “the stock of accumulated knowledge, skills, experience, creativity and other and that it involves managing the organization effectively once the necessary are put into place”. HCM is about

creating value for the organization. Human Capital Management is there to see the value that the people bring to the organization and what impact they have as well. “Its purpose as well is to show that there is value for money like return of investment and it gives information that will inform strategies/practices designed to improve effectiveness of people management in the organization”, also to guide the HRMs future of strategies”. This shows that there is a close link between departments and HR. Armstrong, Michael also quote (Donkin, 2005), he says, “the prime purpose of human capital management is to establish an employment proposition that links the work of employees to strategy and profits”. Therefore the link here is that both departments can look into the business results and find out how they can relate them to HRM so as to find out how best they can improve performance if necessary.

General Analysis.

HRM is expected to have goals set in order to achieve results for the organization. Boxall, Purcell and Wright (2007) state that HRM experts have different goals. Within these goals Boxall talks about different aspects within the organization like occupations, levels within the organization and these vary according to each organization. For example Cadwell stated some of these as that; the HRM experts must be goal oriented, that means they should be able to gain meaningful results from the people, and that these people must be regarded as assets as they would be bringing a greater competition for the organization.

The experts should be able to align the HRM policies with business policies and corporate strategy. They should create policies that are easily adjustable when change is imminent. They also should encourage the people to have team spirit in order to have greater achievement and also improve themselves educationally in order to stay at par with the necessary skills. Some aspects of HRM that I have noticed being encouraged by the authors are the ability for the organization to combine human capital with its plans together in order to achieve correct decisions and have greater benefits for the organization.

Employees in most organizations strive on rewards or find rewards as great incentives for them to perform well. Therefore HRM experts should have prepared reward strategies that are structured to bring greater performance. Communication plays a greater role in any organization, with this encouraged the organization maximizes on better performance. Below is a structure of an illustration of how HRM flows within an organization, diagram is from Armstrong, Michael (2008).

ILLUSTRATION.

HR Philosophies

Human Capital Management **HR Strategies, policies, processes, practices, programmes** **Corporate Social Responsibility**

Organization Resourcing **Learning & Development** **Reward Management** **Employee Relations**

Design **Human Resource Planning** **Organizational Learning** **Job Evaluation/Market Survey** **Industrial Relations**

Development **Recruitment/ Selection** **Individual Learning** **Grade & Pay Structures** **Employee Voice**

Job/Role Design **Talent Management** **Management Development** **Contingent pay** **Communications**

Health & Safety **Performance Management** **Employee Benefits**

Employee Well-being **Knowledge Management**

HR Services

The above illustration shows that HRM activities integrate with the business as a whole. Every step of the running of business involves human capital, strategies and other practices that are required to implement the set goals. The above illustration also shows some of the activities that the organization might decide to outsource like employee benefits, health benefits and or market survey.

Armstrong, Michael (2009) talk about the internal and external environment and how these have an impact on the HRM. There is competition, economic developments, politics and legal frameworks that affect the business. This is where HRM has to rise up and compete with the rest of the available competition through some strategies like “customer focused, quality control, cutting down on staff and outsourcing”. Armstrong explains this as some pressures or measures that can be necessary in a difficult economy.

HRM can be affected by the internal environment within the following issues like type of business and sector. The type of business like for example in the service industry or manufacturing sector, the way HRM operates will have to be aligned with the sector in question so as to achieve the set goals. Also issues of policies as per organization affect the HRM operations. The size of the organization and how old it is in terms of time since inception can easily affect the HRM operations for example the younger the organization the simpler or harder it might be depending on the size and set structures. Technology has become key in recent years in many organizations therefore its availability in the organization improves the systems of HRM as it makes it simpler to solve, communicate, record and keep records.

The type of staff employed by the organization, for example the levels of education, professionalism like customer care, staff or technical staff, all these have different purposes they provide hence HRM operations are accordingly set. The HR experts have a responsibility to make sure that if the employees are lacking on some necessary education beneficial to the company they are given educational opportunities and trained to stay up-to-date. The financial status of the organization is a factor that can either build or break the HRM operations as it gives ability to observe all the activities the HRM need to achieve. The culture observed by the organization is a created environment that can easily affect the way business is run, for example the beliefs and behavior of people can easily create an atmosphere for or against the business.

The political environment in the country like lack of stability affects the HRM practices due to uncertainty of the climate.

Technology is changing the way HR operates in most modern companies. Many things in the world have become interconnected such that many organizations are running their departments in similar ways although in different locations. Most companies are outsourcing despite the fact that cultures and understanding of the business by the other organization are not fully understood.

Although we find that due to the use of the internet and ability of the people to freely move from point A to B has enabled a better understanding of different cultures hence ability to achieve required company goals. An HR practitioner from another part of the world always comes in handy to another company because they bring in vast experience and different culture perspective that helps improve the activities of the organization.

HRM can be a daunting task if done by the organization on its own as it can be time consuming to do all the administration work. Most HR experts outsource their work for purposes of gaining more expertise from the outside and cutting down on costs as internal employees might need overtime payments to finish some work depending on what it is and when its needed. Some organizations are limited in terms of resources therefore instead of acquiring new equipment like technological instruments it is easier to outsource. It is also efficient as the organization concentrates on the given work at a time and that work is given a time span of when to finish and how much it would cost. By outsourcing an organization cuts down on issues of processing payments or wages, compensation, frequent training and many other aspects involved in maintaining workers.

For an organization to concentrate on the strategic and core plans for the business, outsourcing is the best way to go. This would enable the HR experts and the line management to manage to stay focused on the company strategies. “Hewitt”, had a research on outsourcing in which he found that with outsourcing there is a greater improvement of the quality of service provided by the organization.

This means that the quality of expertise helps improve the quality of service. Also the HR experts would be able to manage to retain the wanted expertise and it also becomes easier to grow their expertise or talent. Also Hewitt found out that

outsourcing was done by most organization to save money and spend more time on core issues.

Before the organization decides on taking outsourcing there are some options or issues they have to consider first. For example, the organization has to identify how outsourcing fits with the objectives of the organization. For example if we aim to maximize on profit and improve on quality of service. Outsourcing can be ideal provided it's done within the stipulated period, cuts down the costs of doing the work and the right expertise data is delivered.

Secondly, the organization should agree on what is to be outsourced and what will be done within the organization. This would help in maintaining the right staff to do the strategic plans of the business without compromising anything and maximize the quality of service. According to [HR Focus](#); April 2007, Vol. 84 Issue 4, some organizations outsource issues like pension benefits administration and healthcare benefits administration and many more. In my opinion I think it is easier for the organization to outsource as they become completely independent of any unnecessary explanations and all things are done without any favors and saves money and brings the unavailable expertise in the organization and there is efficiency and consistency.

Actualization.

An example of the health care industry system as described by Gupta, Amar shows that outsourcing is giving ability to how the data is analyzed, stored and transmitted though use of technology. This has enabled use of the data in different locations. Apparently in future healthcare adopting a “mono-operational scenario” where all tasks are done in one place can be unlikely. For example Gupta, Amar talk of a situation where at least two radiologists are employed to read the same results of a mammogram in order to reduce wrong readings, but they have observed that technology is taking over as it is considered to be more accurate and efficient. A computer based way of analyzing the records of a mammogram; a CAD-based approach with a single radiologist has made it quicker and reduced the number of human capital hence there are more readings done than when two humans are doing the same job. The radiologists can store information on line for future reference and can be easily accessed from anywhere.

Another fact that Gupta, Amar brings is that a mammogram can be taken at one location and be transmitted to a central place where it is analyzed by advanced data mining techniques and interpretation would be given by a qualified radiologist at that location.

This scenario shows that technology is being used by the HRM department for purposes of quick and accurate results, for improved quality of interpretation of the mammograms and cutting out errors and it shows that it has helped in cutting costs in carrying out the mammograms.

Personally I agree with the above scenario of outsourcing the services of sharing the mammograms on-line with the experts because sometimes you find that the radiologists might fail to accurately read and misdiagnose the women or might take longer to interpret the results while increasing the anxiety of the patient. When the information is shared more opinions are given and accurate results are given. By outsourcing these kinds of details a hospital reduces its number of staff and increases efficiency and improves quality of care given to patients.

GENERAL DISCUSSION

The HR experts should identify the costs of outsourcing. All possible benefits for the organization, and how much savings are made for the company. “HR Focus” states that the organization gains efficiency, accuracy and cuts costs in the work done. Also the staff members are reduced as in-house work is less the work is shared.

The HR experts should also compare the benefits of doing the work internally or outsourcing. If the benefits are similar there might not be any need for it or vice versa, issues of technology or other expertise come as a benefit to the organization if it outsources. If the stipulated work is done internally how the company benefits and if outsourced are the benefits similar. Technology issues also need to be considered as they pay a major role in getting the results, challenges of communication and accuracy and keeping the same system are to be considered also. The company outsourcing should be thoroughly investigated for purposes of reputation and capabilities of managing the work.

Before outsourcing the organization or its HRM team must make sure that all stakeholders are aware of what is happening for purposes of understanding the benefits and why the organization would have chosen to do it.

Some other advantages of human resource outsourcing are to minimize risk for example labor laws and regulations change from time to time and it can be difficult to stay up to date. The outsourcing firms are always aware of these laws as they are mainly for outsourcing and for them it helps cut out any lawsuits from employees.

The outsourcing firms also maintain the best interests of the employees more than that of the owners of the organization.

I have also noticed that outsourcing reduces costs of maintaining unnecessary expenses in the office. For example extra people would mean extra expenses therefore outsourcing would be cheaper. Like mentioned before there is greater efficiency with outsourcing HR activities due to the fact that sometimes when work is done at the office there is no rush or maximum effort put but outsourcing firms work on a deadline hence there is more efficiency. There is less time spent on paperwork and more time is put on achieving the company goals through the employees.

Another advantage is that the organization concentrates on developing the employees and performance management and making sure they follow company policies in order to meet the set goals. Also there is enough room to assess the needs of those that need training. An organization has to plan its strategy before it employs staff. The issues to consider during this planning are what training would they require, how will they handle the interviews and who will manage them. The staff employed should be willing to learn, share expertise, skills and intelligence that the organization requires in order to achieve its goals and maintain its status.

The business also has to upgrade the human capital through further educational courses or training in order to stay competitive. Human capital is very important in any organization and for the organization to maintain this they need to do the best recruitment and selection procedures, offer good incentives and perform necessary management activities for the success of the business. Talent management is also to be considered as this brings greater results to the organization. It is to be nurtured and maintained or followed wherever it may be, thus outsourcing.

HRM is a necessity in all organizations, its main obligation is to adapt to the kind of business that is being operated. HRM involves the strategic needs and the strategies of the business with practices that are easily adjusted to match with the employers and their employees.

Any business strives on performance of its human capital. I will look at one of the activities that HRM works on that is performance management. Managing performance is one of the practices or strategies that HRM does. It is a process that

has to be measured systematically in order to see the value of the performance of individuals and teams. The organization has planned goals and a set time frame to obtain these goals.

The HRM needs to have the right competent people and a clear understanding on how to achieve these goals has to be set by the management. The objectives for performance management are similar in most organizations. For example according to Armstrong's Handbook for Performance Management the organization aims at improving team, organizational and individual performance. Other objectives are to develop skills of individuals, to have a good relationship between individuals and managers in line with the organization's objectives.

Also other objectives are to provide a fair way of rating performance and empowering some individuals to manage their performance and learning. Briscoe and Claus (2008), describe performance management as "a system where organizations set goals, determine performance standards, assign and evaluate work, provide performance feedback, determine training and development needs and distribute rewards".

Mohrman and Mohrman (1995) quoted by Armstrong, Michael say "performance management is all about managing the business". This means it involves line managers and is also associated with the HRM. Performance management is key to HRM as it involves human capital management who are the asset, talent management, learning and development and reward management.

Some other factors that have a greater influence on performance management are culture in the organization, management style, structures in place, processes or system to run the business and how performance is analyzed. All these considerations however affect performance.

Unless they are incorporated in the values of the organization while supporting high standards and quality in order to obtain greater results for the organization.

The organization systems are designed by the management in link with the HRM experts. What this means is that the system can easily incorporate the people's needs while meeting the goals of the organization. Once the people's needs are met their actions can be managed and measured as they are part of the system and can

be effective although some work more than others. The structures in the organization can also affect performance management although these structures vary according to departments and organization.

According to a survey that was taken in 2005, in Armstrong, Michael's book (2009) there is some practical advice that they give on things to do and not to do. They advice that organizations should keep it simple, transparent and train as often as possible as this can never be enough.

Any new processes should be communicated and the organization should concentrate on quality and make sure there is clear understanding of any processes. All the stakeholders should be in line with the needs of the organization and all documentation should be clear. A test or trial of ideas should be run by an independent group to see if the organization is on track with its set objectives. Considerations of the desired results the organization want to achieve has to be looked into and how they are hoped to be achieved and everyone involved should be communicated with and trained.

Technology helps HR experts in choosing or selecting and training employees via online or video conferences. Today technology has taken over how most businesses are run. With technology it's easier to select and recruit employees; also preparation of reports is easier for the HR experts.

Also technology brings with it accuracy of any figures or calculations and any needed information is easily accessed even in the absence of HR experts especially if the company is computer networked.

Rewards are created to maintain staff. The HRM department is an advantage to any organization because it also handles conflict between the management and the employees or just between employees or any other conflict that affects work like medical aid. Issues like business strategy, laws of the land and organizational strategies can easily be worked out by the managers and by HR experts without much problems as technology would help achieve the goals.

Human Resource in an organization helps in recruiting staff and training them, this means that they are responsible for the ways of selecting staff whenever necessary and managing them.

Another advantage is that the HR provides some consultancy or advice to the employees concerning work issues that they face. It helps the organization in settling employee disputes or issues between management and employees in a professional way.

HR department works together with the other departments in making decisions and marketing it. The experts are experienced such that they can make good business plans and help in implementing them in order to increase business for the organization. HR helps with the management of the business through creating profitable strategies. The organization's meetings, seminars and any other official issues are mostly arranged by the HR experts and this keeps the organization abreast with the market environment.

Different countries have different cultures; therefore expectations of similar HRM practices definitely differ. Adjustments to new ways of doing things may take time hence slowing down the business due to staff getting used to new systems/method. Some companies offer performance payment, which is measured through the performance per employee. This is a disadvantage to some of the employees if the company is outsourcing the payments are different as the outsource company is sometimes paid more or less depending on the expected time taken to achieve the work. Some of the practices in HRM are very similar whether abroad or local. Friedman talks about issues of acceptance of the fact that the abroad workers have to be trained paid and compensated where necessary just like the local employees. This is a disadvantage to the company's finances as they would need to pay more for these kinds of exercise.

Assessing abroad employees can be a daunting task as they are not easily supervised and are sometimes not known personally but their work. This might be a misrepresentation to the organization as image can easily be damaged.

Approach to specific issues is different due to cultural differences and the HR people will need to know what to outsource and research on how the customers would accept. When an organization depends on technology more than manual updating or record keeping its great disadvantages could be data capturing.

Once a mistake is made during the input of information most records would be distorted hence giving false records. Also having the correct materials like computers, the right software and repairs when there is a problem can be very costly. Some other disadvantages faced during recruitment are some applicants conceal their illiteracy hence once hired competition and profits decline as their knowledge is less than what they stated. If the workers are international and they cannot read it's a danger to others.

Conclusion.

Organizations without the HRM experts have higher chances of having problems in proper managing as there are high possibilities that some activities are overlooked. These observations clearly show the importance of HR in an organization despite its size. It is important to have this department as issues like disputes can be easily solved without falling off the objectives of the business. HR is very important to business owners as they would not have to deal directly with employees concerning issues like benefits. I also find that HR is necessary as it helps organizations and employees receive their rightful benefits. All things are mostly done according to the set rules and the organization easily concentrates on its purpose and manages to meet its set goals.

HR has to become creative in order to retain staff and this comes as a bonus to the employees as they would have some incentives or rewards created for them according to how they work. HR department is there like a shepherd of the organization together with the line managers as they make sure employees have the right attributes needed to achieve the goals, and they help the organization meet these goals as set.

Of course there are disadvantages with HR like when the organization is outsourcing it can be costly depending on where it is done especially when the project being worked on needs constant supervision and is needed efficiently at the same time, also if they are dealing with an international organization it can be difficult as cultures differ but as far as technology is concerned HR outsourcing and even recruiting can be a bonus to any organization. Therefore HR is very important and is necessary in any organization. I suggest that with today's' global world HR is can be easily used by any organization from any location as long as

there is clear information on what needs to be done and the necessary technology. In a few words Human Resource Management is all about the people, how they are managed, selected, rewarded and trained at their workplace. It encompasses all the laws that relate to the employee and stands as an attorney between the employee and the employer.

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