

Effective Human Resource Management an Instrument for achieving Organizational Goals.

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Abstract: Effective human resource management plays a vital role in the attainment of organizational goals and objectives, as it serve as the major instrument for the attainment of organizational goals and objectives, thus, it also helps in enhancing the quality of work life of employees The paper entitled effective human resource management an instrument for achieving organizational goal examined the role of HRM in ensuring the attainment of organizational goals. Seen employees are the human resource of an organization and its valuable asset. To be successful, an organization must make employee productivity a major goal. Thus, the level of productivity can vary, depending on the skill levels the employees demonstrate in their jobs as well as the levels of satisfaction they enjoy within. The study reviewed different works and found out that there is strong relationship between HRM practices and organizational goal attainment. The paper recommends that organizations need to proactively pursue HRM practices and invest in such practices to achieve and enhanced the quality of the personnel for effective and efficient service delivery, as organizations that have not been paying more attention to HRM practices are likely to face the challenge of not being able to achieve there objectives.

Key words: Human Resource Management, Organization, Goals, and productivity.

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I. Introduction

The management of people within an organization has increasingly become an important focus for researchers and practitioners over the last decade. The assumption supporting the practice of Human Resource Management (HRM) is that people are the organization's major resource and organizational performance depends largely on the employees. In the word of Bernardin& Russell (1988), organizations are now becoming more aware that its employees are its greatest strength and assets. They argued that for an organization to achieve this, it must have a team of human resource and line managers who are very knowledgeable and have accepted the fact that the practice of HRM will lead to a competitive advantage in the organization. In knowledge economy, the human resource has been recognized as a strategic tool, essential to organizational profitability and sustainability (Khan, 2010). A lot of organization now view HRM functions and it systems to be a major player in achieving organizational goals. The responsibility of Human Resource Management is to bring about deliverables in all aspects and these deliverables should be in a position to meet the ever growing competitive and global market place, which should be closely related to the organization's strategic plans. The effect of HRM practices on organizational goal attainment has been a leading area of research in the developed countries over the years, but surprisingly, very limited number of studies have been conducted on HR practices by researchers in the developing countries (Sarbariy, 2011), therefore conducting this HRM study will help meet the shortage of work in this part of the world. This study will therefore, examine the impact of human resource management as an instrument for achieving organizational goals.

Concept of Human Resource Management

Human resource management is defined as that aspect of management which deals with the processes, policies, practices and strategies of acquiring, retaining, motivating and enhancing the quality of organization's manpower for the realization of both employee needs and organizational objectives (Yahaiya&Abubakar 2015). Employees are the human resource of an organization and its valuable asset. To be successful, an organization must make employee productivity a major goal. Thus, the level of productivity can vary, depending on the skill levels the employees demonstrate in their jobs as well as the levels of satisfaction they enjoy within.

According to Rao (2014), HRM is managing (planning, organizing, directing and controlling) the functions of employing, developing, compensating and utilizing human resources, resulting in the creation and development of human and industrial relations which would shape the future policies and practices of human resource management, with a view to contribute proportionately to the organizational, individual and societal goals.

In the view of Aswathapa (2012) human resource management is a process of bringing people and organizations together so that the goals of each other are met. Armstrong (2012) viewed human resource management as a strategic and coherent approach to the management of an organization's most valued assets (the workers) who individually and collectively contribute to the attainment of organizational goal and objectives. Similarly, he claims that there is no best way to manage people and no manager formulates how best people can be managed efficiently and effectively, because people are complex beings with complex needs. Effective HRM therefore, depends so much on the causes and conditions that an organizational setting would provide. In addition, Armstrong (2006) defines HRM as a strategic coherent and comprehensive approach to the management and development of the organization's human resources in which every aspect of the process is wholly integrated within the overall management of the organization. Thus, all organizations have three basic components, people, purpose and structure. HRM according to Armstrong and Taylor (2014) is concerned with all aspects of how people are employed and managed in organizations. It covers according to them the activities of strategic HRM, human capital management, knowledge management, corporate social responsibility, organizational development and resource planning, recruitment and selection, talent management, learning and development, employee relations, employee well-being and the provisions of employee services.

Despite the use of various terms such as personnel management, human resource management, and employee development by different scholars to describe the unit, department or group concerned about people. The present study, in order to address the current challenges uses the concept of human resource management. HRM therefore, is a term that reflects the increased concern that both society and organizations have for people. Today, employees demand more of their jobs and respond favorably to management activities that give them greater control of their lives (Ulrich & Smallwood 2004).

In the word of Boxall & Purcell (2013) HRM is all about those activities associated with the management of employment relationships in the organization. Thus, a comprehensive and a working definition of HRM was offered by Watson (2011) as the managerial utilization of the efforts, knowledge, capabilities and committed behaviors which people contribute to an authoritatively coordinated human enterprises as part of an employment exchange to carry out work tasks in a way which enables the enterprises to continue into the future. In sum therefore, human resource management is a management function concerned with hiring, motivating, and maintaining human talent to accomplish organizational goals and objectives.

Philosophy of Human Resource Management

The HRM philosophy is not merely about HR function, it is more about the leadership style of the top management, the current corporate culture and value. In fact, it is about the vision of the leader of the organization. The modern leader usually required a modern HRM approach and built the environment suitable for the evaluation of the modern HRM. Thus, this is the HRM philosophy behind the scene. Notwithstanding, it is evident that the original concept of HRM could be interpreted as a philosophy for managing people in that it contains a number of general principles and beliefs as to how that should be done. The following explanation of HRM philosophy was put forward by Legge (2005) whose analysis of a number of HRM models identified the following common themes:

“That human resource policies should be integrated with strategic business planning and used to reinforce an appropriate organizational culture, that human resources are valuable and a source of competitive advantage, that they may be tapped most effectively by mutually consistent policies that promotes commitment and which, as a consequence, foster a willingness in employees to act flexibly in the interests of the adoptive organization's pursuit of excellence”.

Storey (2007) argues that the beliefs of HRM comprises the assumptions that, it is the human resource that gives competitive edge, that the aim should be to enhance employee commitment, that HR decisions are of strategic importance and that the HR policies should be integrated into the business strategy.

However, Armstrong (2010) points out that HRM is an approach to the management of people which is based on four fundamental principles:

- i) Human resources are the most important assets an organization has and their effective management is the key to its success.
- ii) Organizational success is most likely to be achieved if the personnel policies and procedures of the organization are closely linked with, and make a major contribution to the achievement of corporate objectives and strategic plans.

- iii) The corporate culture and the values, organizational climate and managerial behavior that emanates from the culture will exert a major influence on the achievement of excellence. This culture must be managed, which means the continuous effort, starting from the top, will be required to get the values accepted and acted upon.
- iv) Continuous effort is required to achieve integration, which is, getting all the members of the organization involved and working together with a view to achieve common purpose that is the attainment of organizational goal.

Importance of Human Resource Management

Human resource plays an important role in the development process of modern economies. Lewis (2014) observed that there are great differences in development between countries which seem to have roughly equal resources, so it is significance to enquire into the difference in human behavior. It is often felt that through the exploitation of natural resources, availability of physical and financial resources, international aid plays prominent role in the growth of modern countries, none of these factors is more significant than efficient and committed labor force (human resource). It is indeed argued that all development comes from human mind (Ojo, 2014).

Furthermore, a nation with abundance of natural resources will not benefit itself unless human resources make use of them. In fact, human resources with right attitude are solely responsible for making use of natural resources and for the transformation of traditional less develop society into the modern industrial and knowledge economies (Rao, 2014).

The HRM function today is concerned with much more than simple filling, housekeeping and record keeping (Barry & Kurucz, 2007). When HRM strategies are integrated within the organization, it plays a major role in clarifying the organization's human resource problems and develops solutions to them. Today it would be difficult to imagine any organization achieving and sustaining effectiveness without effective HRM programs and activities.

The Goals of HRM

Armstrong and Taylor (2014) suggested five policy goals for HRM:

1. Support the organization in achieving its objectives by developing and implementing human resource (HR) strategies that are integrated with the business strategy (strategic HRM).
2. Contribute to the development of a high performance culture.
3. Ensure that the organization has the talented skilled and engaged people it needs.
4. Create a positive employment relationship between management and employees and a climate of mutual trust.
5. Encourage the application of an ethical approach to people management.

Brief History of Human Resource Management

The history of HRM can be traced to England, where masons, carpenters, leather workers and other crafts people organized themselves into guilds. They used their unity to improve their work and conditions (Paul, Pucik & Barsoux, 2002).

The field further developed with the emergence of industrial revolution in the 18 century, which laid the foundation for a new and complex industrial society. In simple terms, the industrial revolution began with the substitution of steam power and machinery for time-consuming hand labor. Thus, working conditions, social patterns, and the division of labor were significantly altered. A new kind of employee - a boss, who wasn't necessarily the owner, as had usually been the case in the past become a power broker in the new factory system with these changes also become a widening gap between workers and owners. Scientific management and welfare work represent two concurrent approaches that began in the 19th century and along with industrial psychology, merged during the era of the world war.

Scientific management represented an effort to deal with inefficiencies in labor and management primarily through work methods, time and motion study, and specialization. Industrial psychology represented the application of psychological principles toward increasing the ability of workers to perform efficiently and effectively.

The renowned father of scientific management Frederick W. Taylor, an engineer at Midvale steel works in Philadelphia from 1878 to 1890 studied worker efficiency and discovered the "one best way" and fastest to do a job. He summarized scientific management as:

1. Science, not rules of thumb
2. Harmony, not discord
3. Cooperation, not individualism and
4. Maximum outfit not restricted output.

While scientific management focused on the job and efficiencies, industrial psychology focused on the worker and individual difference. The maximum well-being of the worker was the focus of industrial psychology. Hugo Munsterberg and his book psychology and industrial efficiency initiated in 1913 served as a stimulus and model for the development of the field in the United States and Europe.

The drastic changes in technology, the growth of organizations, the use of unions and government concern and intervention concerning working people resulted in the development of personnel department. There is no specific date assigned to the appearance of the first personnel department but around the 1920s more and more organizations seemed to take note of and do something about the conflict between employees and management.

Early personnel administrations were called welfare secretaries. Their job was to bridge the gap between management and operator (worker), in other words, they were to speak to workers in their own language and then recommends to management what had to be done to get the best results from employees.

Other early contributors to HRM were called the Human Relations Movement. Two Harvard researchers Elton Mayo and Fritz Roethlisberger, incorporates human factors into work. This movement began as a result of a series of studies conducted at the Hawthorne facility of western electric in Chicago between 1924 and 1933. The purpose of their studies was to determine the effects of illumination on workers and their output. The studies found out the significance of the social interrelation and work group on output and satisfaction. The human relations movement eventually, around the mid-1960s, became a branch of and a contribution to the field of organizational behavior.

The early history of personnel management still obscures the significance of the HRM function to management. Until the mid-1960s, the personnel function was considered to be concerned only with the blue-collar or operating employees. It was viewed as a record keeping unit that handed out 25 year service pins and coordinated the annual company picnic. Peter Drucker a management scholar, made a statement about personnel management that reflected its blue-collar orientation. Drucker stated that the job of personnel was “partly a file clerk’s job, partly a house keeping job, partly a social worker’s job and partly firefighting, heading off union trouble (Ivancevich&Konopaske, 2013).

Relationship between HRM Practices and Organizational Goals Attainment

Over the years, researchers have devoted a great deal of time and attention to establishing and examining the linkage between HRM practices and organizational performance. Based on the evidence and findings, it is becoming increasingly clear that HRM is a tool that impact on organizational effectiveness leading to improved performance. Though the link between HRM and organizational performance is considered a “black box”, that is, lack of clarity as to “what exactly leads to what” (Gerhart, 2005), however, the positive relationship between HRM and organizational performance cannot be over emphasized. Empirical research surrounding the HRM and performance debate over the last decade or so demonstrates evidence that “HRM does matter” (Huselid, 1995; Patterson *et al*, 1997; Guest *etal*, 2000; Thompson, 2002; Purcell *et al*, 2003). Guest (1997) argues the distinctive feature of HRM is its assumption that improved performance is achieved through the people in the organization. The work produced by Huselid, (1995), examined the relationship between HRM practices and corporate turnover, profitability and market value and found that HRM index is significantly related to the gross rate of return on assets (a measure of profitability) and Tobin’s Q (the ratio of the market value of a firm to its book value). This means that if appropriate HR policies, processes and strategies are introduced a substantial impact on organizational performance can be made. It is important to realize that the effectiveness of HRM policies depends on its alignment with other business strategies. Interestingly, Dyer & Reeves (1995) captured the performance outcomes of HRM in the following ways.

- i. Financial outcomes; profits, sales markets
- ii. Organizational outcomes; productivity, quality, efficiency
- iii. HR related outcomes; attitudinal and behavioral effects on employees satisfaction, commitment, employee turnover was absence.

Boselie&Wiele(2002) found out that certain HRM practices, such as working in teams, greater discretion and autonomy in the workplace and various employees’ involvement and pay schemes motivate workers and increase productivity. Fey (2000) through an investigation of the relationship between HRM practices and the performance of 101 foreign-owned subsidiaries in Russia provides support for the assertion that investments in HRM practices can substantially help a firm to perform.

Richard & Johnson (2001) using a sample of banks in Nigeria examined the impact of strategic HRM effectiveness on a number of performance variables. They found that the effectiveness of strategic HRM is directly related to employee turnover and the relationship between this measure and the return on equity was stronger among banks with higher capital intensity. Guthrie (2012) examine the impact of HRM practices on turnover and firm productivity among a sample of firms in New Zealand noted that HRM practices had an

impact on turnover and that the relationship between retention and productivity was positive when firms implemented high-involvement HRM practices, but negative when they did not.

Strengthening the evidence of a positive relationship between HRM practices and organizational performance is the research of Ahmad & Schroeder (2003) which concluded that, there is a positive influence between Human Resource Management practices (information sharing, extensive training, selective hiring, compensation and incentives, status differences', employment security and decentralization and use of teams) on organizational performance as operational performance (quality, cost reduction, flexibility and commitment). Booselie *et al.* (2005) analyzed 104 articles and established that the top four mostly investigated human resource management practices that have a positive impact on organizational performance are recruitment and selection, training and development, contingency and reward and performance management.

In a study of one hundred respondents of Graphic Communications Group, Ghana, Boohene & Asuinura (2011) stressed that HRM practices, specifically, recruitment and selection, performance appraisal, compensation, and training and development have positive impact on organizational performance. Thus, performance appraisal increases employee commitment and satisfaction since employees are given the chance to discuss their work performance against set targets. A recent study conducted by Soomro *et al* (2011) found out that HRM practices correlates positively with the employee performance. Affirming this is a study conducted by Nayaabet *al* (2011) whose result indicated that HRM practices like training, employee participation in decision making was found significantly related with banks performance.

II. Conclusion

The study concludes that effective Human Resource Management Practices (recruitment and selection, training and development, job description, promotion, compensation, career planning, as well as performance appraisal) has significant positive effect on the performance of organizations weather public or private. Hence, the findings of this study shows that adopting adequate and appropriate recruitment and selection procedure, giving adequate training and development, ensuring fair compensation and constant performance appraisal, organizations will perform well and meet its desired goals and objectives, as that will always stimulate staff performance which will directly influence organizational performance as well. The study therefore, recommends that organizations should focus on the best HRM practice in order to achieve their goals and objectives.

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