

## **HRM in Higher Education: The Need of the Hour**

**Dr. Shobha.A. Menon**

*Associate Professor, Cosmopolitan's Valia College. Mumbai*

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**Abstract:** Education is today looked on as a business world over, including India and the competition is getting stiff. In this competitive scenario management of human resources in universities is just as challenging as it is in any other organization. Though almost all universities and affiliated institutions offer courses in human resource management and train their students to manage large corporations, they are unable to manage their own human resources effectively. This is especially so in India where higher education is still controlled by the public sector. Most universities do not have a separate department dedicated to performing the HR functions. This paper outlines the development of HRM from an administrative function to a strategic one and discusses the crucial role that it has to play in institutions of higher learning. It highlights the need for a complete revamp of HR functions of recruitment, placement, training, appraisal, compensation and employee relations. It argues that State funded universities need to restructure themselves to create this department so that specialized people can be employed full-time to undertake crucial Human Resource functions. Such a department dedicated exclusively to the functions of managing human resources can become strategic to an educational institution and become a source of competitive advantage.

**Keywords:** Higher education, Human Resource Management, Competitive advantage,

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### **I. Introduction**

All over the world globalization has changed the work place drastically. Two new forces which have changed the way in which we work and the way work places are managed and operate are information and communication technology and work force diversity. Educational institutions are essentially service providers but they are also work places for their employees'. So, educational institutions cannot remain unaffected by the changes taking place world over. Education is today looked on as a business world over, including India and the competition is getting stiff. In this competitive scenario management of human resources in universities is just as challenging as it is in any other organization. The human resource management strategies of an organization influence the way in which its employees work as well as how the organization itself works. The effective management of human resources can contribute to the basic objectives such as quality, profits and customer satisfaction and become a source of sustainable competitive advantage to the organization (Noe et al., 2004). Ironically however though almost all universities and affiliated institutions offer courses in human resource management and train their students to manage large corporations they are unable to manage their own human resources effectively. This is especially so in India where higher education is still controlled by the public sector. Most universities do not have a separate department dedicated to performing the HR functions.

### **II. Human Resource Management: Evolution**

Human resource management as we understand it today has come a long way from its early beginnings. The HR function had humble beginnings in the form of personnel departments around 1900 when companies began to hire someone to manage the welfare of the employees. (Dulebohn et.al, 1995)The first HR department was established in 1920. (Jamrog &Overholt, 2004). Strategic issues in HR did not become a topic of discussion for practitioners and academicians until the mid-1990s. (Patrick & Hartmann,2001)Today HR departments are considered strategic partners in organization growth. According to Yeung and Brockbank (1994) this change was the result of increasing competition resulting in a pressure to reduce cost and meet the ever growing expectations of customers coupled with growth in information technology as well as globalization. This transformation was also the result of the realization that the performance of an organization basically depended on whether its employees were treated well (Ehrlich, 1997).Today organizations have realized that Human Resource Management ensures that human talent is used effectively and efficiently to accomplish organizational goals.

### **III. Human Resource Management: Role In Higher Education**

However, most educational institutions in India especially those in higher education operating in the public sector have always been in a protected environment. Though privatization has started these institutions are even today cocooned in their existence because of a number of reasons. To begin with higher education in the private sphere is exorbitantly expensive given the limited paying power of the masses. Further a number of private universities and institutions are yet to make a name for them as they have not been in existence long enough. In sharp contrast to our government funded, established universities and even some colleges affiliated to them that have been around for over hundred years. These established institutions have strong alumni and are recognized as brands .Further government regulatory bodies and their rules also often deter the growth of private players in the higher education segment. However these conditions are temporary. State funded universities are already feeling the pressure of reduced government funding. In times to come other changes will further threaten them. The paying power of the middle classes will increase, already the liberal study loans given to students for higher education has made education more affordable. Simultaneously private universities will have been around long enough to make a name and establish themselves as a brand. The question is without managing their human resources effectively can the government funded institutes survive and thrive in the face of competition from private institutions. The answer is a definite no. In the context of higher educational institutions like universities, human resources are also referred to

as intellectual capital, so it follows that their effective management is crucial to not only the competitive advantage of the educational institution but also the progress of the nation.

The primary objective of Human Resources Management is to maximize the return on investment from the organization's human capital and minimize financial risk. HRM also aims at bringing out the best in people by creating an environment conducive to employee growth and satisfaction. Human Resources Management is seen as a requisite to improve the commitment of individuals who in turn contribute to institutional growth. Empirical research reveals that organizational variables like leaders' commitment to the implementation process, the involvement of external consultants, institutional reputation, and bureaucratic and political decision-making processes have strong effects on the implementation of quality management in educational institutions. (Csizmadia, T., Enders, J., & Westerheijden, D. F. 2008). Shahzad, Bashir & Ramay (2008) undertook a study on the impact of human resources management practices on perceived performance of University teachers in Pakistan and found a positive relationship between compensation and promotion practices and employee perceived performance while performance evaluations practices are not significantly correlated with perceived employee performance. The results of the study of Green et al. (2006) revealed that the direct impact of Strategic Human Resource Management (SHRM) on organizational performance is positive and significant. It was also found out that SHRM directly and positively influences individual performance, organizational commitment and job satisfaction.

Human resource Management involves many functions in the corporate world however when applied to the education sector and particularly universities and affiliated colleges these functions will be modified to suit the demands of this sector. Some of the core functions that must be of importance are discussed in detail below.

- **Recruitment and Placement**-These are two important human resource functions that ensure that the organization has an adequate supply of human resources at all levels and in all positions at the right time and in the right place. However recruitment and placement must be done on the basis of personnel forecasting. Strategies must be devised for recruitment of good and adequate number of teaching and non teaching staff keeping in mind the current needs as well as expansion plans if any. In forecasting internal demand for teaching, the student enrollment in all different courses has to be considered. Timelines for recruitment should be established. Currently we don't find this happening at all. Often posts lie vacant for months especially in highly bureaucratic state funded universities or they are simply filled up from year to year on an adhoc basis. This happens because a single recruitment involves a lot of clearances from various government departments and the whole process is both long drawn and rigid. Lee (2005) mentioned that to gain a competitive edge in the teacher recruitment process it is important to: reduce the bureaucracy of the selection process. In a fast changing environment this approach will have to change or else we may find that the best talent may be quickly absorbed by the private players and the state funded institutions are left with the rejects, thus seriously affecting quality.
- **Training and Development**-These human resource functions are crucial because employees once recruited and placed think of how they can grow on the job and within the organization. This is beneficial to organizations also because employees can be best partners in any enterprise if they are maximally developed and when they reach their optimum potential. This also makes them ready to take on additional responsibilities in their current and future positions. This function is all the more important for educational institutions, as training to faculty will have a dual impact, because not only they will get trained but they will also be able to deliver better in terms of teaching, thus benefitting students as well. Currently the only training that takes place after appointment as teaching faculty is the mandatory orientation and refresher courses that staff is supposed to complete. These need to be updated and made more practical and relevant so that faculty is able to gain from such programs. Soft skills training is a must because educational institutions are people places and in a competitive scenario people skills are prime.
- **Performance Appraisal**- The performance appraisal function is an assessment of employees' job performance levels (Kleiman, 2000). A good and effective performance appraisal will help to direct employee behavior towards the goals of the organization and it will also help to monitor how well the goals are being achieved. Educational institutions need to move beyond the mandatory appraisal systems laid down by regulatory bodies and work out their own systems which help them to decide who the good performers are. This is necessary because the objectives of each institution and the students they cater to are different so the standardized parameters laid down by regulatory bodies do not often yield the results organizations are looking for.
- **Compensation and Benefits**-Determining the compensation plans keeping in mind the compensation philosophy of the management is a crucial human resource function. Two factors must be considered with reference to the compensation package namely the management philosophy underlying the package and the conditions prevalent in the market. Any compensation package must ensure internal equity as well as market competitiveness hence it needs review from time to time especially in the present dynamic scenario. This is one area where the system is very slow to respond and is more reactive than proactive. With reduced state funding and increasing cost it has difficult for institutions to sustain. Further where an institution is partly privately funded and partly funded by the government, the differences in compensation packages add to internal inequity, which is not conducive to organizational health. Time has come for institutions to work out their own innovative incentive schemes so as to motivate employees to put in their best so that an institution can create and sustain a competitive advantage.
- **Employee Relations**-This constitutes the core of the human resource function in any organization. Employee voice mechanisms must be encouraged to improve employee management relations. This is all the more important while dealing with the intellectual work force we find in educational institutions. Unfortunately today there is a void in this area. One factor that has created this void is the massive expansion of institutions and the high level of centralization resulting in a sense of alienation. Employees in large universities today do not often identify with their institutions. Efforts must be made to change this and improve employee relations to foster competitive advantage.

#### IV. Conclusion

The functions mentioned above cannot be the work of administrators or academicians. This requires specialized know how and expertise. Considering the importance of Human Resource Management to the success of educational institutions it follows that it must get its due place. However in Indian state funded universities and affiliated colleges there is no separate department dedicated to performing this function. Until privatization started this did not make any difference because there were uniform policies across all institutions. Privatization has changed this uniformity and today there are vast variations both in terms of policies and their implementation. Most of the private universities have realized the importance of the Human Resource Management and are having departments dedicated to performing this function instead of leaving this crucial role in the hands of academicians and administrators who may not be trained and equipped to perform this role effectively. State funded universities need to restructure themselves to create this department so that specialized people can be employed full-time to undertake crucial Human Resource functions. Such a department dedicated exclusively to the functions of managing human resources can become strategic to an educational institution and become a source of competitive advantage. It is important that employees have one department to contact and deal with for all issues surrounding placement, training, promotion, compensation etc, instead of running from pillar to post. Currently this work is done by administrative staff in multiple departments who merely follow bureaucratic procedures and faculty is at the mercy of these administrative staff even to get their legitimate dues. This becomes demoralizing because despite good compensation packages offered on paper their actual implementation is actually long drawn out and subject to multiple interpretations. Time has come for human resource to change from an administrative function to a strategic one so that educational institutions continue to attract quality human capital and gain competitive advantage.

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