Human Resource Competencies: An Empirical Assessment

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ABSTRACT: Human beings are the essential part of the process. Today, technology and machines are taking over the human resource, as claimed by many people; but technology and machines can never replace human resource entirely. Humans are required for operating and maintaining these machines. Human resource is extremely important for developing or bringing about new and required changes to these machines and technologies. The study of the history and the current Human Resource Management trends points out some important facts.

Keywords: Acquisition, Prospects, Connection, Maintenance, Incentives Human Resource Management (HRM), Technology-assisted processes, Management Information System, Strategic Human Resource Management, Information Technology, Expenditure.

I. INTRODUCTION
Human Resource Management is a term basically used to describe how the people of an organization are managed. Broadly saying, Human Resource Management is a system that aims to maximize the performance of an employee in accordance with the employer’s strategic goals. It intends to improve individual, group and organization’s performance, thus rendering growth in each area. Human Resource Management department in any company is designed to perform many functions and takes care of some services like employee benefits, appraisals, rewards, recruitment, training; to name a few.

1.1. What is Human Resource Management?
A lot of manpower, effort, and the human mind is required to produce a product or service [1]. Human beings are the essential part of the process. Today, technology and machines are taking over the human resource, as claimed by many people; but technology and machines can never replace human resource entirely. The proof lies in following facts. How are machines and technologies supposed to be built without the intervention of humans [2]? Humans are required for operating and maintaining these machines. Human resource is extremely important for developing or bringing about new and required changes to these machines and technologies [3].

Human Resource Management is an important department in all organizations because it helps in carrying out following functions successfully [4]:-

- Utilizing the time wasted in carrying out irrelevant interviews.
- Making sure that people utilize their full potentials.
- Maintaining equity among workers of the organization in terms of salary [5].
- Training the employees.
- Avoiding unfair practices going on in the company.
- Ensuring the safety of employees.
- Making sure that the right person is hired for the job.

It is impossible, to sum up, all the aspects of Human Resource Management in the single definition because it won’t be able to justify all the areas [6]. According to Ken Robinson, Human Resource Management is defined as, “Human resources are like natural resources; they're often buried deep [7]. You have to go looking for them; they're not just lying around on the surface. You have to create the circumstances where they show themselves.” According to Steve Wynn, “Human Resources isn’t a thing we do. It’s the thing that runs our business.”

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1.2. Key Responsibilities in Human Resource Management

Human resource management aims at the growth and evolution of the organization as well as that of the individuals working in that organization [8]. It also intends to implement programs that increase the feeling of cooperation and communication between employees.

Other duties of Human Resource Management include Planning, Job analysis, Directing, Controlling, Staffing, Appraisals, Rewards, Maintenance of workforce among others. In Job analysis, Human Resource Managers analyze the duties and nature of various positions in the organization.

1. Collection of data

A Human Resource Manager is required to collect all the data available related to turnover, interview statistics, hiring summaries, complaints of employees, promotions, budget and expenditure of the company [9]. Wherever necessary, the data is compared with the market data.

2. Conducting Interviews

Topics that are discussed in an interview include what employees think of the company, its goals; Strengths and weaknesses of top position holders; Human Resource issues, which issues are working well and which issues need improvement; Relations of the employees with their superiors as well as their subordinates [10]. They also provide feedbacks according to the interviews.

3. Summarize the observations

Human Resource Managers combine the information that they have collected. Assess which strategies are good and effective and which are not. They also look up for policies that require improvement. They suggest the changes and they also need to justify their assessments.

4. Approvals from senior authorities

Support from senior authorities is required for the implementation of the changes based on the audit results. Human Resource Managers are required to present their assessments and justify their decisions in order to get the final approval.

5. Implementation of the changes.

The final responsibility for Human Resource Management is the implementation of decisions taken by them. They need to keep monitoring the success of policies at every point and make changes in the program if modifications are required in favor of the organization goals.

1. Evolution of Human Resource Management

2.1. Till 18th century

Not until the 18th century, people had realized the importance of management of human resources in an organization, in its proliferation. Robert Owen and Charles Babbage were two of the few people who are credited for some of the earliest ideas for Human Resource Management. Till 20th century, it was an expendable part of an organization [11]. Analysis of history of HRM shows that trends of HRM have changed extensively over years, in the sense that traditional ‘transactional’ activities have changed to complicated ‘transformational’ ones. Traditional activities included usual methods like record-keeping i.e. updating phone books or address books, etc. But modern-day transformational activities ‘add value’ to the organization’s service or product. For eg. Training programs [12].

2.2. 20th century

During the second half of 20th century, the influence of workforce management continued to expand in the organizations. A perfect example of this is the School of Industrial and Labor Relations at Cornell University, the United States formed in 1945. Later it became the Society for Human Resource Management, which went on to become the largest professional HR Management Association. Many HR practices developed in the 1950s are the building blocks of the modern Human Resource Management trends [13]. The advancements in transportation and communication facilitated workforce flexibility and alliance. Hence organizations started considering workers as assets rather than a liability.

2.3. 1990 to Present

The economic landscape underwent extensive changes during the 1990s, some of which include globalization, major technological advancements like the development of Internet and the ever-growing competition. It is due to these factors that organizations today realize that unconventional and creative ideas of the employees provide a competitive advantage to the organization. People do realize now, that anything but
'intellectual capital' can be imitated by their competitors. **Strategic Human Resource Management [SHRM]** has thus become excessively important in the identification of the talents of people and their management. Strategic Human Resource Management helps in improving the productivity and efficiency of the firm as it considers human resource as an asset which provides a strategic competitive advantage. To summarize the growth of Human Resource Management in the 1990s, we can say that the focus shifted from management of people to strategic management of people. The business landscape has changed tremendously during the recent years. As the new technologies are being introduced, business trends are changing at a fast pace. The new technologies are in the form of Satellite Communications, Computers, Networking, Internet and other devices and processes that have made communication easier. Human Resource Management trends are also changing because of change in organizational structure as well. ‘Flatter management structure’ are soon overtaking the conventional, hierarchical organizational systems. Another factor that has changed is that the market has globalized at a very fast pace. This has lead to increase in competition from the customer point of view as well as from the job point of view. Thus organizations have started demanding higher performance from the people working with them [14].

**II. HR ACTIVITIES**

HR Activities, in general, include jobs such as recruitment of new employees, training of the new recruits, maintaining employee relations, maintaining records of all the people working in the organization, among others [15]. HR Activities are broadly divided into 3 main types that include Transactional, Traditional and Transformational activities.

1. **Transactional HR Activities** are mainly concerned with the record keeping, which involves recording the daily transactions of the organizations. Some examples of transactional HR Activities are updating the status changes of employees, register payroll information, analyzing employee benefits, etc.

2. **Traditional HR Activities** include evaluation of employee performance, recruitment, and training of employees. These activities are of strategic importance to the firm as they help in achieving strategic goals of the firm [16].

Transformational HR Activities are those activities that ‘add value’ to the organization. These activities include strategic changes to achieve the strategic goals of the environment, encouraging innovation and creativity, organizational, cultural and structural changes.

1.1 **Linking the bridge between HR and Technology**

Technology-assisted processes (IT) have certainly reduced the time and cost which was required to complete these processes earlier. Technology has also helped in improving the quality of final end products. However, Information Technology (IT) is a tool that can only supplement not substitute the human resource [17]. As the use of Information Technology (IT) has increased greatly in HR Sector, the way people look at the role of HR Department is changing tremendously. With the ease of access to reports on their desktop, managers may interact less with their subordinates and may find it of little use.

1.2 **Human Resource Information System (HRIS)**

a) **Information System**

   An information system is a system which is an assembly of components, which is required to perform operations like processing of data. These may include helping managers carry out their duties effectively by providing them with information or providing the useful reports that are required.

b) **Management Information System [MIS]**

   The term Management Information System refers to the system where a connection between operating systems is managed by the exchange of information. It performs a lot of functions to give outputs that are useful and help in carrying out efficient management of the organization. Many organizations agree with the fact that this system is very effective. Although Management Information System requires computer software and hardware, it also requires manual procedures, management decision models and a database that provides information related to management operations and other functions in an organization. Management Information Systems provides past and present information related to functions going on in an organization internally as well as about external intelligence with the help of an environmental scanning technique [18].

c) **Human Resource Information System [HRIS]**

   According to Kavanagh et al. (1990), “HRIS is a system used to acquire, store, manipulate, analyze, retrieve, and distribute information regarding an organization’s human resources. An HRIS is not simply
The main purpose of HRIS is to provide is to provide services to the customers of the organization. These services include providing precise and appropriate data. As the competition is increasing, use of Information Technology is also increasing. This can be proven by the fact that information technology is the bridge that links the organization to customers, suppliers and the channel through which their products are distributed. Declining costs added to numerous innovations are the reasons for increased demand of information technology in Human Resource Management.

HRIS is basically a database or a group of related databases that help the organization keep track of their information and also keeps track of their information like employee name, job title, department, contact information, salary, position, disabilities and more. An HRIS helps the managers to take HR decisions by providing information regarding the same [20].

Advantages of HRIS:
1. It provides very accurate information and that too very fast thus saving a lot of time.
2. It allows HR issues analysis at a fast pace.
3. It reduces a lot of effort that goes in paperwork and record keeping done manually.

HRIS has a great effect on the organizations that employ this method. Nowadays, most firms are using Human Resource Information System because it can perform all the tasks which had to be done individually, earlier. These tasks include the databases, payroll systems, appraisal systems among others. HRIS challenges the pre-existing structure of operation and principles of HR Departments. The two main properties of HRIS-Centralized data storage and integrated work processes affect the organization in ways most employees do not expect. Many organizations have a team of analysts that compare and evaluate pro and cons of various HRIS packages on the basis that how much the various HR departments will be affected- Payroll, Appraisals, Training, Employee Relations and so on. The criterion for evaluation and reviews are prepared by this team.

Like all other efforts, for a successful Human Resource Information system, cooperation, and commitment from all the departments of the company. One of the most important departments includes Executive Management of the company. The Executive Management sponsors the project. Some departments can resist the project given the level of change that would be required. Executive Management’s support is most important because this makes sure that the new business strategies are implemented efficiently [21].

1.3 Human Resource Management and Performance

The productivity of the workers is also affected to a very great extent. The increase in levels of performance is now highly linked to Human Resource Management. The link between the performance of an organization and Human Resource Management has become an important research topic in today’s scenario [22]. Performance is clearly linked to what notion of Human Resource Management; the firm focuses on. This has given birth to two new types of management—Hard and Soft. ‘Soft HRM’ deals with discussions, interviews, managerial skills, guidance, and motivation. ‘Hard HRM’ just includes the number of people working in a firm and how much are they paid [23]. Other factors that affect performance related to HRM are whether the administration is centralized or decentralized. Centralized administration is the one in which all the power resides in hands of one person a group of few people. For example, if an organization works in a centralized manner all the power resides with the top management which includes The Managing Director or the Board of Directors. In the Centralized mode of operations, what happens is that people don’t feel responsible or powerful enough to take initiatives and work in a monotonous way on the tasks assigned to them by the superiors. This makes Human Resource Management easier in an organization but at the same time work becomes frustrating from the point of view of people working in the organization. Thus, performance and productivity of workers are also affected to a very great extent. [24]

The other type of administration is the Decentralized Administration. This works on the principle of Division of Responsibility. Power resides in the hands of various people at different levels of management. Although, the decentralized administration is much less organized the centralized one but, people are happier in this type of management. This is because they get to take initiatives and use their creativity to bring out new and innovative solutions to the problems. Hence they feel more self-sufficient and secure. As a result, their performance goes up. One thing is evident from the above discussion. Money is not the only thing that affects the performance of employees in a firm. Moreover, money has become a secondary factor for people to consider taking up a job. The main factor that affects the performance of an employee today is the amount of self-sufficiency, self-esteem, and security provided by the job [25]. The feeling of being responsible for the
organization brings about the creativity and hidden talent of the person in most cases, Job security being one of the other factors.

**There are four main points of concern in this area**-
1. Excellence
2. Adaptability and Freedom
3. Approach
4. Dedication

It can be said that these are the quantities that can be measured in Human Resource Management. Dedication here means the commitment of the person towards the work provided to him by the company, he is working in and towards his own future. These three are totally different things and different people may have different levels of commitment in each field. Flexibility can be provided by the organization in different areas. Freedom of working hours is provided in return for the promise that the targets would be achieved in time. Extra incentives are provided by some organizations for extra working hours. Some organizations give freedom to the employees to broaden their perspectives and put forward new and innovative ideas for the problems being faced by the department or the company [26].

II. **Pith of Human Resource Management**

Before writing this paper, analyze with some research papers on Human Resource Management, each with a different view or perspective of the subject. Human Resource Management is not only required in offices or organization but now it has become an essential part of every little detail of our lives [27]. How effective is the management of Human resource in a company is directly linked to the performance and productivity of the company? Different organizations follow different trends, according to what proves to be successful for their company. Many theories have been developed by many experts regarding Human Resource Management. Different people have a different point of view. For example, according to Bratton and Gold, “HRM is a strategic approach to managing employment relations which emphasize that leveraging people’s capabilities is critical to achieving competitive advantage, this being achieved through a distinctive set of integrated employment policies, programs and practices.” But according to Buchanan and Huczynski, “HRM is a managerial perspective which argues the need to establish an integrated series of personnel policies to support organizational strategy [28].”

If there are good sides to a practice, they have to face certain drawbacks as well. For example, if the management of a company is centralized in nature, the unity of command, the unity of direction and properly organized structure of management is achieved. But job satisfaction is not guaranteed and work becomes monotonous. Hence even if the job is well paid, employees are unwilling to work in such situations. On the other hand, in Decentralized Management, flexibility exists and people are guaranteed freedom and the right to think and put forward new and innovative ideas. Although in Decentralized Management unity of command and unity of direction may be compromised. The research paper by John T. Delaney suggests that productivity of a company can be greatly increased by improving or working on areas like betterment of employees and providing them equal rights and opportunities such that they equally feel responsible for the success as well as failures of the organization. The paper also stresses the importance of training the employees and performance-based incentives. I totally agree with all the points stated by the research paper. This is because I feel it is very important to keep the employees motivated and happy if the higher officials have to get their work done and all the aspects suggested by Delaney and Huselid help the organization achieve this goal. Often, small things like these are overlooked by the Human Resource Management department of a company.

This paper very strongly puts forward the importance of ‘Progressive Human Resource Management Practices’. The popularity of research work based on the impact of Progressive HRM Practices has increased in the current scenario. Some authors include studies based on specific HRM Practices like the training of employees and information sharing. Although most of the research work till date considers that these HRM practices have a positive effect on the growth of the organization but there are some writers disagree with this positive connection between Progressive HRM practices and growth. Many conceptual explanations are provided by the paper to justify the connection between HRM Practices and growth of the organizations [29]. Another factor that the paper highlights are the skills and the talents of the employees. This comes under HRM Practices only. It is very important to ascertain that whether a person is fit for a job or not i.e. if he possesses the skills required to complete the work he is entitled to do. This requires a careful selection procedure termed as the Recruitment process wherein the experienced employees of the company set a careful screening process of various steps such that they can find a person who is perfectly fit for the job. Also, skills of the employees
already working in the company can be sharpened (in accordance with the new technological and other changes in the market, etc.) with the help of Training.

The amounts of work that can be completed in a day or the load bearing capacity of the company also depend upon the motivation levels of the employees. If they feel secure enough in a company, they will definitely enjoy working in the company which ultimately leads to higher amounts of work completed in a day. Apart from that, there must be proper Grievance procedures to make the employees feel safe and secure. Grievance procedures are the methods by which workers, consumers, suppliers or adversaries of the company can address their complaints or in other words, these procedures allow all the people associated with the company to put forward their complaints or grievances. In return, the organization tries to resolve all these issues.

According to Ichniowski et al, “Workers will only expend extra efforts if they expect a lower probability of future layoffs” (1994: 10). Even if the employees are rational enough to consider that the HRM Practices would ultimately lead to the growth of the company, they will definitely resist changes in the working environment if they think that these changes pose a great threat to their jobs i.e. they fear to lose their jobs. Thus, information sharing is encouraged if people feel secure in their jobs (Levine, 1995: 55–58). Another research paper “Gaining Competitive Advantage through Human Resource Management Practices” suggests the importance of gaining ‘Competitive Advantage’ in a firm’s success. It has multiple benefits. To summarize, if an organization focuses more on this aspect, it can control its future i.e. its future lies in its own hands.

As rightly said by Walter Wriston (outgoing Chairman and CEO of Citicorp),” I believe the only game in town is the personnel game. My theory is if you have the right person in the right place, you don't have to do anything else. If you have the wrong person in the job, there’s no management system known to man that can save you [30].” There are certain examples that prove the positive connection between HRM Practices and the growth of an organization. Lincoln Electric is an America-based firm and one of the leading manufacturers of welding products and welding consumables, all over the world. It works on two principles- Best fit approach and best practice approach for Selection, Training and Appraisal processes. These approaches help in gaining a competitive advantage regardless of other factors. Due to this system, an average employee in Lincoln Electric now earns $44,000. Apart from that, employees very rarely leave their jobs.

Mercedes is a well-known brand in the automobile industry. It manufactures buses, luxury vehicles, coaches, etc. Apart from that, this company is also known for its HRM Practices. Mercedes trains its employees in service garages such that it is able to offer 24-hour services. Nissan Motor Company Limited is another multinational automobile manufacturing company, originally based in Japan. It follows a practice where it provides official training to its part suppliers to enhance the quality of their products. The same practice is followed by Honda Motor Company which is also a Japan-based automobile and aircraft manufacturer.

Ford Motor Company is an automobile manufacturing company which has headquarters in Dearborn, Michigan. It was founded by Henry Ford. He believed to be one of the best leaders the world has ever seen. He was basically known for his different way of thinking and unconventional Human Resource Management practices that are still followed in Ford Motor Company. It’s most basic strategy is to keep aside emotions and focus solely on the data i.e. emotions should be considered secondary to data and discipline to create a healthy working environment.

Similar to the above policy, McDonald’s, a well known America-based fast food and burger chain, follow a policy where it provides formal training of what is to be made and how is it to be made to all its franchise-holders. It also follows three strategies-
1. Taking forward the brand to greater extents hence achieving a very profitable growth, working on the strengths through new ideas and technology.
2. Providing optional excellence in each restaurant of the brand.
3. Being the best employer for people of each and every community.

FedEx is an American multinational company that provides courier delivery services. It is headquartered in Tennessee, United States. The company believes that if the employees are treated well, productivity can achieve heights and ultimately success depends solely on how well the employees perform. It works on “People-Service-Profit” policy.

Eileen Fisher is an American women’s clothing brand found by Eileen Fisher. The main goal of this brand is to provide customer services up to the mark provided by its employees. To motivate employees to so, it provides generous discounts for the employees and other monetary allowances. It also provides remuneration for personal education. Hence, by keeping its employees happy, it ultimately provides good customer services.

Marks and Spencer is a British multinational retailer with headquarters in Westminster, London. It may be at the top right now, but it didn’t reach the position it holds only through its marketing strategies. It is also famous for its Human Resource Management policies. Communication is the key element of this company.
Daily huddles among the employees and conference calls on a regular basis make it unique. It also organizes staff surveys regularly. This company has also won awards for how it treats its employees, be it at a low level or high level of management.

LinkedIn is an employment-oriented website where people can look for and apply for jobs. According to Glassdoor, LinkedIn was ranked at the 23rd position among top 50 best places to work, in 2015. It works on the principle of ‘Work hard, Play hard’. Parties are held regularly with a night club atmosphere and live music. This is how they reward their employees for their hard work.

These strategies of well-known brands clearly show that how critical Human Resource Management is to make a company achieve heights. These are best examples because these companies have huge turnovers and are multi-national firms now.

![Fig 1: Scope of Human Resource Management](image)

### III. CONCLUSION

The study of the history and the current Human Resource Management trends points out some important facts. First, in a world where competition is increasing day by day, the people or rather the organizations have started accepting the Human Resource Management as an integral part of the organization whereas earlier people didn’t find it important. The other aspect is that this ever increasing competition has forced people to level up their ideas thus innovation and creativity have become the key to success of a firm. Finally, the trends may change but the core idea still remains the same that managing the human resources in a company is a tedious but important job in a company, which will eventually lead to its success otherwise everything, remains scattered.

Some strategies can be implemented by the Human Resource Management department of an organization, which can bring out the full potential of an employee, thus achieving goals becomes easier. A good example of such a strategy is providing good incentives or gifts for good work done. For example, the management obviously wants that the employees reach the office on time thus maintaining discipline; also the work gets completed on time. The company can provide motivation in the form of gift vouchers or coupons for those employees who come to the office before time or on time. This will definitely bring a positive effect on person’s mind and he will complete the work with enthusiasm.
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