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Productive Managing of Human Resources

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ABSTRACT: The paper typically reviews the articles on the studies of the Human Resources Management (HRM). The articles discuss the details on effect of HRM practices on the productivity of the organizational. Meanwhile, the journal mainly focuses on the HRM practices that bring changes among organizational workers as they represent the vast workforce towards the accomplishment of the organizational objectives. It also includes the job design which is essential for the well break down structure in a company as to meet the employee's satisfaction and organizational performance. Otherwise, the organizational technology humanware is also essential in conducting and success of the HRM practices.

Keywords: Goods and services, human resources, productivity, Operations Management; Literature review

INTRODUCTION

Human Resource Management is a critical and imperative function that operates within an organization. The function can be classified into compensation, recruitment, development related to the organization, motivation of employee, communication and training, benefit, incentive payment, and performance management. All the activities are related to employee and the way for them to achieve goals. Current human resource focus in helping to increase employee commitment and employee skills and hence productivity also how to utilize these human resource practices to achieve competitive advantage. Besides that, line managers also play vital role in performing human resource management. Human resource management makes sure that the managers clearly transmit the organizational goals and objectives to the employees so that they could enhance the effectiveness and efficiency by providing them with the required resources [1].

The process of job design has been defined as specification of the contents, methods, and relationships of job in order to satisfy technological and organizational requirements as well as the social and personal requirement of the job holder. Job design of one's own choice brings involvement, satisfaction and motivation. Besides that, job design focuses in designing the transformation processes; inputs into outputs, and evaluate the human and organizational factors that impact that transformation. According to psychological consciousness, a well-designed job could motivate worker towards better job performance, and employee become highly productive and loyal to the organization. The construct of job design by job enrichment, job rotation and job enlargement and also relationship between job design and employee performance had been proposed from a conceptual framework [2].

LITERATURE REVIEW

Nowadays, human resources represent the vast workforce in the organization. At the same time, Human Resources Management (HRM) leads the organization to enhance their competitive advantage over its competitors. Every employee is involved widely in the management function and goal accomplishment especially in term of productivity and development. Individual social gain experience, work specialization, different academic qualification and hierarchy positioning

lead to the well break down structure in which the bottom level organizational is control over by the top level organization. In addition, they also contribute to the creative work, the production of new and innovative product, renewable or modification of the general administration management, making organizational decisions and thus deal with the problem solving for the transformation of the natural resources into useful and profitable product and the forth. [3,4]

Therefore, HRM is indirectly cultivated by the psychological linkage between the employee and company goal. The effort to coordinate employees and the organization is important for the accomplishment of the organizational purpose as the workers treated the company's objectives as their personal purpose and hence will put in extra commitment in their workforce. The productivity will be in turn enhancing. [4]

There are a bundle of HRM practices that involve the organizational personnel, such as employee training and development, employee recruitment, employer relation, performance appraisal, employee attitude and motivation, career management and recruitment, compensation management, incentive, leading the organization to enhance their competitive advantage over its competitors and provide the guideline to cultivate good and quality personnel in various functional areas. Those HRM practices have great potential in enhancing the organizational performance. [4,5]

Employee selection is considered as one significant HRM practice in the organization as the personnel characteristic or behavior might influence or appear to be influential to the organizational performances. According to the HRM activities, hiring a good employee is an essential factor in determining the success of the company as the employees are responsible in carrying out the specific objective of the organization. Employee recruitment involves the statistical procedure in selecting workers in order to develop quality employees besides assigning the workers to the suitable works. [5]

High quality and durable employees whom are highly adaptive to new and uncertain environment would enhance the productivity of the organization. This is due to the fact that quality employee could have higher contribution towards the organization production besides improving the management or organization pay roll. The high quality employees can be characterized by the ability in specific skill like communication skill, easily adapts in the work culture, follows the work ethic, ability to control their emotional independences and able to work in team. [5,6]

Other than that, HRM practices also include the employee performance appraisal. In order to evaluate the performance of the employees, performance appraisal will be an efficient method in determining whether the workers have met the required performance, work according to procedure and the forth. Through the evaluation, HRM practices help to exploit the strength of employee and correct the weaknesses of the personnel that appear to delay achieving well performance of the organization. [6]

Organizational technology humanware such as human resources selection and training is important in organization performance. Its empowerment provides the pleasure, satisfaction and growth for the employee. Training of employee can be defined as the process of learning new knowledge and information as well as to enhance skill and improvement of behavior. Training programs are vital in the development of skilled employees to enable them to make the decision effectively and show good behavior in different environment or circumstances. In addition, it will better match the employee with their job task and the environment condition. Otherwise, training programs also lead the employee to cope up with the up-to-date knowledge such as the advanced

technology and management. Thus, it helps to the creation of the environment of 'Learning Organization' and also maximizes the desired organizational outcomes. On average, it greatly increases the organizational performance. [6-8]

Other than that, employees training also include the control over the relationship between emotion and rationality. Through the HRM, the organization takes significant role in controlling as well as setting boundary of acceptable emotional expression in the human resources system. Furthermore, it also provides a wide range of guideline to the adaptation of the employee in their right field of work. Technology factors play an essential role to achieve the global competitiveness which may help to motivate and develop the skill of employees. [7]

Let's take the example of Cognitive –Behavioral Training (CBT) which has been widely used in changing the employee work related attribution style, reduce the turnover rate, improve the self-esteem, psychological well-being and hence elementarily to improve the organizational productivity. The significant control of the workers' attribution style is the key factor in determining the performance of an organization. For an instance, stress, rejection and failure faced when conducting work task, will definitely reduce the productivity of the employee involved. In other words, the optimistic attribution style will lead to the job satisfaction and better organizational performance. [8] [9]

HRM practices could enhance the competitive advantage as they are the means by which firms locate, develop, retaining outstanding, non-imitable, non-substitutable human capital. For an instance, the organizations which constantly review the Human Resources Strategies are able to stay competitive and survive in the market. Based on an investigation, they found that employee skills, attitudes and behavior play a moderating role between human resource system and firms outcome. High involvement in work represents a set of human resource management which takes a greater responsibility for an organizations success. In practice, it involves HRM practices to develop a self-managing and self-programming workforce. Besides that, they also found that manufacturing lines using a set of HRM practices are results with a higher level of productivity than lines employing a single human resource management practice [10]

Due to the high involvement of employees, it shows a high productivity of work. The system of High Performance Work Practice showed the relationship with the organization productivity. It includes the employee recruitment, performance management system and the forth which will develop the quality personnel with the KSAO's. At the same time, it can also be empowered to eliminate the nonperforming workers. This system will incorporate with the financial performance and hence will result in lower turnover rate and high productivity. Beyond the system, HRM practices such as higher wage and benefit will also improve the quality of employees' performance and result in increase of the productive rate. [11]

Moreover, the cluster of HRM practices will give a better effect on the organizational performance as compared to the each individual goal. However, utilizing these practices is difficult to evaluate the performance of personnel individually because the monitoring will be mainly focusing on the overall output of the production instead of the individual output or performance. As we know, employees are the valuable resources of an organization and could not be replaced. An organization will not be able to survive if only a few people are committed in context of their subconscious mind and lack or not having people that convert the decision into action. Nowadays, the most challenging factor for an organization is not the acquisition of the new technology or facilities but the development of brand new manpower. The growth of the organization widely

depends on the work culture and quality of employees which strives the organization towards the ultimate goal. In addition, open-mindedness of the workers also contributes toward the high productivity. [12]

In terms of HRM practices, it helps the organization to enhance the company performance through motivating employees to work harder and allowing more flexibility, encouraging initiative or pro-activeness, reducing the cost of supervision or other indirect cost. Enhance organizationally specific knowledge helps employee to learn a wide range of skills, rather than equipping them in simply to complete a restricted job. Besides that, they will be able to rank a better position to produce high quality product and services, adapt to change and contribute to the company competitiveness through product or process innovation. Empowerment, extensive training, and teamwork are forecast to interact to stimulate performance. Empowerment could help organization to make decision while self-managing could ensure their internal process is consistent with and supported within the wider organization context [13].

Moreover, these practices also improve the organizational performance by constantly changing the individual and organizational structure. Management plays a significant role in changing the job design as to improve the efficiency and effectiveness of the workers in accomplishing a specific organizational purpose. Changes in the management should be carried out effectively such as the ability to move freely, influence others, directing the working force in the target system and administrative units. In addition, the changes in the organization work structure must associate with the changes in the individual to achieve the stabilizing circumstances in various field of management function. [14]

The other HRM practices including the hiring criteria, job design, concerning employee training and employee hierarchies are important to extract the best performance out of employees. Information sharing is significantly to provide more information and motivation for decision making and greater involvement of employee in a project. Problem solving is necessary for production problem which involves production workers and other non-managerial workers. Rotation of worker across the job is used to improve team working between manager and non-managerial in addition to increase worker flexibility [15]

Nevertheless, we know that high workforce commitment contribute to the effectiveness of employee-customer interaction in service-sector firms. The HRM policies are the important determinants of the company productivity. It shows seven different policy areas which are extensive recruiting and selection, employment security, incentive compensation plans, skills training, work teams, flexible job assignment and labor-management communication. It may reduce quit rate, which in turn, decrease recruitment and selection cost, and increase the benefits of investments in firm-specific skill. Furthermore, teamwork and careful employee selection will make group-based incentive pay more affective by reducing free-rider problems. Careful screening, indoctrination and teamwork makes objective incentive more effective, thus these policies should be complement with those policies such as work teams which requires subjective appraisals of employee. [16-18]

HRM practices include the emphasized employees incentive (monetary reward, appraisal, career advancement, etc.) and work organization (job design, team working, autonomy, etc.). The relationship between the HRM and productivity is the changing of the HR policy in which affect the organizational productivity. High power of incentive pay, some perverse incentive and the combination of human resources practices with incentive pay will in turn increase

workers' capability to perform more effectively toward the organizational goal (productivity). In the other words, it is the production based incentive. [19,20]

The complex production line will enhance effectiveness and the efficiency of group incentive pay in the productivity. Therefore, job design is such an important instruments in controlling the incentive pay as well as to increase the value of incentive pay by adopting the workers to their jobs in which incentive are more influential. [19,20]

Job designs can be referred to as the process of constructing and designating the specific work activities of individual or group of individuals in order to attain certain organizational objectives. There are three types of job design, which are motivational approach, biological approach and mechanistic approach. Motivational approach could make the job become challenging and the worker so responsible that the worker is motivated by performing the job. Biological approach is based on ergonomics and focuses in minimizing employees' physical strain. Biological approach could reduce intensity and durability requirement and making improvement to upsetting noise and climate conditions. Mechanistic approach focuses on total efficiency in performing a job. This approach supposes that work should be broken down into highly specialized and simplified the frequent repetition assignment [21].

Other than that, job design helps to determine the costs and nature of workers' investments during the production and affects the workers out of option. Hence, it can affect the size and allocation of production rent, by changing incentives to invest in production and bargaining power. When the manager influences the change of bargaining power in the alternative of job design, worker may make less investment than they could make under the alternative one. Poor quality higher education would generate workers of weak learning capacity and dissemination of multitasking may severely weaken the bargaining power and their share of production rent [22].

Undeniably, motivation and job design were found to significantly impact productivity. The factor autonomy, feedback and skill varieties are preferred in terms of preference and suitability of some organization due to the capacity to conduct decision making, use feedback provided and being multi-skilled, make sure the job role is designed effectively. Motivation of an individual may influence the performance or the quality of output. There are three types of motivation factors which are intrinsic, extrinsic and contextual motivators such as salary increment, work environment and a challenging job is important in resulting in a better productivity. Hence, it is derived that relationship exists between job design, motivation and productivity due to the significant positive correlation [23].

Integration of HRM is significantly related to the competitive priorities of manufacturing strategy. In addition, it also showed the liaison to each of the organizational functional area. The competitive priorities can be for an example, cost, quality, delivery performance and flexibilities. At the same time, those priorities act as the manufacturing strategies in order to achieve the management goal or performances. For instance, achieve the higher performance in term of quality and quantity, offer the product with lowest price, differentiate product from the competitors' and forth. There will be internal and external integration of HRM. Internal integration is the situation where each of the functional area carried out their activities based on the purpose that established while the external integration occurs when the functional areas as well as the manufacturing support the creation of the strategies externally.[24]

Without human resource and effort, the physical assets such as land, building, plant, machine and even the electronic gadgets will become unproductive. All the strategies and activity plans of a

concern are initiated, conducted, implemented, managed, and controlled by the manpower that realizes the concerns. Therefore, human resource has such influences in changing the profitability, productivity, solvency and efficiency of any organization. The firms use the performance appraisals that assesses the individual or group work performance to direct and motivate employee behavior. Link those appraisals with incentive compensation systems, the use of internal promotion system that focus on employee merit and other form of incentives intended to align the interest of employee with shareholders such as profit and gain-sharing plans[25].

CONCLUSION

In a nutshell, HRM and job design play essential roles in enhancing the organizational performance. The wide ranges of coverage of HRM practice work together towards the accomplishment of the organizational goal. Incentive pay, employee security, management policies job design and forth helps to achieve high quality employees and production rate. However some of the practices seem to have fault in practicing. For instance, higher incentive payment gives the most effective role in enhance the productivity. Inanother word, employee was motivated by the high incentive payment. Nevertheless, the organization should practice the involvement of the worker in the management and various functional areas. Thus, they will feel belonged and willing to cooperate and hence having the extra commitment toward the company.

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