

HR: NECESSARY PARTNER FOR IMPROVED ORGANIZATIONAL PERFORMANCE

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ABSTRACT

Currently, researchers in the field of business have engaged in the deliberation on the importance of the human resource (HR) department, pondering on whether it should be scrapped or retained. The deliberation is initiated as a result of thoughtful and pervasive misgivings about the contribution of HR in organizational performance. In spite of HR's acknowledged relevance, it is essential to understand the motivation for HR's fraught repute, as HR is consistently perceived to be unproductive, inept, as well as expensive, as most top management believe; echoing that, HR is value draining. Nevertheless, the veracity of the debate is that HR is a necessity if organizations must gain competitive advantage.

Keywords: HR, Organizational Performance, Competencies, HR roles, competitive advantage.

INTRODUCTION

The psychology of organization postulates that the effectiveness of an organization is not determined exclusively by the realities of the market and the viable competitive advantage (Ployhart, 2012). In reality, other factors abound. Organizations become effective when they begin to view their human capital to be their most vital resources (Ulrich et al. 2009). The quantitative components of an effective management is determined by its facts and figures, whereas, the qualitative element which is the cerebral aspects are the components that essentially enhances or mars the organization (Alexei, 2002).

Othman (2009) in his study, viewed human resource management (HRM) as the strategic management of an organizations workforce, who independently and co-operatively contribute to the realization of an organization's strategic goals. In a situation where an organization's employees are entities with mental maps and perceptions, goals and personalities of their own, it is impossible to view them in totality. In the views of HRM, the utilization of individual and group psychology is the responsibility of the organization to ensure that organizational goals are realized by employees (Othman, 2009).

Boxall & Purcell (2008) in their study enunciated the following as HR's critical responsibilities:

- Low retention rate of employee turnover through the motivation of employees.
- Attraction of new employees
- Contribution to human capital development

In order to realize these goals, human resource management educates and inspires the workers to imbibe generally responsible behaviours through the communication of ethical guidelines. As a result, HR plays a substantial role in the clarification of the organization's glitches as well as offering solutions that support employees in the efficient discharge of their responsibilities (Wright & Nishii, 2006).

Ulrich et al., (2009) proposes that HR could support the provision of organizational superiority in the ways stated below:

- Partnering with high-ranking and line managers in the execution of strategies.
- Being knowledgeable in the organization and execution of work, as well as providing administrative competence without compromising quality.
- Becoming employees champion, advocating their cause before top management as well as ensuring an improvement in the contribution of employees.

- Being an agent of change; influencing procedures and an ethos that enhances organization's capability for transformation.

Ulrich et al., (2009) further stresses the influential role of HR managers being vital in the total efficiency of an organization, emphasizing the necessity of HR. Consequently, Ulrich et al., (2012) in their human resource competencies survey (HRCS) identified six explicit competencies required of HR professionals, if they must add value to their organizations, which consists of the following, emphasizing they must become:

- Strategic positioners or thinkers who comprehends the developing business perspectives, executive anticipations and business necessities, as well as being capable of translating these knowledge into ability, values and management actions.
- Credible activists that build and sustain relationships that ensure trust, as well as possessing a detailed perception of the process of fostering business growth.
- Capability builders who describe and build the organizational abilities necessary for viable organizational accomplishment.
- Change champions who ensures the process of initiating and sustaining change at the personal and organizational levels.
- HR innovators and integrators who are interested in searching for innovative techniques of executing HR practices as well as integrating other distinct practices in the delivery of business results.
- Technology proponents who employ technology for achieving efficiency that helps link employees as well as leveraging modern communication networks, like the social media.

LITERATURE REVIEW

2.1 Human Resource, a Profession

The review in this study begins with a very bold statement from researchers (Freidson, 2001; Claus and Collison, 2005) that argues that human resource management is a profession. Freidson (2001); Claus and Collison (2005) validates this argument by affirming the establishment of a body of knowledge with the capacity to be taught, to learn and to be tested, as well as devising an ethical code of conduct. Consequently, Meyer (2012) asserts that the need for HR to play more professional roles was imperative, arguing that the expectation on HR as a profession is high, yet HR haven't attained that position. Meyer (2012) however emphasize the importance of developing a body of knowledge that is generally acceptable, with related standards for admittance and performance evaluation, mutual standards of conduct, defined set of best practices, as well as groups with resilient personalities and uniqueness. For this expectation to be realized, the need to further carry out investigation on the body of knowledge that describes the area of study was necessary, as it will ensure the need for further training, testing and certification of HR professionals. Ulrich & Eichinger (1998) also assert that the route towards proficiency is through the description and acquisition of competencies. They posit that the United States had already attained this fit considerably in the 1990s, however, they argue the need for it to be expanded in order for it to develop a collective professional knowledge.

Fanning (2011) however, contends the issue of professionalism from a different standpoint, arguing that the responsibility of HR is that of providing leadership to organizations on matters regarding HR, rather than the continuous conceptualization of their function on the basis of their individual professional contributions. Consequently, Dhillon (2013) posits that the concept of HR's position as a profession commenced from the 1960s. He argues that such a process is damaging, claiming that the profession of HR culminates with existing ethically prevalent definitions of excellence extenuating its reality, and by description is producing a component of segregation of whatever is capable of deviating from what the professional body of knowledge accepts.

The deliberation appears to be fragmented amongst diverse views on the issue of professionalism. Taking a critical look at the various definitions of HR professionalism, the issue is concerned with:

- a society that possess a sense of identity;
- a moral conduct code;
- minimum criterions for entrance and performance;
- a body of knowledge that is unique;
- a condition for training and certification.

2.2 The Impact of HR on Organizational Performance

According to Lee et al., (2010), every organizations team of professionals responsible for its success is a function of the organization's human resources, as the strategic tasks of the human resources department is the recruitment of talents, training, appraisng employee performance, employee motivation, safety in the workplace, effective communication, payroll, employee compensation and much more.

Owing to swift transformations in the business milieu, such as globalization and advances in technology, the conventional sources of competitive advantage has become inadequate for achievement in today's scenario (Simón & Allard, 2008). However, as competition increases, the need to create an inner potential is crucial (Kazlauskaite & Buciuiniene, 2008). Consequently the exceptional interest is rewarded to organizational techniques highlighting the fact that people facilitate the effective functioning of the techniques. Hence, HR and its operation, lately have been considered important in the achievement of maintainable competitive advantage (Kazlauskaite & Buciuiniene, 2008). Principally, the value of HR is highlighted in the face of globalization when the conventional career methods are being modified (Simón & Allard, 2008).

The examination of the imputed value of HR to efficiency has become prevalent from the mid -1990s (Stavrou et al., 2007). According to Savaneviciene and Stankeviciute (2012), the scientific analysis from studies show two primary approaches: the first strategy depends on a caveat that argues that there is no nexus between HR and performance, stressing that peradventure there is, that it is uncertain, while the second strategy is extremely passionate, assuming optimistic and important HR and efficiency connection. Acknowledging both techniques, the review of literature reveals that a significant amount of progress have been achieved in analyzing HR and organizational performance (Paauwe, 2009; Guest, 2011).

Furthermore, Guest (2011) argues that while recognizing that HR functions to create value, there are some problems that are uncertain as well as some queries unanswered. He argues that these problems could be summarised under the aegis of the imploration of Guest (1997), where he argued the need for the postulation of theories on HRM, performance as well as theories that explains the nexus between both. Paauwe (2009) and Guest (2011) however posits that despite the hypothetical and empirical efforts to analyze what is meant by HRM, performance outcomes and the characteristics of their connection, their improvement is still uncertain.

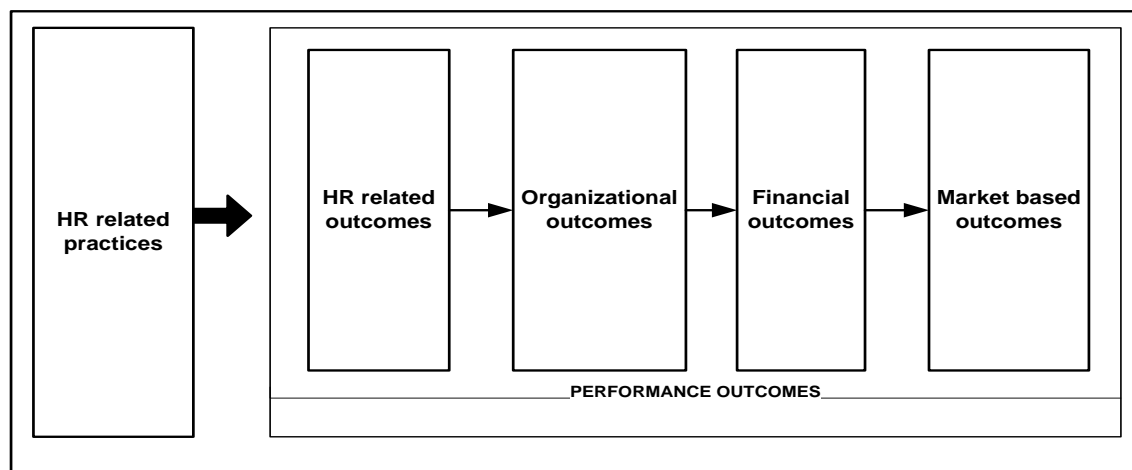


Figure 1. HRM impact on Performance logic. *Source:* Savaneviciene and Stankeviciute (2012)

Therefore, while we believe the fact that it is crucial to analyze HR and performance nexus, it should be recognized that some uncertainty subsist while trying to elucidate and determine the performance processes. Colakoglu et al. (2006) argues that performance outcomes differ in two perspectives; firstly, their closeness to employee efforts or the period of amassing whereby they are calculated, and secondly, the appropriate investors group of emphasis. This paper however concentrates on the first part, which is the aspect of proximity relating to performance outcomes, such as individual stage, division stage, place stage, business unit stage, and firm or corporate stage (Moideenkutty et al., 2011; Boselie, 2010; Paauwe, 2009)

Researchers (Boselie & Van der Wiele, 2002 and Wright & Haggerty, 2005) also postulates four stages of performance outcomes, regarding the prospective processes of HR efficiency, that includes:

- Outcomes involving HR; Boselie and van der Wiele (2002) recognize views and purposeful HR outcomes. Wright and Haggerty (2005) offering alternative arrangement: effective, intellectual and behavioral responses;
- Business outcomes such as output, excellence, adeptness;
- Economical outcomes such as return on investment (ROI), benefit, revenue;
- Market related outcomes, such as inventory prices.

CONCLUSION

The purpose of HR is to empower organizations to realize their planned objectives by getting, keeping and improving employees, that will guarantee HR departments role as a nexus between companies and the workforce. It is predicted of organizations, first to be conscious of the requirements of employees and subsequently make effort to comprehend in order to assess these requirements which will help to create in employees an understanding that will enable them to view their job as a facet of their individual lifestyle, and not just as a scheduled responsibility. In that regard, HR departments are very essential for the entire operation of a company because it helps the company to build a dedicated workforce, that are prepared to give their best with the right competencies, that will ensure improved efficiency.

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