A Study for Developing Human Resource Management System and Productivity

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ABSTRACT

Human resources alignment means integrating decisions about people with decisions about the results an organization is trying to obtain. By integrating human resources management (HRM) into the agency planning process, emphasizing human resources (HR) activities that support broad agency mission goals, and building a strong relationship between HR and management, agencies are able to ensure that the management of human resources contributes to mission accomplishment and that managers are held accountable for their HRM decisions. This is especially important in light of the Government Performance and Results Act’s (GPRA) push to align all agency activities, including HRM, toward achieving defined agency strategic goals and measuring progress toward those goals.

Keywords--- Employee, Human Resource, Innovation, Mobile, RFID

I. INTRODUCTION

The Capacity Plus partnership has developed this human resources management (HRM) assessment approach to guide policy-makers, managers, and human resources (HR) practitioners toward better understanding and responding to HRM challenges facing their health systems. The approach is flexible: it can be applied to an overall assessment of the health workforce management environment or modified to focus on a specific problem (e.g., workforce maldistribution). Alternatively, it can be used to examine HRM issues specific to a health program or intervention (e.g., the supportive supervision of skilled frontline HIV, maternal and child health, family planning, or social welfare service providers). Additionally, the approach engages stakeholders in key stages of the assessment process, thereby fostering ownership and commitment as well as ensuring the assessment’s outcomes and proposed interventions are responsive to local needs.

Traditionally, labor economics focused on the labor market rather than looking inside the “black box” of firms. Industrial sociologists and psychologists made the running in Human Resource Management (HRM). This has changed dramatically in last two decades. Human Resource Management (HRM) is now a major field in labor economics. The hallmark of this work is to use standard economic tools applied to the special circumstances of managing employees within companies. HRM economics has a major effect on the world through teaching in business schools, and ultimately what gets practiced in many organizations. HRM covers a wide range of activities. The main area of study we will focus on will be incentives and work organization. Incentives include remuneration systems (e.g. individuals or group incentive/contingent pay) and also the system of appraisal, promotion and career advancement. By work organization we mean the distribution of decision rights (autonomy/decentralization) between managers and workers, job design (e.g. flexibility of working, job rotation), team-working (e.g. who works with whom) and information provision. Space limitations mean we do not cover matching (see Oyer and Schaffer, this Volume) or skill development/training. Second, we will only devote a small amount of space to employee representation such as labor unions (see Farber, this Volume). Third, we should also mention that we focus on empirical work rather than theory (for recent surveys see Gibbons and Roberts, 2008, and in particular Lazear and Oyer, 2008) and micro-econometric work rather than macro or qualitative studies. Fourth, we focus on HRM over employees rather than CEOs, which is the subject of a vast literature (see...
Murphy, 1999, or Edmans, Gabaux and Landier, 2008, for surveys). Where we depart from several of the existing surveys in the field is to put HRM more broadly in the context of the economics of management. To do this we also look in detail at the literature on productivity dispersion. The structure of the chapter is as follows. In Section 2 we detail some facts about HRM and productivity both in the cross sectional and time series dimension. In Section 3 we look at the impact of HRM on productivity with an emphasis on methodologies and the mechanisms. In Section 4 we discuss some theoretical perspectives, contrasting the usual “Design” approach to our concept of HRM as one example of “management as a technology”. In Section 5 we discuss some of the factors determining HRM, focusing on risk, competition, ownership, trade and regulation. Section 6 concludes.

II. BACKGROUND

The global health workforce crisis is underscored by an estimated shortfall of 4.3 million health workers, which impacts access to quality health care, attainment of the health-related Millennium Development Goals, and improved health outcomes. More focused attention on strengthening the management of the health workforce is essential for improved service quality and to ensure that global investments to increase the number of trained health workers are supported and sustained. Strong HRM systems provide the enabling environment within which the health workforce can be deployed and utilized effectively; however, HRM functions and responsibilities are generally fragmented across a broad range of key stakeholders, which can often complicate the approaches needed to strengthen these systems. HRM is the integrated use of systems, policies, and practices that will provide the range of functions needed to plan, produce, deploy, manage, train, support, and sustain the workforce. HRM focuses on people: how they fit and are utilized within a health system, and how they can be most effective. In the health sector, strong HRM is central to the provision of an effective, enabled, and functional health system. Moreover, targeted interventions to strengthen HRM will yield significant impact. One example of the collection, analysis, and use of HR data to inform decision-making comes from a recent HRM professional development program in Kenya, targeted at a group of public- and private-sector HR leaders and managers—it was reported that the application of data-driven decision-making increased their ability to diagnose critical gaps in human resources for health (HRH) and successfully advocate for additional HRH resources. Participants noted that using HRM information helped them better prioritize and plan specific HR approaches and provided the foundation to implement and sustain these approaches with additional funding and resources (McCaffery and Adano 2009).

III. LITERATURE REVIEW

A. Automated Innovation Analysis

Existing System is completely manual having mechanical works involving manual transmission of innovations and paper work which can impede performance. System does not let employees keep track on life cycle of innovations posted. Employees being unaware of the status of their post.

Existing system does not have notification facility among employees. As it is manual system it is very tedious job to store, maintain, retrieve and evaluate huge information related to employees & their respective inputs. Employees cannot update their posts any time. Each time for new post one employee has to undergo whole long procedures and formalities. Existing System provide less security and also employee cannot personalize their accounts. Core team & Technical team has difficulties in co-coordinating & maintaining records of pending, evaluated, screened innovations in innovation cycle. The world is facing the next major transition: this will mean opportunity for some and extinction for other.

B. Human Resource Management System

The current Leave management process of the organization is very simple. The main processes involved are, registering the information of any new Employee, Department, and Leave Policy etc in a Register. Employees apply for leave manually by filling a leave application form. The superior employees approve/reject the leave applications of their subordinates by making such a note on the application. The employees enquire in the Human Resource Department about their leave balance. The superior also get information about the employees on leave from Human Resource Department. Administrator can manage Leave. Leave allocation to employee.

C. Assessing Key Human Resources Management Systems, Functions, and Practices

HRM systems are defined in the HRH Action Framework (2011) as the integrated use of data, policies, and practice to plan for necessary staff. These systems ensure functions and practices for recruitment, hiring, remuneration, deployment, development (including training and career advancement), and support for health workers are effectively applied. The HRM system includes well-supported HR units with the capacity and mandate to carry out defined HRM functions.

This HRM Assessment Approach addresses the following functional areas:

- Health workforce planning and implementation
- Workforce planning: How well is the existing health workforce planning system organized, informed, integrated, and managed?
- Recruitment and deployment: Are existing health workforce recruitment and deployment processes and practices responsive to service demands?
• Retention: Are there persistent problems in attracting and retaining health workers? If so, what are the reasons for this, and to what extent do they impact service delivery accessibility and availability?
• Work environment and conditions
• Employee relations: What management systems and practices are available and in place to promote and sustain a positive working environment?
• Workplace safety and security: What workplace policies and practices are in place to protect health workers?
• Job satisfaction: How are staff needs and expectations appropriately recognized and addressed in the workplace?
• Career development: How well do existing policies and mechanisms address the career and professional development needs and expectations of the health workforce?
• HR information systems
• What systems and capacity are in place to ensure HRH baseline data and information are routinely collected and used for evidence-based decision-making and monitoring of the health workforce?
• Performance management (including setting performance expectations, monitoring performance, and providing feedback; providing supportive supervision; and sustaining an environment that supports productivity)

IV. EFFECTS OF HRM

• HRM-practices (especially job design and selection/appraisal/training) better predict company performance than R&D, QM, strategy and technology (West, 2001)
• Empowerment better predicts company performance than technology-based management practices (Patterson et al., 2004)
• HRM-practices as cause and effect of company performance (Guest et al., 2003)

The effects of HRM on productivity

So the question is do variations in variations in HRM practices play a role in driving differences in and productivity? We find that the answer is “probably, yes”, although the empirical basis for this which we survey in detail is surprisingly weak given the importance of the topic. In fact, as Syversson (2010) notes in discussing management as a driver of productivity “no potential driving factor of productivity has seen a higher ratio of speculation to empirical study”.

We should also state in advance that in this section we focus on productivity as the key outcome. Many studies look at other outcomes such as worker turnover, absenteeism, worker perceptions, etc. These are useful, but if they have no effect on productivity then in our view they are second order – generally studies use them because they have no direct evidence on productivity (e.g. Blasi et al, 2009:4). We do not focus on measures of worker wellbeing such as job satisfaction or wages. Lazear and Shaw (2008) suggest that some of the dramatic increase in wage inequality in the US, UK and other country since the late 1970s is due to HRM practices. Lemieux et al (2009) and Guadalupe and Cunat (2009a) also take this position, although the current state of the evidence is still limited. These are interesting outcomes in their own right, and may also feed through into productivity, but we are space constrained and refer the reader to the wider literature were relevant.

An important issue is the correct way to econometrically estimate production functions and TFP. Ackerberg et al (2007) have surveyed such methods in a recent Handbook chapter, and this is a lively (but still unsettled) area of research. Many of the issues on econometric identification of the parameters of conventional factors of production (such as labor or capital) are the same as those that will be discussed in subsection 3.2 below. There is also a growing literature on examining the impact of worker characteristics (or “human
resources” such as skills, gender, race, seniority and age) on productivity through direct estimation in production functions rather than the traditional approach of looking at these indirectly through including them in wage equations. Interested readers are referred to recent examples of this approach in Moretti (2004), Hellerstein et al (1999) and Dearden et al (2006).

**HR Involvement in Agency Strategic Planning**

Now that we have seen what types of goals, objectives, strategies, measures, and other forms of HRM integration are present in agency strategic plans, we should look briefly at how these were developed. The legitimacy and ultimate value of these pieces of the plan will depend substantially on where they came from. Historically, members of the HR community have remarked on the difficulty they have had “getting to the table” with top agency management. Rather than being involved in agency planning from the beginning, HR is commonly consulted after decisions have been made in order to help implement any major changes. Considering the invaluable perspective HR has on how decisions will impact agency resources, HR professionals have been frustrated that they are not involved sooner in the planning process. Therefore, it was surprising when 79 percent of the agencies we talked to indicated that they do play a role in the overall agency strategic planning process. The roles vary from a peripheral consultant who reviews and comments on preliminary products to an integrated team member who actively helps to identify not only HRM agency strategic goals and objectives, but programmatic goals as well. Two or three of the responding agencies fall in the former category, a handful in the latter, and the rest somewhere in between. Later, we will discuss how some HR officials are able to elevate themselves to agency strategic partner, while most are still struggling to achieve this.

When it comes to defining actual HRM goals, strategies, and measures, the roles also vary. In general, agencywide HRM-related goals, strategies, and measures are identified by the agency leader or other senior managers with HR collaboration. They decide what is most important to the agency based on the challenges the agency will face in years to come. Some use a more elaborate collaboration approach that involves agency management, HR officials, and other stakeholders, as is demonstrated in the presented examples from the Department of Commerce’s Patent and Trademark Office (PTO) and the Department of Veterans Affairs (VA). Then there are the agencies that use the functional strategic planning approach where the HR office is tasked with coming up with the goals, strategies, and measures itself. In these cases, HR generally uses some type of feedback from customers to identify what is important to the agency and should be included in the plan.

**V. HUMAN RESOURCES MANAGEMENT FUNCTIONS**

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**VI. CONCLUSIONS**

Human Resource Management (HRM) has changed dramatically in last two decades, with Personnel Economics now a major field in labor economics. The mark of this work is to use standard economic tools applied to the special circumstances of managing labor within companies. In surveying the literature we have detected several broads themes:

First, although there have been significant improvements in measuring management in general and
HRM in particular, we are struck by the scarcity of high quality data. This is especially true in the time series dimension where our basic understanding of trends even in the more easily measured dimensions of HRM such as incentive pay is remarkably poor. This reflects a general paucity of data on the internal structures of firms which needs to be addressed by researchers and statistical agencies.

Second, data concerns notwithstanding, there do appear to be some facts emerging. There is a discernible trend towards the incidence of more incentive pay in recent decades (at least in the US and the UK). More aggressive use of high powered-incentives on pay, promotions, hiring and firing is more prevalent in the US and Northern Europe than Southern Europe and Asia. The data on productivity is much better: we have shown wide distributions of productivity within and between countries and HRM appears to mirror these patterns.

Third, there is suggestive evidence that certain types of HRM raise productivity. There is certainly a robust positive cross sectional association between bundles of “modern” HRM practices and productivity, but with some exceptions (e.g. Ichinowski et al, 1997) these are not robust in the time series dimension. Studies of single or small groups of firms have been more successful in identifying a positive association of changes in HRM policies (in particular individual and group incentive pay) and productivity. But hard causal evidence of the type common in program evaluation elsewhere in labor economics is rare and a major future research challenge is to generate better designs to test the causal relationship.

REFERENCES