

## ISSUES THAT INFLUENCES THE EFFECTIVENESS AND EFFICIENCY OF A HUMAN RESOURCE MANAGEMENT IN AN ORGANISATION.

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### ABSTRACT

*Human resource management plays a very important role in organisations. The question of “how we manage our employees” is something that every organisation asks itself. The challenge for any organisation is to maximize the full capabilities, skills and competencies of its employees in the most effective and efficient manner, whilst still creating a working environment where the employees work life-balance is achieved. This paper aims to study the common issues that influence the effectiveness and efficiency of a human resource management in an organisation. It also serves as a guide to HR practitioners on likely problems they could face in its management of employees and some practical solutions applicable to the situation and context of their organisation.*

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### INTRODUCTION

The above-mentioned topic covers a wide spectrum of the human resource management studies. As such, this study will list out issues which affect the effectiveness and efficiency of a human resource management in an organisation. Among the areas covered in this discussion are, continuous training; succession planning; ageing workforce; loyalty; increasing number of female workers; ambiguous job descriptions and specifications; disabled workers, proactive workers; slow learners; and skill deficiencies of the workforce.

### ISSUES & IMPACTS ON HUMAN RESOURCE

#### 1. Lack of continuous training and education

Organisations fall desperately behind the learning culture because training and development are perceived as ancillary activities, rather than as pragmatic catalysts to business results. Every manager should be a training manager. Top managers fail to see the payback of investments in their human assets. They tend to see human expenses as something which needs to be minimised. Lack of continuous learning opportunities is because the focus of our organisation has devolved to bottom-line, short term payback. Leaders have not nurtured or developed people. They have mistakenly highly paid their ‘all stars’ with the need to truly reward the qualities that provide for long term stability and resilience.

You cannot get rich but you cannot get fixed. Complacency seems to be in direct correlation to size, the large are arrogant and do not listen. Large organisations generally have more resources for change, can imbibe mistakes more easily, but they often do not, merely because they are trapped by past successes. Working in these organisations is ‘*absolutely safe*’, it is like working in the public sector and the best part is; it is for the rest of your life and you would not get fired too.

Skill development is appropriate when you believe performance can be improved if the employees acquire or refreshes job related skills. It also can be used to increase job responsibility.

**Impact:**

- i) Incompetent workforce.  
Shift in our economy from manufacturing service orientation are characterised by the increase in importance of peoples work, working with customers and clients of co-workers.
- ii) Lack of competitive advantage in a global environment.  
In a global environment, where there are so many competitors who are equally as good as you are with their main qualities and assets , it is becoming increasingly difficult to have a competitive advantage over them that differentiates your organisation from them. To be successful, businesses and individuals need to learn new skills and use their knowledge to produce higher value added goods and services. Cutting costs and wages is not a sustainable approach to being globally competitive. Continually producing innovative new products and services is the only approach that gives you a future. Some of the main problems that hinder an organisation from gaining a competitive advantage are explained further. Lack of a can-do mindset '*we tried it years ago and it didn't work*', tribalism syndrome '*that's the way we do things around here*', risk aversion '*we'll think about that at a later date*'. Time pressures managers to deliver quick decision and results. Employees not having enough time or space and lack of a coherent vision of creativity. There are some ways to start becoming a creative company and to have a competitive advantage in a global environment. Let's look at a few recommendations:
  - Squash the negative attitudes that kill creativity.
  - Do not stop people trying new ideas and asking questions.
  - Celebrate successes and learn from failures.
  - Use 'number of new ideas tried and learn from' as a key performance indicator when assessing people or departments.
  - Encourage trust and help people to share ideas and information.
  - Accept the value of '*gut feel*' and intuition.
  - Get help to help you get started.
  - Encourage diversity of thinking.
  - Get rid of rules and routines you do not need (do you have to work 9-5?).
  - Value creativity and talent over mediocrity and conformity.

Creative companies have:

  - Team spirit, more fun and less stress.
  - Increased ability to sense and respond to change and thus manage the future.
  - Better management of uncertainty.
  - Everyone is involved in producing ideas, sharing knowledge and breaking organisational barriers.
  - Greater self confidence, pride and self management and motivation.
- iii) Lack of career advancement opportunity, resulting in inability to attract new talent.  
Supervisors of managers will need to perform activities when jobs have become increasingly complex and rational of international competition more intense.

**2. Lack of succession planning**

All organisations, whether in the private or public sectors, need to be able to find people with the right skills to fill key and top leadership jobs. Lack of succession planning affects motivation of the senior staff. Successors are not identified for key posts (or groups of similar key posts). Hence, the motivation of senior staff that is a capable replacement for their supervisors will be affected. This is because they do not see themselves as being valued by the organisation that is unable to identify them as successors. This will lead to senior staff feeling unappreciated and moving to another organisation because they do not see themselves having good career advancement in the respective organisation that they are currently working in. Lack of succession planning results in incapable top and middle management. Successors are found quickly when the person leaves the job instead of going through step by step procedures where the successor is identified even before the person leaves the job and learns from his future replacement. Hence, the successor who is found hastily and in a rush will be incapable in his or her new role because of the lack of education and training that he or she should have received from the person that they were replacing.

**Impact:**

- i) Affects motivation of senior staff.  
Staff will not be motivated to perform or produce results as they know that it would not be recognised and rewarded accordingly. This lack of succession planning also could encourage unhealthy office-politics.
- ii) Incapable top and middle management.  
Subsequent to office-politics, undeserved person holding the office could be incapable in actually running the company. This would eventually the credibility of the top and middle management.

**3. Ageing workforce.**

Policy makers have been warned that delaying the pension age until 70 or introducing other financial incentives for people to work longer will achieve little unless other barriers to older people staying in the labour market are removed. Financial incentives introduced to encourage later retirement will achieve little unless other barriers to older people staying in the labour market – such as training and career development activities that are still skewed towards younger workers - are removed. These include not only age discrimination by employers, but also negative attitudes to work among older workers themselves that leads them to feel undervalued and that they have little left to contribute.

**Impact:**

- i) Retraining, motivating, retirement planning and redesigning the job for health purposes.
- ii) Poorer information processing due general cognitive slow down, poorer working memory especially on complex tasks and placing considerable demands upon them. Older people's learning confidence also needs to be boosted by retraining.

**4. Diverse workforce.**

A combination of societal and demographic change, compiled with enabling legislation has created very different customers, employees and supplies of competition. The 'old boy's network' still exists, and most studies will point that white males earn proportionately more than non-white males and women in equivalent roles. Traditional managers in organisations felt more comfortable hiring, selecting, promoting, nurturing and mentoring those whom they are most comfortable with: people who are exactly like themselves.

**Impact:**

- i) Demographic differences.  
The vast majority of jobs in the workplace are currently held by member of the two generations that is the Baby Boomers (born after the World War) and their successors, that is the generation X. Those born after 1982 are known as generation Y.

The life events went through by Boomers and Gen X produced a different set of attitudes and beliefs in each generation. The differences are in the nature of the response by each generation. Gen-Xers had to learn to deal with simultaneous, explosive changes in technology, legislation, the environment, the economy and society as a whole. For example, Gen-Xers are cynical about loyalty as previously exhibited by their parents due to the 'rightsizing' policy or lean organisation structure.

- ii) Trust.  
The reciprocity of trust has been lost, which means that no matter how well the organisation treats their employees; there is no guarantee of the individuals remaining in the job. Our society reflects that diminution of trust. It is every person for himself / herself. The Covey Leadership Centre discovered that distrust is apparent in senior management from their survey on 3,500 individuals. Employees distrust senior management and senior management also distrusts employees. In many organisations, senior management distrusts other senior management.

**5. Loyalty.**

Company loyalty is declining in the face of continuous layoffs, downsizing and cutbacks. Employees who once felt that they owed their employer the benefit of the doubt above and beyond a full day's work now seek ways to minimise their commitment. Top performers defect, not in fear for their jobs but simply because a slightly more attractive opportunity is detected.

**Impact:**

- i) Wasted resources in terms of cost and energy.  
HR will have difficulties in aligning to company's vision and mission if existing workers cannot communicate and work with senior workers from external recruitment.

**6. Increasing number of female workforce.**

The vast majority of women believe that their organisation are biased against them and feel intimidated at work simply because of their gender. Employers must make sure they take positive assertive actions to create a company culture which makes it clear discrimination would not be tolerated, and all managers are aware of the policies and legislation in place to prevent discriminatory decisions from being made regarding the workforce. These include making sure policies regarding equal opportunities were outlined in contracts of employment and communicated to staff throughout their time with the company.

**Impact:**

- i) Imbalance work-personal life (family problems to the office because the spouse will expect the wife to do the house chores, if married). Having multiple roles might lead to role conflict under the assumption that people have limited energy, time and resources. Substantial number of woman manager experienced career and family conflict that it resulted in job anxiety and depression.
- ii) Unfair treatment – discrimination in career advancement. Research shows that even when male and female managers are similar in age, experience and work status, the women are paid less than the men. This inequality in pay is a significant source of stress for women managers.

**7. Ambiguous job descriptions and specifications.**

Task responsibilities, skills, knowledge and ability according to the job requirements and expectations in the specified organisation are not specified accordingly.

**Impact:**

- i) Mismatch of person to job.  
This will lead to a worker who does not exactly know what he or she is supposed to do on the job. Furthermore, it creates more complications as he or she will not be able to meet the expectancy level of their respective supervisor. This creates tension and dissatisfaction between them. The supervisor will not be happy with the job done by the employee while the employee will be unhappy that he is unable to fully utilise his skills, knowledge and abilities according to his specialisation, because he was misled into believing some vague and ambiguous job description and specification. The human resource unit must be responsible for this error and should find a way to properly train themselves to come up with job description and specifications that are not ambiguous and does not mislead the prospective employee. This will benefit both the organisation and the prospective employee. They will be able to find the most suitable and right man for the job while the prospective employee will be happy that he found a job where he could fully utilise his knowledge, skills and abilities.

**8. Disable workers.**

According to the Equal Employment Opportunity Commission (EEOC) in U.S, a reasonable accommodation can consist of 'modifications or adjustments to the work environment, or to the manner or circumstances' under which the job is customarily performed, so the disabled person can 'perform the essential functions of that position.' Accommodation, the EEOC continues, can also be made through '*modifications or adjustments that enable an employee with a disability to enjoy equal benefits and privileges of employment as are enjoyed by... similarly situated employees without disabilities.*'

**Impact:**

- i) Additional cost to accommodate them.  
Employing disabled workers involve additional costs because you have to accommodate them with the additional equipments to do their job due to their disability. Some organisations might find this too much of a hassle and might not accommodate disable workers altogether in their organisation. Although there is no specific law that states you have to employ disabled workers in your organisation, it is considered a good deed and goes a long way to promote your organisation as one that practices corporate social responsibility.
- ii) Promote good practices of corporate social responsibility.

You are willing to contribute to the society's well being and not just focus on making profits alone. This will enhance your corporate image as an organisation that is not only interested in making profit, but one that also cares for the society. One such example is the Kentucky Fried Chicken at Jalan Ipoh, Kuala Lumpur, which only employs deaf and dumb employees for this respective outlet. This is not only a good social deed, but it also enhances the corporate social responsibility image of Kentucky Fried Chicken.

#### **9. Proactive workers.**

Motivated employees feel they are in control of their work situation. Satisfied members of a corporate family are people who are growing, changing and developing. They are lifelong learners who create organisation where people learn.

##### **Impact:**

- i) Increase productivity.  
Motivated employee increases productivity of the company. This can be seen in many quality management case studies where employees are empowered to make decisions, they are feel more at ease and comfortable. This had resulted in an increase of the company's productivity level.
- ii) Boost HR's image.  
When the employees of an organisation are proactive, it reflects the effectiveness and efficiency of the Human Resources in playing role strategically.
- iii) Over-enthusiastic (office politics).  
The positive side of office politics are people with high level of Emotional Intelligence (E.I). These people tend to adapt to situations and control negative events without letting it go out of hand. Hypocrites, some might say, but at the end of the day, these are the people who get things done by effectively managing people around them.

#### **10. Slow learners.**

Slow learners require more time, money and effort to be educated and trained. The same amount of time, money and effort that you spend on educating and training one slow learner can be used on two or three workers who are fast learners. Hence, to accommodate a slow learner, you will be giving up your energy and resources on somewhere else that can benefit you even more. Slow learners here are defined as people who lack the motivation to think about their work at all. They face work related issues at a time, i.e., fire-fighting. These slow learners need people who has leadership skills to manage them as they are not willing to take on responsibilities or greater tasks. One of the main causes to this issue is when the person is complacent and satisfied with what they have and not willing to grow further.

##### **Impact:**

- i) Higher costs and resources needed.  
As companies identifies people whom are simply not motivated are not interested to achieve the organisational goals, trainings and expenditure of other resources might be allocated and incurred to change this people's mindset.

#### **11. Skill deficiencies of the workforce.**

The organisation should set a minimum skill acceptability level where anyone who is not performing up to the mark or is below the minimum acceptable level will risk losing their job merits. Key Performance Indicators (KPI) can be used for this initiative so that the organisation will not be wasting its finance, time and manpower on workers who are unproductive and do not benefit them at all. It costs more to keep the respective employee than to be without them.

##### **Impact:**

- i) Unproductive.  
Organisation's goals could not be met or achieved accordingly.
- ii) Insufficient usage of resources to accommodate them (money, time, manpower, etc).  
Deficiencies in skills would result in wastage of resources and this in turn would result in the deterioration of the organisation's performance and bottom-line.

## CONCLUSION

Focussing the topic of discussion on HR practices, HR practitioners have a challenging task ahead of them. HR practitioners have to keep themselves updated with the latest trend and best practices, or in other words, they should have the ability and motivation to 'learn, unlearn and relearn.' They should have the appropriate skills, attitude and knowledge of HR practices, and is able to create a dynamic work culture and environment within the diversity of their organisation. HR practitioners remain an important element in the organisation as they single headedly pick the best individuals in every sector of the organization be it in the marketing, finance, information technology, public relations, research and development or any other sector in the organisation. Hence, HR practitioners have to equip themselves with all the appropriate requirements to be able to pick the best individuals from diverse background, qualifications, speciality and fields according to the job description and specification that is required of the jobs in the organization. Apart from that, they should align themselves to the organisation's think-tanks, creating paradigm shifts, and providing strategic inputs and outputs to ensure the organisation achieves its goals and objectives. As such, HR practitioners should be people who 'thinks outside the box', and in the same time, able to identify, nurture and create future leaders of the organisation.

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