

Human Resource Management Practices of Selected Companies

Manolo Logroño Anto, Ph.D

College of Administrative and Financial Sciences, AMA International University - Bahrain

Email: mlanto@amaui.edu.bh; dr_anto888@yahoo.com.

Abstract

The purpose of this study was to assess the existing Human Resource Management (HRM) practices of selected companies in order to come up with a comprehensive HRM Program. This paper tests a hypothesis, there is no significant difference in the extent of use of HRM tools and techniques when the selected companies were classified as large, medium, and small. No significant differences were noted between the extent of use of HRM tools and techniques in the major areas of Human Resource (HR) acquisition, HR maintenance, and HR relations. However, significant differences were noted in the major areas of HR development when the companies were compared. It was concluded that some of the companies did not implement performance evaluation system. One of the recommendations cited therefore was that companies should employ said system on performance evaluation to substantiate total personnel training and development package in the whole HRM program.

Key words: Human resource management, acquisition, training and development, maintenance, labor relations

1. Introduction

With the rapid developments of human resource management, companies regardless of size, require that human resource managers should develop a comprehensive human resource management program to address every changing need. This paper therefore undertook an in-depth assessment of the existing human resource management practices, tools and techniques on the major functions of HRM: as to how the companies selected their applicants in getting the right man for the right job (HR acquisition); how they oriented, trained, and developed their employees (HR development); how they maintained their competent employees in terms of wage and salary administration (HR maintenance); and how they administered and interpreted their personnel policies in furtherance to harmonious employee relations (HR relations) with the end view of developing a human resource management program.

2. Literature Review

According to Donnelly (1997) the acquisition of skilled, talented, and motivated employees is an important part of human resource management. This includes many duties according to Newman and Hodgetts (1998) such as: recruiting, screening, and selecting employees. The HR department usually takes care of placing the employment ads, gathering information on the job applicants, administering selection tests, and eliminating those who do not meet minimal job requirements.

Newman and Hodgetts pointed out that the process of human resource acquisition starts with human resource planning which involves forecasting human resources demands on the organization and implementing the steps necessary for meeting this demand. Likewise, Dessler (2000) agreed that human resource planning is the first step in recruiting and selection process. The recruitment and selection process itself can be best envisioned as a series of hurdles.

Training and development programs, on the other hand, include numerous activities that inform employees of policies and procedures, educate them in job skills, and develop them for future advancement. The importance of training and development and placement, good employees can be brought into the company, but they need orientation and continual education and development so that their needs can be met and the objectives of the organization can be achieved simultaneously (Carnevale et. al. 2000).

Along this line, training programs, developmental methods, and performance appraisal are undertaken. Training is a continual process of helping employees perform at a high level from the first day they start to work. Training is designed to improve a person's skills to do the current job. Whether it occurs at the place of work or at a special training facility, training should always be supervised by experts in the educational processes.

Berke (1996) added that to be effective, a training program must accomplish a number of goals. First, it must be based on organizational and individual needs. Training for training's sake is not the aim. Second, the training objectives should spell out which problems will be solved. Third, all trainings should be based on sound theories of learning; this is a major reason that training and management development are not tasks for amateurs. Finally, training must be evaluated to determine whether the training program is working.

Franco (2001) also opines that in establishing a training program, one must see to it that it meets certain prerequisites to enhance the probability of its success. There is no singular formula or "best expert" training design.

Management development refers to the process of educating and developing selected personnel so that they have the knowledge and skills needed to manage in future positions. The process starts with the selection of a qualified individual and continues through that individual's career (Sonnenfeld and Peiperl 1998).

Performance appraisal involves the formal evaluation of an individual's job performance. It includes feedback to the individual and determination of whether and how the performances can be improved. As a control technique, effective performance appraisal requires standards, information and corrective action. The standard in performance evaluation is prior specification of acceptable levels of job performance. Information must be available to measure actual job performance in comparison to standard job performance. Finally, managers must be able to take corrective action to restore any imbalance between actual and standard performance.

Schermerhorn (1996) reminded, like machines which are poorly maintained, they will breakdown and eventually wear out altogether, so too do human resources suffer from neglect and adverse working conditions. Over the long term, the human resources of organizations must be well maintained if their continued performance contributions are to be ensured.

One of the most difficult functions of HR is that which concerns compensating the employees fairly and equitably. The HR department typically coordinates the work of ensuring that pay rates and benefits package remains competitive by maintaining up-to-date information on wages and salaries in the industry. This is an extremely important function, for research shows that money is a very important motivator. Organizations that pay less than a competitive wage will have great difficulty attracting and retaining qualified associates (Newman and Hodgetts 1998).

This HR function also involves job evaluation which determines a job's relative worth. It is a formal systematic comparison of jobs to determine the worth of one job relative to another and eventually results in a wage or salary hierarchy (Dessler 2000).

In consonance with human relations, labor unions are organized. A labor union is an organization of employees that uses collective action to advance its member's interests in regard to wages and working conditions. Labor unions in the context of HR relations – the continuous relationship between a group of employees and management. The relationship includes the negotiation of a written contract concerning pay, hours, and other terms and conditions of employment as well as the interpretation and administration of of this contact over its period of coverage (Ivancevich 2003).

Dessler (2000) added that Collective Bargaining Agreement (CBA) handbook contains improved human resource policies and procedures as one of the profound effects on the union's impact of the company.

In the dissertation of Yoon Seonghee Cho (2004) entitled "Examining the Impact of Human Resource Management: A Performance-based Analytic Model", he investigated the direct effects of human resource management practices on organizational performance in the hotel industry. Per analysis, the lower turnover rates influenced by HRM practices had positive impact on labor productivity and the higher labor productivity influenced by HRM practices increased revenue per available room. The study supports the idea of how the use of HRM practices creates high performance companies and work systems.

Wei Liu (2004) in a study on "Perceived Organizational Support: Linking Human Resource Management Practices with Important Work Outcomes" aimed at examining the role of perceived organizational support (POS) in linking employee perceptions of HR practices and important work outcomes. The findings revealed that employee perceptions of HR practices, including pay level, career development opportunities, work-family support, and relationships with the leader, are positively related to their POS. The findings of this study shed some light on the process through which the implementation of appropriate HR practices may influence employee attitudes and behaviors, and as such, this supports the need of this study to put all HR practices together in a program.

3. The Methodology and Model

This is a descriptive study utilizing self-made survey questionnaire in which validity and reliability measures were established. To test the hypothesis, a survey on fifteen selected companies in the Philippines was conducted in 2005 in which the subjects were classified as large, medium, and small. The subjects were determined by employing stratified random sampling method. The respondents, the HR managers, supervisors, and rank-and-file were randomly picked out to represent each category.

Frequency and percentage were used to determine the existing human resource management practices of selected companies and mean for the extent of use of human resource management tools and techniques. One-way ANOVA was used to compare the extent of use of human resource management tools and techniques when the subjects were classified as large, medium, and small as perceived by the respondents.

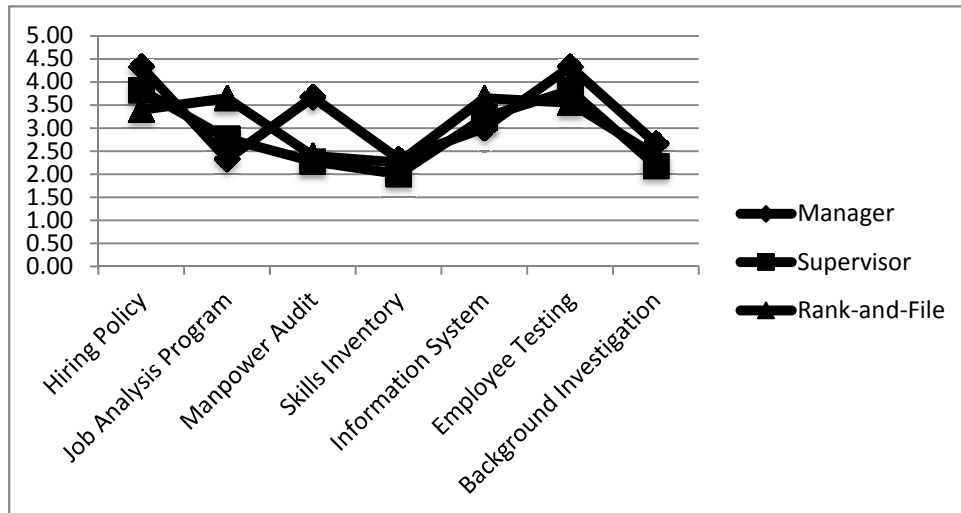
4. The Findings

In the analysis and interpretation of data, the study revealed that the extent of use of HRM tools and techniques

in the major areas of HR acquisition and HR maintenance were to a *great extent*, while to a *moderate extent* on HR development. The extent of use of HRM tools and techniques in the area of HR relations was *very great extent*.

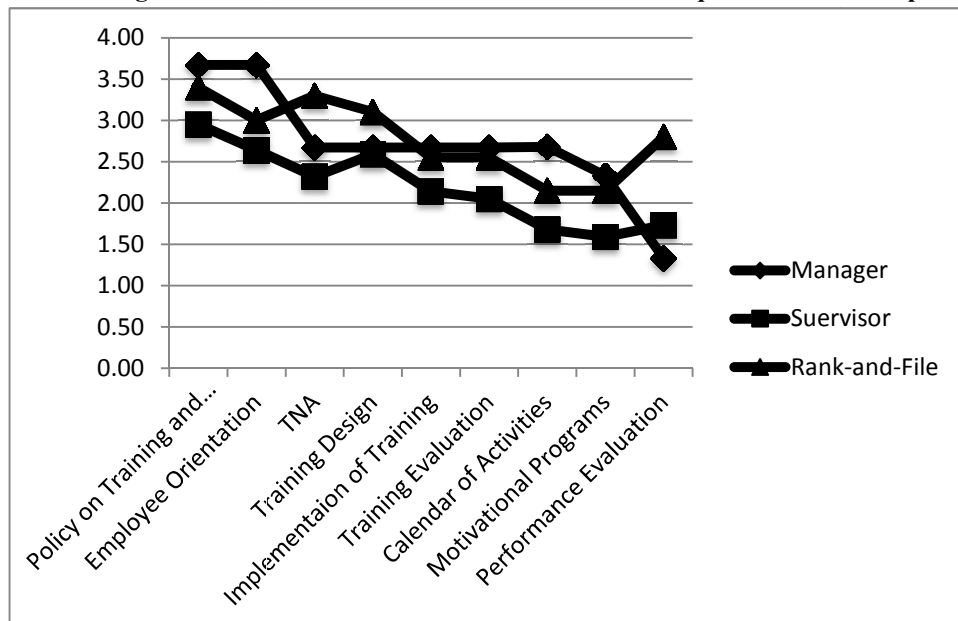
It can be gleaned from Fig.1 that the use of HRM tools and techniques in the major area of acquisition was to a great extent. Respondents rated implementation of hiring policies and the conduct of testing the highest and the least on job analysis program, skills inventory, information system, and background information. Responses imply that it is not easy to hire employees in the organization. This means that HR managers should see to it that they hire the right persons in their organization.

Figure 1.0 Extent of Use of HRM Tools and Techniques on HR Acquisition



Significant differences were noted in the extent of use of HRM tools and techniques in the major area of development. The implementation of training and development policies and on employee orientation was rated the highest by the respondents, while the performance evaluation was rated the lowest. However in the evaluation of employee's performance, findings may imply that job performance evaluation is too complex to administer due to human factors such as employee's perception and personal biases.

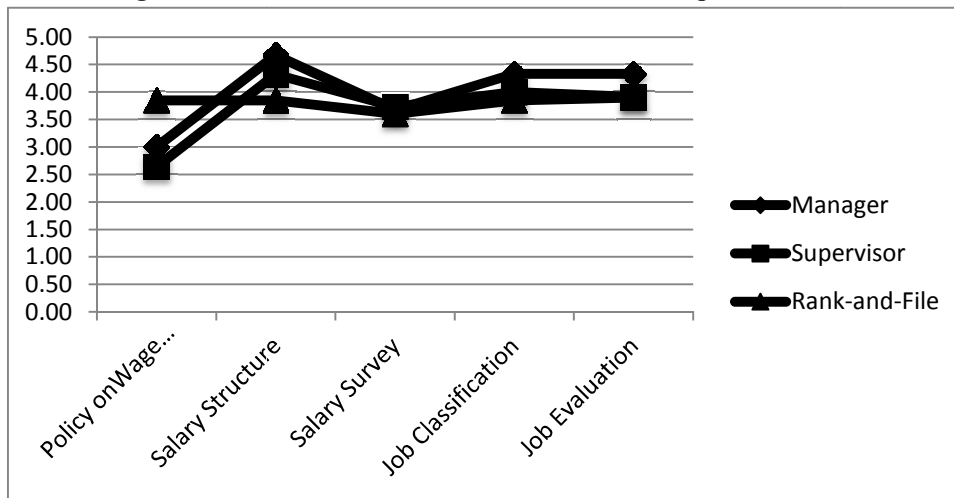
Figure 2.0 Extent of Use of HRM Tools and Techniques on HR Development



The overall extent of use of HRM tools and techniques in the major areas of maintenance was to a great extent. Respondents rated salary structure, job classification and job evaluation the highest, while rated the lowest the policy on wage administration and salary survey. These results imply that companies were concerned how their

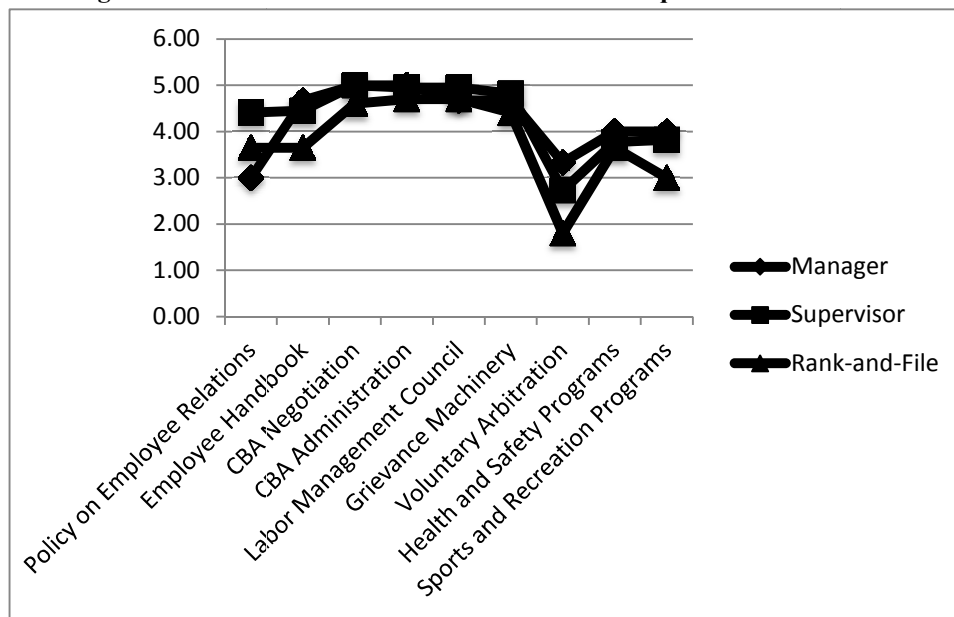
employees are maintained because hiring replacements entails a lot of processes and costs a lot of money.

Figure 3.0 Extent of Use of HRM Tools and Techniques on HR Maintenance



Among the major areas mentioned in this study, HR relations garnered the highest rating which is interpreted as very great extent. This implies that companies believed that a good labor relation is very important. This further implies that harmony in the work environment is much desired.

Figure 4.0 Extent of Use of HRM Tools and Techniques on HR Relations



5. Summary and Conclusions

The results showed that there is no significant difference in the use of HRM tools and techniques in the major areas of acquisition, maintenance, and relations. The results may mean that large, medium, and small companies do not differ significantly in the use of HRM tools and techniques. This implies that their classification does not influence the use of HRM tools and techniques in these areas.

However, significant difference was noted in the major area of development, specifically in the implementation of job evaluation. This may mean that there are companies which hardly ever conduct job performance evaluation. One of the recommendations cited therefore was that companies should employ said system on performance evaluation to substantiate total personnel training and development package in the whole HRM program.

6. References

- Andres, Tomas D. 2002, *Human Resource Training and Development*, New Day Publishers, Quezon City.
- Berke, Elaine L. 1996, *Keeping Newly-Trained Supervisors from Going Back to Old Ways*, Management Review.
- Carnevale, A. P. 2000, *Workplace Basics Training Manual*, San Francisco: Jossey-Bass.
- Dessler, Gary 2000, *Human Resource Management*. Prentice Hall International.
- Dessler, Gary 1997, *Organization and Management Critical Success Factors*, Allyn and Bacon Inc.
- Donnelly, James H., Gibsin James I. and Ivancevich, Hon M. 1998, *Fundamentals of Management*, Irwin Horsewood Inc.
- Franco, Ernesto A. et.al 2001, *Training: A How-to-Book for Trainers and Teachers*, National Bookstore, Inc., Metro Manila, Philippines.
- Guilford Joy P. and Benjamin Fruckler 1986, *Fundamentals of Statistics and Psychology and Education*, New York: Mc Graw-Hill Book Co.
- Hellriegel, Don, et al 1996, *Organizational Behavior*, Fifth Edition, West Publishing Co.
- Ivancevich, John M. 2003, *Human Resource Management*, Ninth Edition, McGraw Hill.
- Levesque, Joseph d. 1996, *Manual of Personnel Policies, Procedures and Operations*, Prentice Hall.
- Liu, Wei 2004, 'Perceived Organizational Support: Linking Human Resource Management Practices with Important Work Outcomes', Dissertation, University of Maryland.
- Mainiero, Liza A. and Tronley, Cheryl L. 1999, *Developing Managerial Skills in Educational Behavior*, Prentice Hall.
- Martires, Concepcion R. 1999, *Human Resource Management*. National Bookstore Inc. Manila, Philippines.
- Morrhead, Griffin 1996, *Organizational Behavior*, Houghton Mifflin Co.
- Newman, Diann and Hodgetts, Richard 1998, *Human Resource Management: A Customer-oriented Approach*, Prentice-Hall International.
- Robbins, Stephen P. and David A. Da Cenzo 1995, *Fundamentals of Management: A Customer-Oriented Approach*, Prentice-Hall International.
- Schermerhorn, John et al.1998, *Managing Organizational Behavior*, John Wiley and Sons.
- Sison, Perfecto S. 1999, *Personnel and Human Resources Management*, Rex Bookstore, Manila, Philippines.
- Sonnenfield, Jeffrey A. 1998, *Staffing Policy as a Strategic Response: A Typology of Career Systems*, Academy of Management Review.
- Stewart, Rosemary 1995, *The Reality of Management*, London: Pan Books Ltd.
- Yoon, Seonghee Cho 2004, 'Examining the Impact of Human Resource Management: A Performance-based Analytic Model', Dissertation, University of Nevada, Las Vegas.

Manolo L. Anto, Ph.D, the researcher, is the Dean, College of Administrative and Financial Sciences, AMA International University – Bahrain. He had been Human Resource Manager of various known companies in the Philippines. For a period of time to present, the researcher is a member of Personnel Management Association of the Philippines (PMAP-Negros Chapter) and Association of Labor-Management Councils. He too, had chaired the Annual Search for Model Employee/Employer and Best HRM Program.

This academic article was published by The International Institute for Science, Technology and Education (IISTE). The IISTE is a pioneer in the Open Access Publishing service based in the U.S. and Europe. The aim of the institute is Accelerating Global Knowledge Sharing.

More information about the publisher can be found in the IISTE's homepage:

<http://www.iiste.org>

CALL FOR PAPERS

The IISTE is currently hosting more than 30 peer-reviewed academic journals and collaborating with academic institutions around the world. There's no deadline for submission. **Prospective authors of IISTE journals can find the submission instruction on the following page:** <http://www.iiste.org/Journals/>

The IISTE editorial team promises to review and publish all the qualified submissions in a **fast** manner. All the journals articles are available online to the readers all over the world without financial, legal, or technical barriers other than those inseparable from gaining access to the internet itself. Printed version of the journals is also available upon request of readers and authors.

IISTE Knowledge Sharing Partners

EBSCO, Index Copernicus, Ulrich's Periodicals Directory, JournalTOCS, PKP Open Archives Harvester, Bielefeld Academic Search Engine, Elektronische Zeitschriftenbibliothek EZB, Open J-Gate, OCLC WorldCat, Universe Digital Library, NewJour, Google Scholar

