

# Managing Human Resources for Enhancing Productivity

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## Abstract

As cost pressures keep increasing, companies are being increasingly looking for innovative human resource management initiatives. In this paper, a three-pronged approach is presented that can make human resources far more productive. Firstly, hiring should be more objective than it has been (a system of tryout is suggested before actual hiring). Secondly, for best productivity, work force should be committed and motivated. Thirdly, several ways and means applicable to today's work environment are suggested to retain good employees especially the top performers, specifically the female employees. These include: pay above and beyond the minimum legal requirement, due emphasis on employee emotions, liberal policy on work-from-home, output-linked attendance, training and mentoring, better connect with employees' families, allow mini-breaks, egg-freezing perks for female employees, performance appraisal, and a new-look retirement policy. Overall, this paper would be helpful in developing a better perspective in this regard.

**Keywords:** Human Resource, Practices, Retain, Top Performers

## Introduction

A few decades ago, in the quiet local business environs, it was almost hassle-free for the management to manage its human resource. It was a common practice to use whimsical, strict, authoritarian and even tyrannical ways of handling employees, who had hardly any option but to tolerate. The going, for the companies, was easy. The competition was not that severe. There were fewer producers of goods and services. Businesses could afford to make mistakes and get away with them.

However, in today's fluid and ever-changing, dynamic and challenging global business scenario with worker-friendly laws, cut-throat competition, greater automation, impacted by such issues as competitors' innovations, and non-business issues like environmental concerns, national and international geo-political issues, global currency fluctuations, governmental policies, crude price fluctuations, etc. it has become quite challenging to remain in and to succeed in business. Schudson (2008) Managers cannot remain mute passive spectators anymore but have to be proactive, challenge the status-quo, think out-of-the-box and take hard calculated decisions.

Spencer & Spencer (2008) suggested that out of the 5 Ms (Machines, Manpower, Money, Materials, and Markets), manpower is the only one capable of feelings and emotions. It can respond instantly when needed. It should not be loose shunted because, like gasoline, it can be highly volatile and inflammable. But with proper understanding and by exhibiting confidence, it can be harnessed well resulting in better productivity. A superior policy of managing human resources can create a win-win situation for all. The winners or the survivors will be those who can, sooner rather than later, learn and implement this aspect of the art and science of HR management.

## Strategic Hiring

The hiring plan should be focused and lead to engaging suitable people who exactly meet the company's requirements.

## Object-Oriented Hiring:

Dineen & Williamson (2012) explored that the person a company intends to hire must have the requisite skills to perform that 'particular job' for which s/he is being hired. Although her/his credentials are important but will be of no use if this person, no matter howsoever good or skilled s/he

is, cannot do the 'particular job'. Therefore, psychology behind hiring should be clear and objective.

### **Tryout before Hiring:**

Tryout is an interesting phenomenon. Bishop & Abraham (1993) explained that it is an exercise of a 'short duration' in which a potential employee is given a 'real' appointment within the company for a particular job whereby the employer can ascertain the output of this person along with her/his strengths and weaknesses and decide whether or not this person will really 'get-along' with the company to deliver what is expected from her/him. This assessment will be much more accurate than the forecast based on the usual system of going through the resume and subsequent interview etc. at the same time, the potential employee can also determine whether or not s/he can deliver the expected output, and whether the working conditions benefit her/him. If either of the two finds the tryout a success in the given circumstances, the resulting association between them can be indeed positive and forward looking, but in case the reverse happens, both can revert back to their original positions without any or much loss to either. Thus, this system indeed has its share of plus points.

### **Essentials of an Effective Work-Force**

Today, for a business organization to taste success, especially the personnel department, it needs to look for and attempt to generate and encourage following qualities in the workforce:

#### **Commitment**

The workforce should be committed to the company they work for. Even a small committed workforce can be many times more productive than a large non-committed workforce as has been exhibited on many instances. Sulsky (1999) observed that larger the committed workforce, better it is for the company. For this, the management also has to chart the untraded path, and commit for the welfare of the workforce genuinely.

#### **Motivation**

Ramlall (2004) expressed that the Output of a person is Motivation multiplied by her/his Effort. It implies, for a given effort, the output is directly proportional to the motivation level of the employee. It also means that the output of a highly de-motivated person can very well be zilch. Therefore, to succeed, a motivated workforce is essential. Armstrong & Taylor (2014) elaborated that the motivation comes in various forms such as suitable compensation, merit increase, appreciation, bonus, long-term incentives, etc. This, in general, applies to the entire workforce. But at times, there are some employees who cherish appreciation and recognition, or better work environment more than pecuniary rewards. The management should treat these employees accordingly.

### **Retaining Good Employees**

A prime business objective for any company is to find ways and means to reward and retain its performing employees, more specifically the really good ones. Happy employees are far more productive than others Griffith (2001).

### **Pay more than the minimum legal requirements**

Using conventional wisdom, even today businesses try to pay their employees wages that are just equal or a little more than the minimum wages payable as per the law. The thinking is that if they did not do so, they will either make less money or they will have to raise their prices that can make them less competitive. Either way, it is seen as not being business-friendly. However, as per a comprehensive research by Zeynep Ton, a professor at the MIT Sloan School of Management, in her book "The Good Job Strategy" shows, operational excellence can help companies offer the lowest prices to the customers. Simultaneously, it can offer decent jobs to their employees and better results to their investors. Time has come when companies must see their workforce as an asset to be maximized rather than a cost to be minimized. Well-paid workforce treated with dignity leads to better outcome for the organization. That is why companies that pay above the minimum wages do better than their competition.

### **Give due emphasis on Employee Emotions**

Morris & Feldman (1997) contributed that the emotions are an integral part of the work-place and help determine employees' behavior thus affecting their productivity. When employees are frustrated, sad, upset or angry or simply disinterested; they focus less on their work and more on their problems. Precious work time and productivity are lost in the process. This poses a challenge for the managers. To hope that the work place will remain emotion-free and that employees will leave their feelings and emotions at home is simply unrealistic. Instead of ignoring emotions at work place, employers need to acknowledge them and work towards preventing, managing, and better handling of emotional issues. Quite often, providing space like a break in the work-day or a day off can heal the issue. Poorly chosen and ill-timed words, or the way they are communicated, can be source of emotional stress. Same comments or messages can be reframed in a positive manner with a little more effort. Emotional situations, when handled well, present opportunities especially when the employees don't know how to tackle their emotions.

### **Liberal policy on Work-from-Home**

When the concept of 'work-from-home' came up for deliberation, the premise behind it was to save money on space, furniture, travelling and such costs. Also, it was presumed that these savings would be more than the loss in productivity. Russell, O'Connell & McGinnity (2009)

revealed that indeed the employees who perform their professional obligations from home seem to be more satisfied, happy and productive instead of those stuck with 9 to 5 office job. Often, people, while working from home, devote more hours in comparison to those who work from office, thereby producing better results owing to the fact that didn't have to commute and do errands at lunch. They take lesser sick leaves. Basically, employees love the flexibility, specifically women having children.

Although more company-specific research needs to be done, but in general it is felt that it will be good for organizations to let staff work from home once or twice a week. It is argued that if every employee is working 2 days a week from home, then how will the meetings be held? It will eventually become chaotic. Such problems can be resolved by (i) rotating the days to be at home so that certain employees are always available and (ii) by scheduling mandatory 'in-the-office' days. In order to make it more effective, working plans should be discussed by calculating hours and days the employee will work, different ways to share common responsibilities, and the specific methods to handle contingencies.

### **Output-linked Attendance Policy**

In contemporary times, attendance systems based on technology are much in vogue because monitoring based on them is non-invasive and respects the employees' need for privacy, enabling them to work flexibly. Brewster, Sparrow & Harris (2005) However, such systems just to control absenteeism and wage calculations are not good enough. Ideally, the wages paid should be linked to performance and output rather than mere presence for that day. If an employee is present for 8 hours but has little output than there is something seriously wrong either with her/him or the organizational HR practices. Therefore, the need is to link the attendance policy and wages with performance.

### **Training and Mentoring**

Training and Mentoring enable employees towards realizing their true potential thus enhancing their performance of individuals ultimately reflecting in the improved performance of the organization. Training is intended towards methodical nurturing of employees' technical and behavioral traits so as to help them shine at the workplace. To begin with, not all who are hired for a job would fulfill all criteria for the position and this mandates training and right mentoring.

Extant literature suggests that despite the oft-referred-to expenditure, training pays off by creating top-line contributing employees. According to Herrbach, Mignonac, Vandenberghe & Negrini (2009) training brings laurels to the organization in terms of better corporate image, which consequently, serves as a pull factor to bring the best minds

in the organization. It has been found from the existing studies that in the training methodology, informal mentoring is far more effective than the formal one especially when coupled with recent developments like active learning and training motivation.

### **Connect with Employees' Families**

Not many families understand the job profile of the employees. The situation becomes all the more crucial for working daughters or spouses especially if they are working at odd hours or deployed on outstation jobs. Therefore many companies are opening the doors to their employees' families by organizing "Bring Your Family to Work" events and showing them around the premises Guest (2002). Such interactions result in better understanding and quell needless apprehensions about the job profile and requirements. Relevant contact information is provided to the families. This instills confidence and ends up becoming a good retention tool with families thus making for a telling case against switching jobs.

### **Allow mini-breaks**

To reduce boredom and monotony at jobs, young employees prefer to take short, yet frequent, bursts of leave instead of a long holiday. Garg & Rastogi (2006) suggested that this style of working keeps employees lively and fresh at the work place and helps them to take care of their personal issues which require less time, thereby establishing a viable fit between work and life. Literature is suggestive of such employees having happier memories with improved work performance.

### **Egg-freezing perks for female employees**

Retaining talented female employees, who are forced to choose between their desire to have a family and further their career, has always been a major issue for organizations worldwide. AlKerdawy (2016) explored that the career progression of a female takes place between years 22-30, which usually overlaps with the age of getting married and starting a family. Therefore, by giving some option to women to go ahead in their career path without compromising with the choice of planning maternity, by way of extending support to freeze her eggs, may lead to a win-win situation for the organization as well as the female employee. Apple and Face book, who have almost 30 % female workforce, are now giving up to \$ 20000 in benefits to help employees pay for infertility treatment, sperm donors and even to freeze their eggs.

### **Performance Appraisal**

As a necessary function of HR practices, Bowen & Ostroff (2004) explained that appraising the performance of an employee on the basis of key performance indicators is an vital part of planning compensation, reward, training and

feedback. To make the performance-appraisal really effective and worthwhile, it needs to be involvement-oriented at all levels and must include participation, satisfaction, self-appraisal, and voice as its main components. The traditional top-down approach is effective no more.

### **New-Look Retirement Policy**

After having worked in an organization for several years, retirement comes as a permanent stop and creates a vacuum, often unmanageable, thus leading to psychological problems including depression, some times resulting in heart problems, and even tendencies to commit suicide. This needs to be addressed and dealt with. Herrbach, Mignonac, Vandenberghe & Negrini (2009) explained that organizations can make provisions for a New-Look Retirement Policy so that the change is not sudden in the life style and daily routine and the transition is as smooth as possible.

For example, if the retirement age is 60, then probably a trend could be started from the age of 56 when the employee reduces his working hours from 8 to gradually zero over a 4-year period; utilizing extra available hours to engage in any other hobby or activity of her/his choice. The employee can be later used to mentor new employees, or as a facilitator, trainer or consultant. This can create a win-win situation for all the stake holders.

### **Conclusion**

To conclude, it could be said that in today's highly complex and competitive global business scenario, only those organizations will be able to meet the challenges and move ahead who not only do well in business but also improve on their HR policies thus continuously finding ways and means to maximize the utility of their most important asset, namely the human resources. They need to enhance workers' involvement and engagement at all levels and believe that apparently difficult problems can be solved with proper understanding of human psychology and a burning desire to solve issues pertaining to the employees. Satisfied and happy employees are far more productive than unsatisfied and sad ones. Further, to retain productive employees there is a need to make special efforts and travel the extra mile with a smile as it leads to better performance and improved finances.

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