

Formulating and Implementing HR Policies for Consistency, Fairness, and Compliance in Employee Management

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ABSTRACT

Human resources play a crucial role in the production process, acting as a vital input alongside seven other components: materials, money, time, energy, knowledge, information, and infrastructure. These inputs undergo transformation through various processes to yield outputs, which are monitored through feedback and control mechanisms. Human resources are also a fundamental part of the Leontief model, which encompasses three key elements: inputs, transformation, and outputs—all of which require human resources to enhance productivity. Management is about creating an environment within groups and organizations that enables individuals and teams to meet their objectives by effectively utilizing both human and material resources. Human resource management (HRM) is one of the core functional areas of management, alongside finance, marketing, production, research and development, and innovation. HRM includes various aspects such as personnel management, industrial relations, and employee welfare. The pioneering figures in production management, such as Rountree, Robert Owen, and Henri Fayol, also laid the groundwork for human resource management. In contemporary organizations, HRM encompasses vital functions such as recruitment, selection, placement, induction, orientation, training and development, wage administration, and motivation. The importance of HRM as a strategic tool for organizational success has grown significantly over time. For an organization to thrive, it must first reach a breakeven point where total revenue equals total costs, and then aim to surpass this threshold. Success is measured not only by achieving goals and objectives but also by satisfying the needs of stakeholders, employees, and regulatory bodies. This study aims to provide a theoretical review of human resource management as a key driver of organizational success. Keywords: Human Resource Management, Organizational Success, Management

1.0 INTRODUCTION

Effective management of employees is essential for achieving organizational success. In a market economy, the success of a business hinges on the optimal use of various resources, including financial, material, and human resources. It is through the integration of these resources that organizations can attain their goals. Among these, human resources stand out as the most significant and complex component necessary for organizational achievement. According to Udo-Udoaka (1992: 45), human resources comprise the managerial, scientific, engineering, technical, craft, and other skills developed and utilized for creating, designing, and managing productive and service-oriented enterprises. This includes individuals working in an organization, whether they are temporary or contracted staff, who collectively represent the most critical resource within any organization. Therefore, it is imperative for an organization to possess the right quantity and diversity of employees, and to manage them in a way that enables them to achieve both individual and organizational objectives. Since the early 1980s, the field of human resource management (HRM) has undergone significant transformation. As global conditions shift, various changes continue to emerge. Currently, many managers have adopted the term "Human Resources," although some still prefer to use terms such as "people," "employees," or "staff," along with the concept of "personnel management." Cowling (1998: 35) suggests that, on one hand, the specific terminology may not be critically

important since practical application is what ultimately matters. However, he also contends that terminology is significant because the methods of managing people at work have evolved considerably over the last fifteen years. A reluctance to use the modern term "human resources" may indicate a failure to recognize and leverage these developments. Human resource management encompasses practices that ensure employees' collective knowledge, skills, and abilities effectively contribute to business outcomes (Huselid, Jackson, & Schuler, 1997). Traditionally, HRM focused on managing, measuring, and controlling the workforce of an organization. Specific activities within HRM include selection testing, training, performance measurement, and benefits administration (Whitener, 1997). Huselid et al. (1997) empirically identified a second dimension of HRM practices known as strategic HRM, which encompasses employee participation and empowerment, communication, team-based work design, and managerial development. Arthur (1994) identified two types of human resource systems akin to those outlined by Huselid et al. (1997): Commitment and control systems. A commitment-based human resource system focuses on fostering psychological links between organizational and employee goals, encouraging greater participation in managerial decisions, training, and rewards. In contrast, a control-based system emphasizes monitoring and rewarding specific employee behaviors and outcomes (Arthur, 1994). The existing theoretical literature suggests that effective HRM practices enhance productivity by improving employees' skills and motivation. Moreover, they contribute to business objectives through strategic innovation and technical expertise. Recent empirical studies on larger companies support the foundational assumptions of HRM theory (Arthur, 1994; Huselid, 1995; Huselid et al., 1997). However, it raises the question of whether this theory is equally applicable to small-scale enterprises. Implementing HRM practices incurs costs that could potentially negate their positive effects in smaller organizations. Since HRM is considered an investment, it requires both time and financial resources. Additionally, employee performance may temporarily decline due to the time invested in training. HRM can only yield benefits if employees remain with the company for a certain period; otherwise, investments in HRM may result in losses. Thus, the advantages of HRM must outweigh the associated costs. Given the limited financial resources of small-scale enterprises, substantial investments in HRM may not yield the anticipated returns. This paper reviews human resource management as a crucial tool for organizational success and is structured into six sections. Section one serves as the introduction, section two explores perspectives on HRM and its functions, section three discusses the significance of personnel and human resource management, section four examines current challenges and trends in HRM, section five presents some findings on the contributions of HRM to business success, and section six concludes the study.

2. Perspectives of of Human Resource Management and the Human Resource Management Function

There are numerous definitions of the term human resource management as there are many experts in the field and it is called by different names for example, in certain public enterprises it may be called personnel administration, employee relations or manpower. Human resource management is concerned with the proper use of human factors in business. Byers and Rue (2000 :75) are of the opinion that human resource management is that part of management that is designed to provide for and coordinate the employees in the organization. Plants, equipment and all others that a modern firm uses are unproductive except for the effort and direction by human resource.

According to Obikoya (2002 :6), "human resource management process is that part of mangement process that specializes in the management of people in the work organization". To Randal S Schuler and Landra L. Hummer (1993: 48), human resource management can be defined as the use of several activities to ensure that human resources are managed effectively for the benefit of the individual, society and the business. According to (Cole, 2002 : 44) human resource management is that part of management which is concerned with people at work and with their relationship within an enterprises and it seeks to achieve both efficiency and justice.

Human resource management has to do with various operative functions of recruiting, maintaining and utilizing a labour force in such a way that objectives for which the company was established are attained economically and effectively. In sum, human resource management can simply be defined as an effective and efficient utilization of human element at work.

Human Resource Management Function

The personnel/human resource department programme of each organization is unique and personnel activities will vary some what from firm to firm yet trends clearly indicate that the scope personal responsibilities in increasing in organizations of all sizes. Personnel/Human resource management functions can be described as follows;

- Job analysis and design
- Recruitment and selection
- Appraisal Training and Development
- Compensation and wealth
- Employee relations

(1) Jobs Analysis and Design For an employee to perform satisfactorily, his or her skills, abilities and motives to perform the job must match the job requirements. A mismatch may lead to poor performance, absenteeism, turnover, and other problem. Through a process called job analysis, the skills and abilities to perform a specific job are determined when scientific management was popular, jobs were created to be simple and routine so that unskilled works could be quickly learned. A primary assumption to such job design was that the average workers had no need to gain satisfaction from work and had neither the skill nor the inclination to participate in work decisions, no doubt many assumptions about turn to the century workers were valid. But through employee needs, the motives have experienced many changes since the formative years of industrialization. Job design in many organizations skill resembles that of scientific management. Organizational research shows that employees are not only demanding more satisfying and rewarding work but also demonstrating that their involvement in decision making can enhance rather than impair organizational effectiveness.

(2) Recruitment and selection To a great degree, organizational effectiveness depends on the effectiveness of its employees. Without a high quality labour force, an organization is destined to mediocre performance. For this reason, the recruitment of human resource is a acritical personnel function. Recruiting and selecting a quality labour force involves a variety of personnel activities, including analysis at the labour market, long term planning, interviewing, and testing.

(3) Appraisal, Training and Developments Organizational growth is closely related to the development of its human resources. When employees fail to grow and develop in their work, stagnant organizations most likely will result. A strong employee development programme does not guarantee organizational success, but such a programme is generally found in successful, expanding organizations. One important development function is the appraisal of employee performance. During an appraisal process, employees become aware of any performance deficiencies they may have and are informed of what they must do to improve and be promotable. For many organizations, the heart of the development process is composed of on the job and off the job activities that teach employees new skills and abilities. Because modern managers recognize the benefits derived from the training and development process, expenditures for employee education are at an all time high. The rise in employee education has been accompanied by growing professionalism in the training field and a demand for competent, quality trainers.

(4) Compensation and Health The issue of compensation has long posed problems for the personnel manager. How should job be evaluated to determine their worth? Are wages and salary levels competitive? Are they fare? Is it possible to create an incentive compensation system tied to

performance? Techniques for evaluating the financial worth of jobs and other issues pertaining to the design of pay will not be discussed in this paper. An increasingly important part of compensation is employee benefits and because the cost of benefit for many organization is now averaging 40% of total pay roll cost, employees are trying to control benefit costs without seriously affecting the overall compensation program. The kinds of benefit that employees may offer and the considerations that should be given to planning a total benefit package are of various types and these benefits can be monetary and nonmonetary.

(5) Employee Relation Labour unions exert a powerful force upon employees and influence personnel policies and programs for union employees. Because union participation in personnel decision making may have great impact on the economic condition of the firm, managers must understand a union's philosophies and goal and explore ways in which a cooperative rather than an adversarial relationship may be achieved. Many personnel problems are costly and impede on organization's productivity rate. modern personnel administrators must create strategies to resolve these problems and to do so, they must possess a complete understanding of the research process. How to conduct research and development strategies, how to strengthen the personnel programmes.

Organizing the Human Resource Department

In organizing the human resource department, two major questions can be adressed. Where are the human resource decisions made?, Who is responsible for those human resource decisions?

Centralization and decentralization Centralization refers to the concentration of essential decision-making and policy formulation at a single location, typically at headquarters. In contrast, decentralization distributes these functions across various locations, such as divisions or departments within the organization. The organization of human resource departments can vary significantly from one company to another, influenced not only by the type of industry but also by the organization's philosophy, culture, and strategic objectives. To illustrate these differences, it's helpful to compare centralized and decentralized human resource structures. In a centralized human resource model, a large team of specialized corporate HR professionals develops and designs HR strategies and activities, which are then communicated to smaller HR teams within operating units for implementation. This approach fosters high levels of consistency and alignment with corporate goals. Conversely, in a decentralized HR structure, the small corporate HR team primarily manages the human resource system for executives and serves as advisors to operating units. This often results in a wider diversity of HR practices and greater flexibility for operating units to address their specific HR concerns effectively. Given the rapidly evolving and competitive environment, there is a noticeable trend toward increased decentralization and the delegation of HR responsibilities to lower levels and operating managers. This trend also includes a move toward less formalized HR policies. Such conditions empower HR departments and organizations to adapt more swiftly to changing circumstances. The reduction of bureaucratic processes within HR functions may encourage greater openness in perspectives and methods. While some activities, such as fair employment practices and compensation matters, may still require centralization due to legal mandates and the need for consistency, the overall direction leans toward less formalization and centralization. Additionally, there is a growing emphasis on shared responsibility for managing human resources across all levels of the organization.

The human resources manager, staff and line Managers

Effectively managing human resources is the responsibility of individuals specialized in this field, primarily tasked with human resource management. Human resource managers include both staff and line managers—those overseeing employees who produce the company's products and deliver its services. These two groups of managers are interdependent in their approach to human resource management and are increasingly collaborating in this endeavor. Consequently, chief executive

officers (CEOs), human resource managers, and senior management at all levels actively participate in managing human resources. Within the ranks of senior executives, the human resource leader becomes indistinguishable from others, sharing a genuine concern for and understanding of the business's needs. Likewise, the staff within the human resource department integrate seamlessly with their counterparts in the organization. Together with line managers and non-managerial employees, they collaborate to forge and implement human resource activities, structures, roles, policies, goals, and practices. Importantly, employees themselves are taking a more active role in human resource management. For instance, they may be asked to assess their own performance or that of their peers. It is becoming increasingly common for employees to write their own job descriptions. More significantly, employees are now taking charge of their own career trajectories, evaluating their unique needs and values, and shaping their own job roles. While it is crucial for the human resource department to guide this process, it is equally important that the department is staffed with qualified professionals to assist employees in these endeavors.

Role of the Human Resource Department

The primary responsibility of the personnel department is to ensure that the organization's human resources are managed and utilized as effectively as possible. To acquire and retain talent, personnel administrators fulfill four essential roles: creating and implementing policies, providing advice, delivering services, and controlling personnel programs and procedures. **1. Creating and Implementing Policy:** Policies serve as guidelines for management thinking, helping to achieve organizational objectives. Top personnel officials are typically responsible for developing these policies. It is crucial that policies are not only formulated but also effectively implemented within the organization, a task that falls to the personnel department. **2. Providing Advice:** In recent decades, management has become increasingly complex owing to factors such as a restrictive legal environment, advanced technologies, a knowledgeable workforce, and demands from labor and societal groups for more socially responsible practices. To navigate these complexities, managers often seek guidance from experts. All personnel staff members have a duty to ensure that their advice is sound, objective, and fair, contributing positively to the organization's goals. **3. Delivering Services:** The personnel department offers various ongoing human resource programs and activities that assist line managers and administrators in their roles. While it can be challenging to distinguish these services from other personnel responsibilities, the personnel department exists to support other organizational units. As such, nearly all personnel activities can be broadly classified as services, including: - Recruitment, selection, and placement - Training and development - Personnel research - Company recreational programs, among others **4. Control:** Similar to the quality control department in a manufacturing environment, the personnel department plays a vital role in managing human resources through control functions. For instance, a written policy on equal employment opportunity is ineffective if executives are unaware of it or fail to adhere to it. Personnel administrators are tasked with monitoring personnel goals and guidelines to ensure they are met effectively.

Role of the Human Resource Leader

For the human resource department to fulfill its roles effectively, it is essential to have a knowledgeable leader well-versed in human resource activities. Increasingly, this leader must also understand the business's needs and collaborate closely with line management as a partner on topics such as mergers and acquisitions, productivity improvements, and quality enhancement initiatives. This underscores the importance of a research-focused approach. The new key roles and responsibilities for a personnel leader include the following: **1. Business Person** - Demonstrates a strong concern for the bottom line. - Understands how revenue is generated, lost, and allocated. -

Familiar with the market dynamics and the organization's business model. - Possesses a long-term vision of the organization's direction. ****2. Change Shaper in Alignment with Business Needs**** - Capable of executing strategic changes. - Creates a sense of urgency for transformation. - Thinks conceptually and articulates ideas clearly. - Maintains a strong sense of purpose, grounded in a solid value system. ****3. Consultant to the Organization / Partner to Line Management**** - Possesses the ability to turn commitment into action. - Reacts promptly to the organization's needs. - Recognizes the significance of teamwork. - Skilled in relationship building. ****4. Strategy/Business Planner**** - Understands the planning process of top executives. - Engages in strategy formulation, ensuring it is not treated as an afterthought. - Develops and promotes innovative plans and ideas while securing necessary resources. - Maintains a focus on a three to five-year outlook. ****5. Talent Manager**** - Understands the shift from merely quantifying staffing needs to focusing on the specific talents and skills required by the organization. - Emphasizes the importance of talent necessary for executing future strategies rather than just current needs. - Is capable of educating management on these aspects. - Identifies high-potential individuals and anticipates their concerns. ****6. Human Resource Asset Manager / Cost Controller**** - Takes initiative and proactively highlights the need for action without waiting for others to do so. - Capable of self-management and education in HR practices. - Creatively measures effectiveness within their own responsibilities as well as across the organization. - Utilizes automation efficiently to enhance HR processes.

3.0 Importance of Personnel and Human Resource Management

Today, human resource management is more critical than ever for the survival and success of organizations. In 1991, IBM, in collaboration with the internationally recognized consulting firm Towers Perrin, conducted a global study involving nearly three thousand senior personnel and human resource management leaders, as well as chief executive officers. The results indicated that approximately seventy percent of human resource managers view the HR function as essential to organizational success. By the year 2000, over ninety percent anticipated that the human resource department would play an active role, with HR respondents expressing even greater optimism about this trend. Chief executive officers closely aligned with these views, recognizing that the success of the business is a significant objective of personnel and human resource management. ****External Influences on Human Resource Management:**** External factors are those elements that impact the organization but are largely beyond the control of the personnel manager. It is vital for personnel administration to comprehend the nature and significance of the external environment and to acknowledge its influence on current and future HR activities. Some of these external factors include: Labour Unions:

A union can have a profound impact on an organisation's effectiveness which may be viewed as a positive or negative. A Wall Street journal George Gallup study found a wide divergence in attitudes toward unions among 782 top corporate executives. Although the executives often spoke of unions in positive terms, most thought union here is detriment to organisational effectiveness. On the positive side, union here was praised for aiding in labour management, communication, co-operating in attempts to increase productivity, helping in reducing labour cost and co-operating with management. On the negative side, unions were condemned for hurting productivity, meeting inflexibility in work rules, making excessive wage demands, and causing inflation. Regardless of the attitudes of managers, most agree that influence of the union is felt in practically every personnel policy, programme and activity designed for the union employee.

Labour Market:

A common challenge faced by personnel managers is the recruitment and selection of qualified, motivated individuals at acceptable wages or salaries. Labor market conditions, significantly impacted by the supply and demand for labor, play a crucial role in whether an organization can achieve its objectives. Similar to the legal environment, labor market conditions can be quite variable and occasionally unpredictable, introducing frustration and uncertainty into various personnel activities.

To aid personnel specialists in collecting and analyzing labor market data, the federal government frequently publishes relevant labor market information.

Society:

Societal values, attitudes, and expectations significantly influence what workers seek from their jobs. In today's environment, employees desire more than just a "fair day's wage" and a safe, healthy workplace. Many seek greater involvement in their roles and are looking for increased attention from management regarding their specific work-related problems and needs. These demands are likely to escalate in the coming years as workers' aspirations evolve alongside their rising educational levels.

Technology:

An organization's technology encompasses the methods and techniques used to produce its goods and services, directly influencing the skills and abilities required of its employees. For instance, when computers became prevalent in the 1960s, many bookkeeping and clerical skills lost their market value as skills such as data entry, programming, and systems analysis gained prominence. By the 1980s, advancements in data entry technology further diminished the demand for keypunching skills. Similar shifts are anticipated with the growing trend of robotics, where programmable robots are utilized for routine assembly tasks. Although the implementation of robots is expected to enhance productivity, it will likely lead to employee resistance, particularly among those whose jobs may be replaced by these automated systems.

4.0 Current Challenges, Issues and Trend

The personnel department's newfound and well-deserved prestige largely stems from the significant responsibilities shouldered by personnel managers. Many of the challenges and issues historically managed by the personnel department, such as the recruitment, selection, orientation, and training of high-quality personnel, job analysis and evaluation, labor relations, and employee appraisal systems, continue to be central to its functions. The emergence of contemporary challenges has ushered in a new era of professionalism in personnel management. Key issues include productivity improvements, enhancing the quality of work life, ensuring safety and health, promoting equal employment opportunities, and adapting to increased computer usage.

1. Productive improvement

Despite various comparisons of productivity among nations, the United States continues to lead the world in total output. However, in recent years, productivity output per hour of work has remained stagnant in the U.S. while it has increased in countries like Japan and China. The productivity crisis has emerged due to several factors, including poor labor-management relations, often contentious relationships between businesses and government, outdated plants and equipment, and insufficient capital for modernization. Furthermore, the management of human resources is increasingly recognized as having a significant impact on both unemployment and productivity. Many companies report that adopting modern personnel management practices has resulted in higher output and enhanced quality. Research indicates that a robust personnel management program can positively influence a firm's productivity rate, suggesting that the role of personnel management in driving productivity improvements should expand in the coming years.

2. Quality of working life

Sociologists have discussed the concept of quality of life, while behavioral scientists have begun to focus on a related idea known as quality of working life (QWL). This term refers to how well an employee's personal needs are addressed through their job. An employee's quality of working life tends to improve when their work fulfills more personal requirements, such as security, responsibility, and self-esteem. Many organizations view the responsibility of providing a high quality of working life for their employees as both a social and ethical obligation. Furthermore, there is strong evidence

suggesting that enhancing the quality of working life can positively influence overall organizational performance.

3. Safety and health

Creating a work environment that reduces the risk of accidents and injuries has been a longstanding objective for personnel specialists and operational managers alike. In today's workplace, various safety and health issues have proven challenging to address in both manufacturing and service sectors. First, evidence indicates that certain work environments can contribute to serious health problems such as cancer, infertility, lung disease, and other illnesses. Unlike immediate accidents or injuries, some occupational hazards are often difficult to detect and may go unnoticed until it's too late for effective intervention. Increasingly, workplaces are being recognized as potential threats to long-term health. Secondly, job stress poses dangers comparable to those of an unsafe work environment. While accidents and injuries are typically associated with industries like construction, manufacturing, and mining, job stress can permeate any organization, affecting employees in blue-collar, clerical, managerial, or professional roles. Severe stress can lead to serious health issues such as ulcers, heart disease, and various psychological conditions. Managers are increasingly aware of the potential impact of job stress on both individuals and the organization, and they are working to mitigate these challenges. Lastly, many employees struggle with some form of chemical dependency. Approximately one in ten employees is affected by alcohol-related issues that impair their job performance. Historically, these employees were either overlooked or dismissed, but such approaches proved unhelpful for rehabilitation. As a result, a growing number of companies have implemented Employee Assistance Programs (EAPs), which identify, counsel, and support employees dealing with problems, particularly those related to alcohol, helping them return to work successfully. Many EAPs report success rates of up to 70% and are typically managed within the personnel or human resources departments.

4. Equal employment opportunity

Establishing a workplace where equal employment opportunities are a reality rather than just a popular slogan is undoubtedly one of the most challenging tasks for personnel managers. Similar to a plant foreman, who often serves as the "man in the middle" between labor and upper management, personnel managers face pressure from the federal government to ensure compliance with laws while also dealing with operators who seek greater autonomy in personnel decisions. Additionally, there has been a notable discrimination against women in managerial roles, stemming from the outdated belief that women are incapable of making effective and critical decisions.

5 Increased use of computer

Computers have been part of the personnel department for some time, although their early use was mainly restricted to payroll processing and record-keeping. Until recently, few organizations utilized computer technology to genuinely improve the personnel decision-making process. However, the introduction of desktop microcomputers and various personnel-related software packages in the early 1980s has significantly increased the role of computers in these departments. The benefits of computerization include speed, flexibility, and online capabilities. With desktop computers and laptops, managers can swiftly access extensive information regarding an employee's job status, personnel activities, skill inventories, or attendance records in just seconds. Flexibility is enhanced as computers can generate a diverse range of customized reports and documents. Furthermore, they allow for the integration of security features within an information system, something that traditional filing methods struggle to provide. Managers and personnel administrators can utilize desktop computers—especially when connected to a mainframe—for various functions, such as multifunctional payroll systems, salary and performance evaluations, and maintaining skills inventories..

5.0 Some Results of Human Resource Management in Business Success

For HR professionals to be motivated to develop measures that enhance business performance, it is essential that there is a clear distinction made within HR itself. Fortunately, in recent years, several research studies have highlighted significant findings regarding the connection between HR and business performance (Arthur, 1994; Huselid, 1995; MacDuffie & Krafcik, 1992; Ostroff, 1995; Pfeffer, 1994; U.S. Department of Labor, 1993). Common themes have emerged from these studies regarding the HR–business performance relationship. Firstly, effective HR practices do positively influence business outcomes, especially those that foster employee commitment. Secondly, these studies analyze the HR system as a cohesive entity rather than focusing on individual HR practices, emphasizing that the synergy among various HR practices significantly affects business performance. Thirdly, the robustness of these studies is evident, as they evaluate sample firms within specific industries (e.g., the auto industry as per MacDuffie & Krafcik, 1992; the steel minimill industry as per Arthur, 1994) and across various industries (Pfeffer, 1994), both regionally (Huselid, 1995) and nationally (Ostroff, 1995). To establish meaningful HR measures, a structured approach is needed to illustrate how HR can influence business performance. Drawing from the experiences of Eastman Kodak, this article proposes an integrative framework that combines the balanced scorecard concept (Kaplan & Norton, 1992, 1993) with a strategic HR framework (Ulrich & Lake, 1990). While the balanced scorecard framework highlights essential business focus areas, the strategic HR framework provides specific tools and pathways for leveraging HR practices to achieve success. This article will first provide a brief overview of both frameworks and then introduce the integrative framework. If HR practices can enhance business success by developing organizational capabilities, improving employee satisfaction, and influencing customer satisfaction, then new HR measures need to be crafted to drive business performance. As succinctly stated by Kaplan & Norton (1992, p. 71), “What you measure is what you get.” Unless HR measures are realigned to influence the actions and behaviors of HR professionals and line managers, it will be difficult for HR practices to make a meaningful impact on the organization's bottom line. There is an urgent need for a dramatic overhaul of HR measures to realign the priorities and resources of the HR function. The next generation of HR metrics must transition from being HR-driven (focused on what makes sense to HR professionals) to business-driven (focused on how HR can contribute to business success). Instead of being activity-oriented (focusing on what and how much is done), new HR measures should be impact-oriented, assessing the improvement in business results. Rather than retrospective (looking at past performance), innovative HR metrics should be forward-looking, enabling managers to evaluate and diagnose processes and capabilities that can predict future corporate success (Kaplan & Norton, 1992). Finally, instead of concentrating on individual HR practices (such as staffing and training), future measurements should encompass the entire HR system, considering the synergies among all HR practices.

6.0 CONCLUSION

The significance of human resource management as a vital tool for achieving the goals and objectives of any organization cannot be overstated. To ensure that human resource managers successfully meet these goals, both the organization and its employees must reach a mutual understanding of what benefits all parties involved. Organizations do not operate in isolation; they need to hire personnel to fulfill their objectives, which is the essence of human resource management. Management fundamentally involves collaborating with and through people to attain organizational goals. The role of management focuses on the systematic coordination of activities, aiming to utilize available resources effectively to achieve the organization's aims. Among all available resources, human resources hold a primary position because, without them, all other resources would remain unutilized. This research study highlights the necessity for the human resource department to be viewed as a critical unit in creating competitive advantages. It is essential for the human resource department to act as a communication bridge between stakeholders, management, and employees within a business

organization. To achieve this effectively, the department should be overseen by well-trained human resource managers.

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