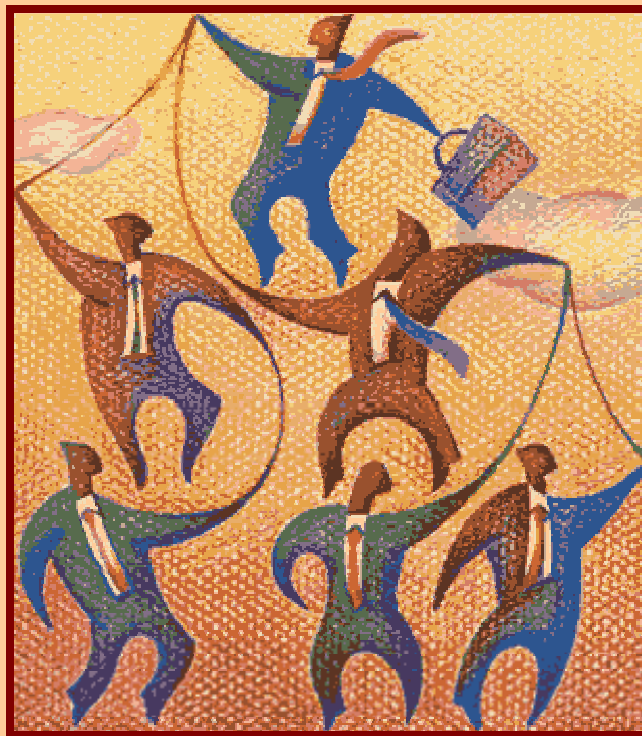


The Challenges of Human Resource Management



By: Dr. Alvin Chan

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Introduction

The role of the Human Resource Manager is evolving with the change in competitive market environment and the realization that Human Resource Management must play a more strategic role in the success of an organization. Organizations that do not put their emphasis on attracting and retaining talents may find themselves in dire consequences, as their competitors may be outplaying them in the strategic employment of their human resources.

With the increase in competition, locally or globally, organizations must become more adaptable, resilient, agile, and customer-focused to succeed. And within this change in environment, the HR professional has to evolve to become a strategic partner, an employee sponsor or advocate, and a change mentor within the organization. In order to succeed, HR must be a business driven function with a thorough understanding of the organization's big picture and be able to influence key decisions and policies. In general, the focus of today's HR Manager is on strategic personnel retention and talents development. HR professionals will be coaches, counselors, mentors, and succession planners to help motivate organization's members and their loyalty. The HR manager will also promote and fight for values, ethics, beliefs, and spirituality within their organizations, especially in the management of workplace diversity.

This paper will highlight on how a HR manager can meet the challenges of workplace diversity, how to motivate employees through gain-sharing and executive information system through proper planning, organizing, leading and controlling their human resources.

Workplace Diversity

According to Thomas (1992), dimensions of workplace diversity include, but are not limited to: age, ethnicity, ancestry, gender, physical abilities/qualities, race, sexual orientation, educational background, geographic location, income, marital status, military experience, religious beliefs, parental status, and work experience.

The Challenges of Workplace Diversity

The future success of any organizations relies on the ability to manage a diverse body of talent that can bring innovative ideas, perspectives and views to their work. The challenge and problems faced of workplace diversity can be turned into a strategic organizational asset if an organization is able to capitalize on this melting pot of diverse talents. With the mixture of talents of diverse cultural backgrounds, genders, ages and lifestyles, an organization can respond to business opportunities more rapidly and creatively, especially in the global arena (Cox, 1993), which must be one of the important organizational goals to be attained. More importantly, if the organizational environment does not support diversity broadly, one risks losing talent to competitors.

This is especially true for multinational companies (MNCs) who have operations on a global scale and employ people of different countries, ethical and cultural backgrounds. Thus, a HR manager needs to be mindful and may employ a 'Think Global, Act Local' approach in most circumstances. The challenge of workplace diversity is also prevalent amongst Singapore's Small and Medium Enterprises (SMEs). With a population of only four million people and the nation's strive towards high technology and knowledge-based economy; foreign talents are lured to share their expertise in these areas. Thus, many local HR managers have to undergo cultural-based Human Resource Management training to further their abilities to motivate a group of professional that are highly qualified but culturally diverse. Furthermore, the HR professional must assure the local professionals that these foreign talents are not a threat to their career advancement (Toh, 1993). In many ways, the effectiveness of workplace diversity management is dependent on the skilful balancing act of the HR manager.

One of the main reasons for ineffective workplace diversity management is the predisposition to pigeonhole employees, placing them in a different silo based on their diversity profile (Thomas, 1992). In the real world, diversity cannot be easily categorized and those organizations that respond to human complexity by leveraging the talents of a broad workforce will be the most effective in growing their businesses and their customer base.

The Management of Workplace Diversity

In order to effectively manage workplace diversity, Cox (1993) suggests that a HR Manager needs to change from an ethnocentric view ("our way is the best way") to a culturally relative perspective ("let's take the best of a variety of ways"). This shift in philosophy has to be ingrained in the managerial framework of the HR Manager in his/her planning, organizing, leading and controlling of organizational resources.

As suggested by Thomas (1992) and Cox (1993), there are several best practices that a HR manager can adopt in ensuring effective management of workplace diversity in order to attain organizational goals. They are:

Planning a Mentoring Program-

One of the best ways to handle workplace diversity issues is through initiating a Diversity Mentoring Program. This could entail involving different departmental managers in a mentoring program to coach and provide feedback to employees who are different from them. In order for the program to run successfully, it is wise to provide practical training for these managers or seek help from consultants and experts in this field. Usually, such a program will encourage organization's members to air their opinions and learn how to resolve conflicts due to their diversity. More importantly, the purpose of a Diversity Mentoring Program seeks to encourage members to move beyond their own cultural frame of reference to recognize and take full advantage of the productivity potential inherent in a diverse population.

Organizing Talents Strategically-

Many companies are now realizing the advantages of a diverse workplace. As more and more companies are going global in their market expansions either physically or virtually (for example, E-commerce-related companies), there is a necessity to employ diverse talents to understand the various niches of the market. For example, when China was opening up its markets and exporting their products globally in the late 1980s, the Chinese companies (such as China's electronic giants such as Haier) were seeking the marketing expertise of Singaporeans. This is because Singapore's marketing talents were able to understand the local China markets relatively well (almost 75% of Singaporeans are of Chinese descent) and as well as being attuned to the markets in the West due to Singapore's open economic policies and English language abilities. (Toh, R, 1993)

With this trend in place, a HR Manager must be able to organize the pool of diverse talents strategically for the organization. He/She must consider how a diverse workforce can enable the company to attain new markets and other organizational goals in order to harness the full potential of workplace diversity.

An organization that sees the existence of a diverse workforce as an organizational asset rather than a liability would indirectly help the organization to positively take in its stride some of the less positive aspects of workforce diversity.

Leading the Talk-

A HR Manager needs to advocate a diverse workforce by making diversity evident at all organizational levels. Otherwise, some employees will quickly conclude that there is no future for them in the company. As the HR Manager, it is pertinent to show respect for diversity issues and promote clear and positive responses to them. He/She must also show a high level of commitment and be able to resolve issues of workplace diversity in an ethical and responsible manner.

Control and Measure Results-

A HR Manager must conduct regular organizational assessments on issues like pay, benefits, work environment, management and promotional opportunities to assess the progress over the long term. There is also a need to develop appropriate measuring tools to measure the impact of diversity initiatives at the organization through organization-wide feedback surveys and other methods. Without proper control and evaluation, some of these diversity initiatives may just fizzle out, without resolving any real problems that may surface due to workplace diversity.

Motivational Approaches

Workplace motivation can be defined as the influence that makes us do things to achieve organizational goals: this is a result of our individual needs being satisfied (or met) so that we are motivated to complete organizational tasks effectively. As these needs vary from person to person, an organization must be able to utilize different motivational tools to encourage their employees to put in the required effort and increase productivity for the company.

Why do we need motivated employees? The answer is survival (Smith, 1994). In our changing workplace and competitive market environments, motivated employees and their contributions are the necessary currency for an organization's survival and success. Motivational factors in an organizational context include working environment, job characteristics, appropriate organizational reward system and so on.

The development of an appropriate organizational reward system is probably one of the strongest motivational factors. This can influence both job satisfaction and employee motivation. The reward system affects job satisfaction by making the employee more comfortable and contented as a result of the rewards received. The reward system influences motivation primarily through the perceived value of the rewards and their contingency on performance (Hickins, 1998).

To be effective, an organizational reward system should be based on sound understanding of the motivation of people at work. In this paper, I will be touching on the one of the more popular methods of reward systems, gain-sharing.

Gain-sharing:

Gain-sharing programs generally refer to incentive plans that involve employees in a common effort to improve organizational performance, and are based on the concept that the resulting incremental economic gains are shared among employees and the company.

In most cases, workers voluntarily participate in management to accept responsibility for major reforms. This type of pay is based on factors directly under a worker's control (i.e., productivity or costs). Gains are measured and distributions are made frequently through a predetermined formula. Because this pay is only implemented when gains are achieved, gain-sharing plans do not adversely affect company costs (Paulsen, 1991).

Managing Gain-sharing

In order for a gain-sharing program that meets the minimum requirements for success to be in place, Paulsen (1991) and Boyett (1988) have suggested a few pointers in the effective management of a gain-sharing program. They are as follows:

A HR manager must ensure that the people who will be participating in the plan are influencing the performance measured by the gain-sharing formula in a significant way by changes in their day-to-day behavior. The main idea of the gain sharing is to motivate members to increase productivity through their behavioral changes and working attitudes. If the increase in the performance measurement was due to external factors, then it would have defeated the purpose of having a gain-sharing program.

An effective manager must ensure that the gain-sharing targets are challenging but legitimate and attainable. In addition, the targets should be specific and challenging but reasonable and justifiable given the historical performance, the business strategy and the competitive environment. If the gain-sharing participants perceive the target as impossibility and are not motivated at all, the whole program will be a disaster.

A manager must provide useful feedback as guidance to the gain-sharing participants concerning how they need to change their behavior(s) to realize gain-sharing payouts the feedback should be frequent, objective and clearly based on the members' performance in relation to the gain-sharing target.

A manager must have an effective mechanism in place to allow gain-sharing participants to initiate changes in work procedures and methods and/or requesting new or additional resources such as new technology to improve performance and realize gains. Though a manager must have a tight control of company's resources, reasonable and justifiable requests for additional resources and/or changes in work methods from gain-sharing participants should be considered.

Executive Information Systems

Executive Information System (EIS) is the most common term used for the unified collections of computer hardware and software that track the essential data of a business' daily performance and present it to managers as an aid to their planning and decision-making (Choo, 1991). With an EIS in place, a company can track inventory, sales, and receivables, compare today's data with historical patterns. In addition, an EIS will aid in spotting significant variations from "normal" trends almost as soon as it develops, giving the company the maximum amount of time to make decisions and implement required changes to put your business back on the right track. This would enable EIS to be a useful tool in an organization's strategic planning, as well as day-to-day management (Laudon, K and Laudon, J, 2003).

Managing EIS

As information is the basis of decision-making in an organization, there lies a great need for effective managerial control. A good control system would ensure the communication of the right information at the right time and relayed to the right people to take prompt actions.

When managing an Executive Information System, a HR manager must first find out exactly what information decision-makers would like to have available in the field of human resource management, and then to include it in the EIS. This is because having people simply use an EIS that lacks critical information is of no value-add to the organization. In addition, the manager must ensure that the use of information technology has to be brought into alignment with strategic business goals (Laudon, K and Laudon, J, 2003).

Conclusion

The role of the HR manager must parallel the needs of the changing organization. Successful organizations are becoming more adaptable, resilient, quick to change directions, and customer-centered. Within this environment, the HR professional must learn how to manage effectively through planning, organizing, leading and controlling the human resource and be knowledgeable of emerging trends in training and employee development.

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