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Managing Humans in an Organization.

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A B S T R A C T

Human Resource is one of the most important and dynamic capital in the growth of an organization. Any organization that is interested in improving its services and its effectiveness needs to develop its employee competencies to perform the required tasks. Only those organizations which have optimally utilized their human resources enjoy a competitive edge. Today, best-led, value-driven organizations derive an increasing proportion of their value from the collective power of their intangible assets, which centres around people. Investments on human resources has to be a continuous process, and the nature of investments put into developing human resources may vary from organization to organization depending on its size and capacity. An industry to maintain its competitive advantage must adopt a professional and a committed approach in the management of its human resources. In this era of globalization, with changing technology, new industrial relations, changing demographics of workforce, increasing size of business, larger volumes of production, cutting down costs of production, improving the quality of product necessitates the Indian industry to look inward for the development of human resources and design managerial philosophy which is sensitive to human existence. In the development of an organization, human resource has become increasingly important and it has a positive correlation with the company performance. Human resource is one of the key resource from the development to the expansion of business and also an important strategy to promote competitiveness. Therefore, the challenge of the hour for an organization is to create, nurture and optimize available human resource.

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Introduction:

"Fundamentally, man is the key to all problems, not money. Funds are valuable only when used by trained, experienced and devoted men and women. Such people, on the other hand, can work miracles even with small resources and draw wealth out of a barren land." Dag Hammarskjold, Secretary General to the UN.

The term "human resource" defines people as a capital asset which yields a stream of economic benefits over their working lives. It is also defined as the total knowledge, skills, creative abilities, talents and aptitudes of an organization's workforce, as well as values, attitudes, approaches and beliefs of the individuals involved in the affairs of the organization. It is the sum total of aggregate of inherent abilities, acquired knowledge and skills represented by the talents and aptitudes of the persons employed in an organization.

Experience suggests that organizations have to make changes in their ways of managing humans and their ways of thinking about work. Managing humans means different things to different organizations, but some common features are to adjust the individual to his job and the environment, involve the individual in various aspects of their work, and to enhance individual capabilities. Managing humans cannot be seen as an isolated programme in an organization, it should cover all the employees.

When human beings are provided with opportunities and good climate they can do remarkable things. Modern organizations have become very complex and challenging due to changing technology, globalization, new industrial relations, changing demographics of workforce, increasing size of business, larger volumes of production, cutting down costs of production, improving the quality of product, enhancing market share, and maintaining effective and efficient leadership. When humans are managed efficiently in the organization at all levels, it will result in less wastage of material, increased production, better quality product and reduced cost. If the organization wants to accomplish the objective of stability, profitability and growth and to increase organizational effectiveness in terms of productivity, quality and better orientation, it requires well-developed, committed and efficient people on the job and the organization has to pay special attention in managing humans. Expenditure on education and health can therefore be regarded as investment because this improves the quality of human beings, increases their adaptability to the changing requirements of the economy, and in many cases lengths their working lives. Thus in any organization the most valuable resources are humans and are very vital for the successful achievement of its organizational goals.

The contribution made by humans in an organization may not be arithmetically measureable yet there exists unlimited potential for development and attainment of goals the work force can make. In fact, people are the most important and valuable resource every organization has in the form of its employees. The dynamic people can build dynamic organizations and effective employees can contribute to the effectiveness of the organization. Competent and motivated people can make things happen and enable the organization to achieve its goals. Therefore, the organizations should continuously ensure that dynamism, competency, motivation and effectiveness of the employees remain at high levels.

Managing humans is a continuous process by which the employees of an organization develop their capabilities and inner potential to perform various functions or roles assigned to them by the organization. The essence of this process is to bring out the best in man and its capacity can be increased through development. The effective management of humans is a key strategic issue for organisation to face challenges of competition and it has become an ongoing area of investment. As a matter of fact no organization can assemble growth, potentialities and capabilities of its employees overnight.

The early human resources models originated in the USA which has offered the promise that the personnel function could not meet the challenges created by heightened competitive pressures and industrial restructuring in many Western economies, but embody a strategic role if it utilized its philosophies and practices (Guest 1987).

People with human energy and capability, such as knowledge, skills, attitude, aptitude, experience, motivation, physical and intellectual, strength, and potential for growth are not readily available. Hence every organization needs to develop its human resources over a period of time and the only choice the organization are left with it is to develop them if they cannot get them readily available from an open market (Mufeed, 2005; Russ & Preskill, 2005; Pal, 1997, Mufeed 2006 b).

Progressive organizations worldwide have treated their people as their most important asset and probably have therefore become what they are today. According to Mufeed and Rao (2003), today’s business organizations live in an age of paradoxes fraught with uncertainties, complexities and chaos due to which survival has become very difficult and has prompted them to adopt new strategies for both managerial and non-managerial staff to combat with an ever increasing competitiveness besides maintaining a high level of efficiency and productivity in their work force.

When managing humans a slight carelessness makes them less productive first, then zero productive and then counterproductive, by being capable of instigation others also not to work or produce. Thus, a careless handling turns the performing human into a non-performing asset first and then a counterproductive liability latter. This sensitive service needs to be carefully remembered by the authorities in managing humans’ at all organizational levels.

The business context has changed like never before, and continues to change and we can sense a sea change in the expectations of the people working in the organization. Today the walls and boundaries are broken and everyone works together to make the business function. The word that constantly echoes in today’s business scenario is change and with companies asking questions such as, how to increase profitability, how to retain the best people, and how to increase customer satisfaction. Innovation, internationalization and inclusiveness are increasingly becoming important for an organization’s growth in the challenging economy. While social responsibility will be expected, the buzzwords will be ‘transformation’ and ‘evolution’ (Barrett, 2001).

If organizations are to develop and maintain their competitive edge, the potential value of the employees needs to be increased by enhancing and linking their skills and capabilities in tune with the contemporary requirements of the market. Barney (1991) felt that firms could develop strategic capability and, for attaining this, the strategic goal will be to create firms which are more intelligent and flexible than their competitors. Hence managing humans has emerged as one of the most important areas of organizational practice in the context of industrial change and economic development.

Youndt (2000) felt that since employees are free, within limits, to leave their firm, there is a significant risk of organizations incurring an intellectual capital loss unless individual knowledge is transferred, shared, transformed, and institutionalized. The crucial inputs to an organization include, among others, its human resources. People bring to their jobs diversity of skills, needs, goals, and expectations. Barney (1991) proposes that sustainable competitive advantage is attained when the firm has a human resource pool that cannot be imitated or substituted by its rivals.

According to Schuller (2000), “skills, knowledge, and competencies are the key factors in determining whether the organizations and nations will prosper.” The interface between the individual and the organization is critical to full utilization of human resources.

As suggested by Spindler (1994), psychological contract creates emotions and attitudes which form and control behaviour. Sims (1994) felt that balanced psychological contract is necessary for a continuing, harmonious relationship between the employee and the organization. Schein (1990) indicates that people identify with the visionary leaders how they behave and what they expect.

The idea of managing humans is founded on the conviction that people are important and their involvement is necessary for an organization to be effective. This conviction is translated into practice through a variety of programmes that facilitate individual development and lead to better adjustment with the environment. Human resources can give competitive advantage to any organization by increasing the productivity of both the humans as well as the technological capital.

Organizations are to be people centric entities and their competitiveness depends on people, as technology can be purchased and copied, while people on the other hand cannot be copied. Their ideas, personalities, motivation and organizational cultural values cannot be copied. The human resources of an organization, their competence and the way they are managed, represent the competitive advantage of the modern day’s organizations.

Human resource is very crucial for any growth oriented and dynamic organization which wants to succeed in a fast changing and competitive environment. It provides the means by which fullest potential of employees can be developed and used for the benefit of both themselves and their employees. An organization may be a manufacturing firm or any type business concern, it is nothing but a human grouping in which work is done for the accomplishment of some specific goals. For any type of business it needs money, material, machinery and men, the success or failure of an organization depends on an effective combination of these factors. The resources like money, material and machinery by themselves will not help the organization to accomplish the objective, unless there is an effective utilization along with human resources.

Thus, humans are a company’s most valuable and strategic asset and managing humans can no longer be confined to the functional areas of recruitment and retention, it must embrace and include in its portfolio, the strategic business imperatives of the organization. Hence, the top management prerequisite goal in managing humans is to attract and retain people. The present circumstances demands that the men who are employed in an organization work with commitment, devotion and discipline. Human resources are considered as the most expensive resource in any organization and they are to be managed carefully. When an organization has the right number of people with the required knowledge, skills and competencies, in the right place, at the right time and who are motivated it can transform to organizational success.

The way to remain competitive is by developing people continuously and it is very important for human resource professionals to understand various changes taking place and adapt human resource activities accordingly. Like museums, modern organizations need curators, experts who understand the value of talent and take good care of it. The Government of India has taken steps to set up the national knowledge commission to enable the country to sharpen its knowledge edge. In a world where technology and money are copiously available, it is the human resources of the organization that is going to give the cutting edge. The philosophy of a good organization should centre around the fact that people are not easily expendable commodities.

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