

National HR Pilot Project

HRM Basics

A. What is human resources management (HRM)?

Human resources management consists of a group of policies and procedures whose objective is to mobilize and develop human resources in order to increase an organization's efficiency and effectiveness. The effective management of human resources is essential for all organizations that depend on personnel to produce goods and services.

HRM is closely linked to: the mission, the values, the vision and the strategy of a business. It has progressively "...transformed itself from an administrative function to a catalyst for energy, a creator of business culture and dynamism."¹

HRM is especially concerned with:

1. Identifying the best candidates for the positions to be filled (Recruitment).
2. Making sure that new employees are adequately informed concerning the policies of the organization (Orientation).
3. The optional organization of the workload (Efficiency and Effectiveness).
4. Developing the knowledge and skills of both management and staff (Training, Skill Development and Career Management).
5. Encouraging employee identification and involvement with the business.
6. Assuring that management oversees the performance of each employee and offers feedback.
7. Improving and/or maintaining a positive work environment (Conflict Resolution).
8. Adequately rewarding employees for work accomplished (Salary and Benefits).
9. Managing risk with the health and safety of employees in mind.
10. Assuring a balance between work and personal time.

B. "High Performance" HR Policies and Procedures

The policies and procedures identified as high performance by researchers are those that provide a business with a competitive edge.

² The policies and procedures most studied concerned (in descending order of importance):

- **Salary and Benefits** (especially pay linked to performance and competitive salaries)
- **Decentralization** (especially participation in decision making and group autonomy)

¹ Guerrero, Sylvie, Les outils des RH, Les savoir-faire essentiels en GRH, Droits d'auteurs Dunod, Paris, 2004.

² Guerrero, Sylvie, Revue de littérature, Projet Pilote National RH, 3 mars 2008.

- **Training** (especially extensive training involving all employees together with an evaluation of the effectiveness of the training)
- **Information Sharing**
- **Selective Recruiting**
- **Work Conditions** (especially job security).

³Studies show a link between high performance policies and procedures and the performance of a business. An equal emphasis on all HR policies and procedures will improve business performance more than focussing on only one or a combination of a few.

Most studies show that the high performance policies and procedures (listed above) of small businesses are similar to those of larger ones and are equally the source of better performance. On the other hand, it was found that their use was more limited in small businesses than in larger ones. In smaller businesses, research shows that HR policies and procedures are often unwritten and are carried out informally with little documentation.

C. The Central Role of the Manager's Personality

⁴The influence of the manager's personal objectives on the strategy and performance of his or her organization is particularly strong in organizations with 20 employees or less. Consequently, there is a link between the personality of the manager, his or her style of leadership, his or her vision for the organization and the performance of the organization itself.

Organizations showing the weakest performance were those whose management had a conservative leadership style slow to adapt to change in the workplace. The best performances were obtained when the business owner demonstrated entrepreneurial skills (anticipation of change in the workplace, a pro-active attitude, risk-taking and innovation). These aptitudes are linked to an organization's performance, especially when managers who possess them adopt high performance HR policies and procedures that reflect their values and spirit of innovation. When looking at the performance of an organization, it is important not only to study the high performance HR policies and procedures of a small business, but to take into account the leadership style and personal characteristics of the manager.

³ Guerrero, Sylvie, Revue de littérature, Projet Pilote National RH, 3 mars 2008.

⁴ Guerrero, Sylvie, Revue de littérature, Projet Pilote National RH, 3 mars 2008.

D. Employees' Perception of HRM

⁵High performance HR policies and procedures will only have a positive effect if they are seen by employees as being equitable and self-actualizing. Pay, recognition for a job well done and working conditions that take into account employee needs show concern for workers and their importance to the organization. Employees who perceive that high performance policies and procedures exist and are employed to their benefit have confidence in their employer and feel supported by an organization that is fair to them. In the spirit of reciprocity, they should treat the business that employs them in a fair and equitable manner.

E. ⁶Conclusions in line with a Review of the Literature and HR Pilot Project

1. The project is equipped to **measure the entirety of the high performance policies and procedures** mentioned in the literature including those linked to the manager's personality.
2. The tools of the project provide **information in the context** of the function of each organization. This is important because it is known that the circumstances of each individual business moderate the link between HR policies and procedure and the efficiency of the organization.
3. The project's tools allow the **measurement of the entire process** explaining how HR policies and procedures can improve the efficiency of an organization.
4. The "Summary of the Results Table" offers a clear review of the **performance indicators** that were used to measure the efficiency of the organization.

It can be concluded that these original tools are suitable for the study of the connection between HR policies and procedures and the efficiency of an organization. Their second strength lies in their use of various sources of information (including managers, employees and financial data). Information gleaned from multiple sources guarantees more neutrality and objectivity in testing a model because coded data and relevant additional opinion are called upon.

⁵ Guerrero, Sylvie, Revue de littérature, Projet Pilote National RH, 3 mars 2008.

⁶Guerrero, Sylvie, Revue de littérature, Projet Pilote National RH, 3 mars 2008.