

**MAN 5250 – HUMAN RESOURCE  
MANAGEMENT**

**Assignment 2:  
Individual Written Business Essay.**

**Q(1).** The quality of the Human Resource Management (HRM) function underpins the quality of the business which takes place. Critically discuss (2000 words).



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**Declaration:** “I certify that I can provide a copy of the attached assignment if required.”  
“I certify that the attached assignment is my own work and that all material drawn from other sources has been fully acknowledged.”

**Signed:** .....

A small, rectangular image showing a handwritten signature in blue ink on a light-colored background. The signature appears to be 'Lexmilian de Mello'.

**Dated:** ...6<sup>th</sup> March 2009...

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## EXECUTIVE SUMMARY

This essay plans on covering aspects of which human resource management can increase business quality by continually improving efficiency and thus reducing losses – we underpin this process as the process of Total Quality Management (TQM). There is a need for personnel who will lead this initiative of improving the way business is done by implementing TQM effectively within a company – this through the HRM department.

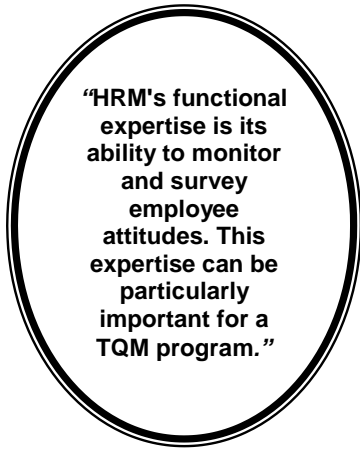
## INTRODUCTION

“The quality of the Human Resource Management (HRM) function underpins the quality of the business which takes place.”

The effect that human resource management has on the quality of a business has been empirically tested, this in reference as to Carter, Smelzer, and Narasimhan (2000). Moreover, Carter et al. (2000) point out that the impact of HRM & business quality has not been thoroughly analyzed. Such a statement is supported by other academics (such as Morrow, 1997 – cited in Carter et al, 2000) who in turn made an effort to analyze the relationship between human resource practices with Total Quality Management (TQM).

Firms with more successful TQM programs have displayed five primary results, as shown:

- 1) “Organizations were more likely to stress formal performance evaluations of purchasing employees.
- 2) Purchasing employees were more involved in key decision making processes that impact their jobs than their counterparts in less successful TQM firms.
- 3) Purchasing employees had a greater level of perceived support through job security and less fear of failure when taking a risk.
- 4) Purchasing employees had more TQM-related training.
- 5) Purchasing employees were more likely to be rewarded for individual goal attainment than purchasing employees in less successful TQM organizations.” (Carter et al, 2000)

A circular callout box with a double-line border containing a quote about HRM's functional expertise.

“HRM's functional expertise is its ability to monitor and survey employee attitudes. This expertise can be particularly important for a TQM program.”

It is believed by most that if subordinates are informed of management's decisions ahead of time (that is, what is necessary to succeed – Carter et al, 2000) then they will perform as expected by their peers. Because informing and involving people does not guarantee changes to happen some organizations have foundered whilst others succeeded.

For an introductory overview let's examine a common HR slogan:

**"Our people are our most valuable asset."** – Brandel (2005)

This slogan surely has been heard before, but can you ascertain the validity of it? Since the start of the technological revolution, HR departments have focused on driving down the costs by utilizing communicative technologies to the point that most employees can now do a number of things that previously were deemed the HR department's role – for instance: changing personal information, and conducting transaction oriented processes.

In this essay we shall be focusing on areas that interconnect the relationship between HRM to that of complete quality management. Key features shall also be highlighted that describe the main facets of HRM. Further also it should be reminded that the analogy is made that the quality of which business takes place is synonymous with TQM.

## HRM QUALITIES

The utilization of teams is most likely one of the most discussed aspects of both HRM and the quality that should take place. An integrative approach to examining HRM to quality is by made by examining purchasing/expenditure methodology.

In order to align consistency in purchasing, in a TQM initiative, we have to develop a model of HRM practices that delineates the key functions and we have to test them within our purchasing process. A review of literature states that five practices should be considered, these are:

- 1) "Purchasing Performance Evaluation
- 2) Personnel Involvement in Decision making
- 3) Tolerance of Employee Risk Taking
- 4) Employee Training
- 5) Teams" (Carter et al, 2000)

Four variables may be taken to analyze quality performance in which the HRM department may be liable for, these are:

- Degree of achievement of total quality management (TQM) and customer satisfaction **goals** set by the business unit.
- Market **position** of the business unit in its core market (market leader, dominant player, or follower).
- **Market share** of the firm's principal products.
- **Sales** dollars of the respondent's firm or business unit

It should be noted that an environment does not need to be constructed that encourages risk-taking behavior.

Individual autonomy, as well as the development of teams, should be encouraged. It is imperative that training for both suppliers and internal employees

### Of interest

"A survey of purchasing managers found that 80 percent of the respondents plan to emphasize the use of cross-functional teams in the immediate future (Ellram and Pearson 1993). Another study found that purchasing teams are involved in a wide variety of issues (Dobler and Burt 1996). But the fact remains that some purchasing organizations use teams sparingly while others use them extensively." (Carter et al. 2000)


be considered, this for approach towards success. Performance evaluations

must also be considered so as to be unique from other functional areas because purchasing personnel should be evaluated on a third party agent's quality standard – to avoid bias.

The studies of Blackburn and Rosen (1995) indicate that human resources play a key role in building an organization's TQM culture. It is common for HR managers to champion and lead TQM by bringing outside consultants to redesign, support educational proposals, and communicating successes – this works well in some organizations. Other HR departments may encourage the training of employees in leadership, team building, in order to be more direct as well as achieve a hands-on-role in the implementation of TQM.

#### HRM EFFECTS & TQM

It should be noted that HRM should be synonymous with (or at least directly relates to) TQM (total quality management) to the extent that they differ in the sense some experts advocate abandoning some traditional practices such as individual-based reward systems in HRM. Effective implementation of HRM practices may lead to TQM but that is not necessarily so.

A circular callout box with a double-line border containing a quote.

*“HRM should act as the pivotal change agent necessary for the successful implementation of TQM.”*

Blackburn et al. (1995) further states that HR professionals support TQM initiatives of their organization by applying certain procedures of TQM into their own departments. The development of a HR mission statement defines the significance of TQM within each department, whilst benchmarking (covered later) determines the TQM's efforts of other ventures so as to identify external and internal customers to provide better services.

Smyth and Scullion (1996) identifies quality management as having high personnel content. It is described, in Smyth's work, that strategic importance to processes (and policies) is given to personnel managers – this of which is usually considered to be aligned in their area of expertise anyhow.

Central to the success of total quality is the role of the HRM department.

**Table 1: Practices (Reshef, 2008)**

TQM Work Practices - Involvement in DM			
HRM Practices	Conventional Control		TQM
	HPWS	Power structure remains unchanged, e.g., suggestion box	Teams have the authority to identify and solve quality problems
	Traditional	Workers have no say in how the workplace is run	Teams are controlled by management

**Key:** HPWS = High performance work system, DM = Disaster Management

The table above shows that management can be distributed and segmented in sections, and it contrasts work practices under a conventional control system versus a TQM system (Reshef, 2008).

The successful characteristics of a HRM program involve:

- “A rationale of HRM implementation.
  - HRM decentralized.
  - Direct communication.
  - Culture significance.
  - Coping with change.”
- (Smyth et al, 1996)

Aspects that underpin the quality in which a business takes place centre on:

- “Quality circles.
  - A definition for quality.
  - Management of quality.
  - Team-working/problem-solving teams.
  - Consultants.
  - Training.
  - Projects.
  - Reward and recognition.
  - Measuring quality and quality awareness.
  - Total quality works – results.
  - Total quality manager’s advice on implementing TQM.
  - Future developments.
  - Ownership of the idea.
  - Gaining commitment.”
- (Smyth et al, 1996)

Culture, staff training and recruitment, laid definitions, and a problem identity factors are common to both HRM and TQM.



It should be noted that there is debate as to the allocation of roles for *total quality* in both TQM and HRM. It has been generally agreed that HRM development of employees focuses more on the ‘soft’ areas (ie: communications) while TQM is responsible for ‘hard’ areas such as quantitative roles.

Of mention is the concept of benchmarking, an approach that has been fast accelerating amongst firms that have adopted a TQM philosophy. Some HRM personnel, and CEO’s, use the essence of benchmarking as a continuous process for comparing a company’s strategy.

Figure 1 goes on to show that in order for breakthrough performance to occur in benchmarking, a central hub process known as ‘creative adaptation’ must occur that indeed prohibits the simple mimicking of another firm’s procedure - instead an improvement step is done in order to exceed seeming boundaries.

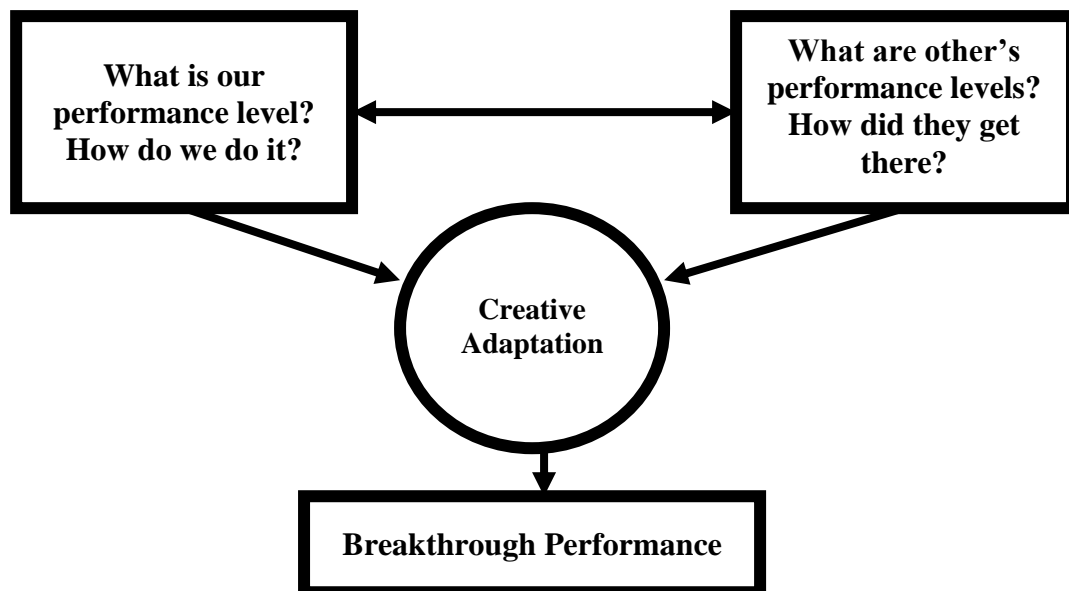


Figure 2: Benchmarking & TQM (Ferhansyed, 2008)

“Why reinvent the wheel if I can learn from someone who has already done it?” –  
Joseph Juran, (1964)

Carter et al. (2000), emphasized that when an organization displays more successful TQM programs (imposed by HRM) then it is more likely that formal performance evaluations of purchasing employees is emphasized as a strategy. Carter et al also gave credit that in terms of purchasing employees;

- HRM guided firms were more involved in key decision making than less successful TQM firms.
- Successful TQM programs had a greater level of perceived support due to less fear of failure from taking risks – this due to job security.
- Successful TQM firms had more TQM related training.

Carter et al. (2000) argument was that within the context of TQM, HRM must take a new non-traditional approach (refer back to Table 1). A 'good faith' approach to HRM should be seen as crucial in order to underpin the quality of the business that takes place. On the previous chapter we addressed those five key attributes that need to be considered for effective HRM implementation.

## JUDGING QUALITY OF TRAINING

In order to grow human capital, CEO for 'The Center for Effective Performance' (Dr. Seth Leibler) states six major components should be examined; training, underperformance factors, reference tools, skill checks, feedback, and job matching conditions.

Further also:

- When there is lack of knowledge amidst an organization it is crucial that training takes place, although this may not be the solution for every performance.
- Analyses should be conducted and addressed when there are problems in the areas of motivation, skills, support, and environmental resources.
- Job aids are used when there is a need to remind performers of how to do their task.
- Skill checks should become part of the main HRM process routine, this in order to ensure that job expectations are met before even leaving training.
- Feedback reinforces by coaching on what to do so as to guarantee that the job gets done correctly.



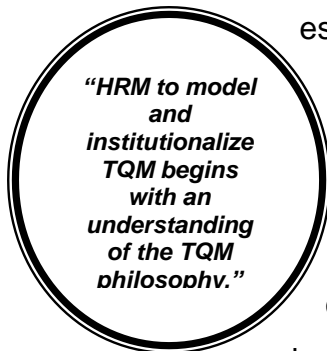
As a result of the above, it is imperative that job allocations should match the employee's skills as closely as possible in order to guarantee quality in performance. Although, strategic placement of job roles, in order to further expand on the diversification (ie: in skills), can be deemed essential for the long run goals imbued within an organization.

An approach that nurtures complete consideration to the organization structure does lead to a proactive positive incremental change. This 'holistic' approach also avoids the sudden traumatic shock that many organizations may experience as results of radical change related programs, and hence it should avoid any resulting stagnation.

## UNDERPINNING OF QUALITY BY THE HRM DEPARTMENT

The previous chapters highlighted the crucial segments that define the main differences between HRM & TQM. A HRM program needs to be constantly re-evaluated to pave way for continuous improvement of the organization. The evaluation itself also couples awards for success with major publicity, which in turn may be desirable for prosperous growth and expansion. This environment of ‘continuous improvement’ generates a culture where quality is considered important as well justifies the means by which it is done.

In order to warrant quality, HRM staff has to prioritize areas of quality, they have to tackle all areas as a continuous problem-solving activity, whilst



establishing suitable training and measurement and monitoring procedures for feedback use.

It would be imperative that each division manager prepares their own quality plans, and if this can be cross-checked with feedback attained from

subordinates and other stakeholders, then indeed the HRM is at least on the right track towards optimization of quality itself.

**“The biggest benefit of having a quality program is by each individual employee getting involved and contributing towards decision making.”** (Smyth et al, 1996)

All of this, in turn, leads to the concept of Total Quality Human Resources Management (TQHRM), an approach that involves many concepts of quality management. The key points are listed in table 3 below:

Table 3: TQHRM contrast

<b>HR versus TQHRM</b>		
	<b>Traditional HRM</b>	<b>TQHRM</b>
<b>Process Characteristics</b>	Unilateral role	Consulting role
	Centralization	Decentralization
	Pull	Release
	Administrative	Developmental
<b>Content Characteristics</b>	Nomothetic	Pluralistic
	Compartmentalized	Holistic
	Worker-oriented	System-oriented
	Performance measures	Satisfaction measures
	Job-based	Person-based

Source: Adapted from S. Thomas Foster, "Managing Quality an Integrative Approach." Prentice-Hall: New Jersey, 2001. P.21

TQHRM has to be implemented through correct strategic alignments of employees whilst accounting for stakeholder(s) needs. By increasing the commitment of the workforce, as well as their capability (through incentive and training programs as such) TQHRM can be attained as long the authority channels within the organization are clearly set in place and accepted by all.

Some summarized case studies can be found in the appendix section – these, in turn, relate to previous studies that examine variables given organization changes. The section titled, 'TQHRM in action' illustrates a schematic for a total quality management system that was implemented for 'Eastman Chemical'.

## DISCUSSION & CONCLUSION

Transformation of a vision of a TQM organization to reality does require a complete change in the culture and attitudes of all participants. The change must cascade from the top managerial staff to the 'shop-floor' (or/and vice versa) and should be consistent, visible, and permanent! Problem arises when the organization continues to past modes of behavior, and this is especially prevalent in large organizations where the span of control is wide, and because mayhap they just became blinded by cockiness.

Quality is further underpinned by changes in HRM. Bona fide (in 'good faith' & authentic) TQM programs cut across the organization on a horizontal level in order to usually bring dramatic changes to the traditional management practices. The quality of the business, as ideally defined by TQM, occurs through active involvement from the HRM department.

Successful strategic HRM actions seeks input from all stakeholders (ie: customers, suppliers, shareholders and people) in order to identify what part each segment influences the organization so as to ensure delivery of the business strategy. The creation of the right environment to utilize stakeholders is essential for change within the organization to occur. But in order to intrinsically add value HR strategies should seek integration of business planning, also on an extrinsic (hence/and strategic) level, in order to support business success!

As a final conclusion, in the preceding chapter we take a glimpse at the process of total quality human resource management. There is expanding research in this field, and it does seem likely that the communication barriers that prohibited such schemes on occurring to full extent may indeed be at the breaking point.

**“HRM can jumpstart the TQM process by becoming a role model. This means that HRM has two specific tasks: ‘Serving the customers and making a significant contribution to running the business.’”** (Bethke, 1994; refer to it for an in-depth contrast of HRM vs TQM)

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## APPENDIX

[These extracts provide further insight into the examination of the main essay topic. The large segments in parentheses indicate segments from a referenced Journal article – there was no point in paraphrasing all these excerpts as they are just extracurricular and of use for expanding your knowledge base. The words therein have not been included in the total word count]

## CASE STUDIES

### *AIR-FREIGHT/INTERNATIONAL-AIR*

“Research is centered on the Greek subsidiary (subsequently referred to as ‘the company’) of a fairly new international air freight and express US multinational company, with an explosive growth over the last 5 years.”

“HRM responses indicated a vision of TQM which incorporated recognition of management's responsibility for change and adaptation. They had moved from a hierarchical structure to a horizontal, process-led system under a cross-functional business process team, which they saw as increasing cooperation both between management and employees and between different groups of employees.”

“There was general agreement among both management and employees that the company paid relatively well for the industry. In the context of TQM demands, managers believed that employees received a ‘fair day's pay for a fair day's work’. However, less than half the employees (46%) believed that they were adequately rewarded for their performance, with a further 36% undecided. The majority (82%) emphasized that they did not receive any incentives or bonuses although they were now working weekends because of the vast recent increase in the volume of work.”

“Although there were no major conflicts in the quality vision which would impact immediately on the company, there was evidence of cracks and even

gaps appearing between the organization's blueprint for quality and the implementation reality. In addition, the findings revealed some differing perspectives of reality, not only between top management and the employees but also between employees on particular issues. Such departures from the shared vision of quality needed to be addressed in the interests of the long-term success of the quality program.”

“Management spoke of a ‘listening culture’ and espoused the belief that closer relationships, both within the management team and between management and employees, were being forged.”

*Full details of this research can be found in Richbell and Ratsiatou (1999).*

#### **NTBF**

A study conducted in 1999, (Briggs, 1999), involved 20 ‘new technology based firms (NTBF). These firms primarily comprised of individuals with high levels of academic qualifications in technical areas. A key activity was to identify a total quality improvement process. “Evidence emerged from the study that quality and quality improvement play a vital role in the companies. Without having a reputation for supplying quality goods or services these small and medium enterprises (SMEs) would find it extremely difficult to operate in their respective markets.”

The HRM strategic planning process developed as a result of these studies to a greater extent. It was deemed that a holistic approach was the best way to identify goals, market trends, and hence capitalize on these trends. In a holistic view reinforcement by ownership and mutual support is deemed essential in order to address a shared vision for the future.

*Full details of the research can be found in Briggs and Keogh (1999)*

***HRM IN TAIWAN***

An examination of the past HRM sector in Taiwan may be of interest if we examine and contrast the clash between both local Taiwanese and foreign firm investments (see Wen-Hsien, 1997).

“Being aware of the important role of quality in competitiveness, government and industries in Taiwan strive mutually for quality. Firms have implemented various programmes to improve quality. In retrospect, quality control circle was introduced in Taiwan in 1967 and quickly became popular. The Taiwanese government has also implemented various programs to implement the strategic role of quality. It should be noted that Taiwan focuses more on technical elements, such as statistical process control and product inspection, than on leadership and human resources management compared with that in the USA.”

“The subjects of the research (Nov '93- Jan '94) were selected mainly from the top 1,000 manufacturers and top 300 service companies ranked by China Credit Information Service in 1992. Stratified sampling was designed to cover manufacturing and services industries, and firms of four types - US subsidiaries, Japanese subsidiaries, private Taiwanese, and state-owned Taiwanese.”

“The results essentially showed that a larger company tends to exhibit greater quality of leadership. However, it also showed that sales revenue exhibited no effect on the quality of the HRM department (unlike leadership).”

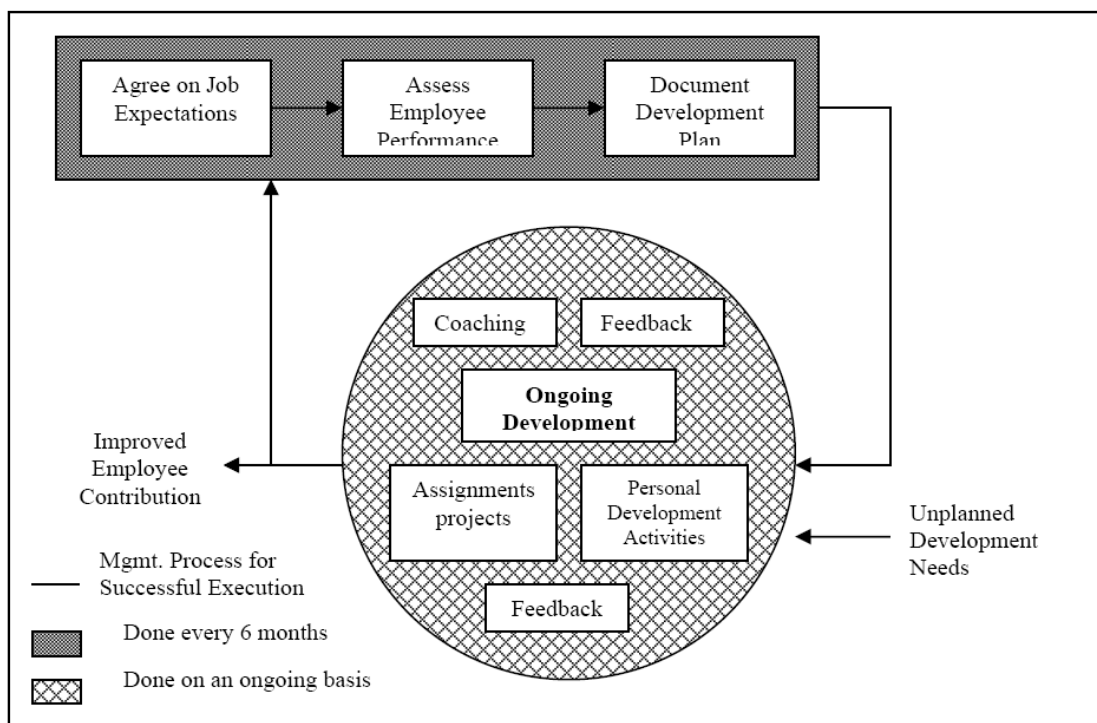
“The following analysis was acquired from the studies for companies that were operationally oriented rather than to planning: The implementation of programs such as employee performance measurement, recognition, promotion, compensation, and reward, as addressed in HRM practices, is more likely to draw the attention of both management and employees. Thus, quality in this area might be expected to attain a comparative level industry wide.”

It should be noted that in this research 119 facts were related to human resources management, whilst 155 facts were identified to be relevant to leadership.

*Full details of the research can be found in Wen-Hsien (1997).*

**TQHRM IN ACTION**

**Table 4: TQHRM in Action 'Eastman Chemical'**



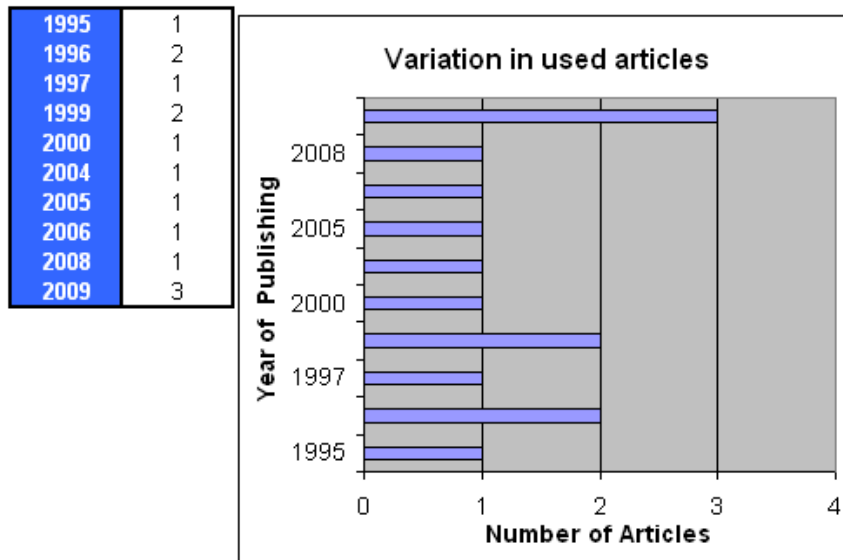
“In addition to the employee development system, Eastman Chemical was successful in implementing an empowered management system to aid in the successful management of employees in an empowered environment. Eastman Chemical identified the specific changes that needed to be made to its traditional human resources management style in order to implement TQHRM. They then set up guidelines and training programs to ensure that these changes were made.”

*Source of the research can be found in VanDevender (2006).*

**JUSTIFICATION OF RESOURCES**

On a final analysis, it should be noted that some references were relatively old, with the following variation in years per number of articles:

**Table 5: Articles used by year.**



It should be noted that there is quite a large disparity in publication dates, and the most pertinent articles were not as recent as the year of 2009. The fact of the matter is that once a technique is established (ie: HRM strategy implementation) there requires a great deal of time, and evidence, for publications to proclaim as to what was the ‘norm’ to differ on an official level. I did cite articles as far back as a decade ago, but when cross-referencing such articles to some more present ones I found little in the way in change of opinions, and if at most just some elaborate regurgitation of words.

I believe that the journal articles I used warrant the integrity of this essay.

**“Thank you!”**