

How Core HRM Activities Add Value in the Different Sectors

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Abstract : The Human Resource Management (HRM) activities is often expected to increase the value of an undertaking through the practice of recruitment, hiring, performance management, rewards, and training. Recruitment is attracting talents for the required vacant positions, performance management is the continuous process of evaluating employees' performance, rewards are the arrangement of compensation and benefits to employees, and training refers to the efforts within organizations to improve employees' performance through various methods. This essay will demonstrate and critically compare how these HRM activities are adopted with different approaches in the private, public, and third sectors and result in superior performance over time. Vroom's expectancy theory and some real-world examples will be cited to show their worth to all organizations.

Keywords: Values; Sectors; Organizational Objectives

1. Selection and Recruitment

Effective selection and recruitment are crucial for each sector, which ensures that the workforce is equipped with relevant skills for the organization's present and future needs. Therefore, recruiting is not limited to filling an immediate vacancy; it may also positively impact the long-term profitability and the value factor of the business. Because of the fact that assembling a pool of highly skilled and motivated workers is more challenging than technology and capital, HRM in each type of organization is highly cautious during the recruitment and selection practices to ensure their uniqueness. Public sectors follow a standardized recruitment approach in order to eliminate the risks of bias, and the number of new employees is restricted each year. For instance, China Mobile International (CMI) is a typical state-owned enterprise, and written examination in a unified national form is required twice a year during the selection and recruitment process, which does not occur in the other two sectors. In consequence of limited job positions every year, CMI follows strict procedures to ensure equal opportunities for applicants and select the most qualified employees with a brilliant performance to assist in reaching organizational objectives. Whereas brain drain may arise when someone is rejected as playing below par in the exam. By contrast, private-owned corporations follow less formal recruitment standards, for example, outstanding players in the Business Experience Challenge held by some accounting firms do not need to go through the interview procedure. In addition, private sectors are increasingly incorporating online game-based assessment into their recruitment process, in order to filter out unsuitable candidates prior to interviews or match them to the rest of the application. Currently, it is the primary difference between private firms and the other two sectors. As a multinational partnership enterprise, Price Waterhouse Coopers (PwC) started an online assessment named Career Unlocked in its recruitment process. Its designer Arctic Shores indicates that this online test will collect more than 3,000 data points from how the applicants address each task and use them to assess testers' aptitude and suitability for the role they apply for. Whereas some potential issues of online assessments should be considered. For instance, it might be possible for applicants to give responses they think suit the organization in certain personality tests, inducing inaccurate results. Non-profit organizations are the sole sector among the three that do not set limits to qualification and have fewer recruitment requirements. Because they place a higher premium on candidates' moral obligations and dedication, and the criteria for subjective judgments cannot be standardized. Accordingly, it attracts plenty of participants and provides charities with more options for selecting volunteers who are a better fit for their mission.

Green Hunan is a local public welfare organization dedicated to ecological environment protection and the promotion of an environmentally conscious lifestyle. Therefore, it prioritizes volunteers with a strong environmental awareness and rich practical experiences. However, volunteers with a wide range of educational levels may find it challenging to reach consensus in a group, which would slow project progress.

2. Performance Management

Performance management (PM) aims to promptly warn of potential problems and align employees' contributions with the general business objectives. Likewise, it plays different roles in three main sectors. PM in public service sectors is associated with policy objectives and probity; thus, they typically adopt traditional PM appraisals methods that involve stated standards and are annually based. As an illustration, the human resources departments of the Industrial and Commercial Bank of China (ICBC) implemented a rank system to conduct staff annual performance reviews. In ICBC, employees' payments are composed of job grades and performance. Beyond that, ICBC adopts a balanced scorecard system to evaluate employee performance comprehensively. The formal performance appraisals in public sectors create a positive workplace and support the fulfilment of organizational goals, even if this system does not impact indirect compensation. Furthermore, a clear documentation of performance is essential on condition that unfair punishment is challenged by employees. By contrast, HR departments in private sectors design informal performance assessment systems to conduct on-demand checks, which is an excellent tool for fairly rewarding high-achieving individuals and retaining talents. For example, PwC adopts a complicated performance measurement in a bid to make informed judgments about additional compensation and to improve employee engagement and productivity. Regarding non-profit organizations, employees of some small voluntary groups typically carry out activities freely without much supervision, which contributes to building trust and fostering a healthy working environment. Nonetheless, there remains some limitations. Take Green Hunan as an example, a local charitable organization with incomplete performance appraisal; as a result, members are lack restrictions, and undisciplined internal management could jeopardize its efficiency. While in social enterprises, an internal performance management tool called Performance Dashboard has been developed for the purpose of tracking employees' progress towards business goals and suggesting proper action templates.

3. Rewards and Compensation

The relevance of rewards and compensation to human resource operations is the influence it has on the ability to attract and retain competent personnel. Public and private sectors emphasize extrinsic rewards, whereas third organizations highlight intrinsic rewards, also known as non-financial rewards. Vroom's expectancy theory can be used to demonstrate convincingly how rewards strategy is applied differently and makes for organizational development in three sectors. It illustrates that employees' motivation to work hard is comprised of expectancy, instrumentality, and valence. It is true that the attractiveness of a job in public organizations is not the number of salaries paid but the fair benefits as indirect pay that the other two sectors do not have. These benefits can enhance employees' loyalty and reduce turnover by instilling a sense of job security, which is especially important in the event of a pandemic. Consequently, it contributes to the effectiveness of public services and the attainment of business goals. Sinopec is a typical state-owned firm with a mature incentive system. Although salary pay in this enterprise is determined by tenure and experience, all civil servants are entitled to the same benefits under the welfare system, involving pension, housing fund, health insurance, and maternity leave (Sinopec, n.d.). Nonetheless, there is a drawback that employees are less stimulated by equal benefits. For the reason that PM appraisals are not applied to indirect pay, employees have little trust that extra efforts and productive performance would add benefits, such as more paid holidays. Therefore, a lower instrumentality of Vroom's expectancy theory ultimately leads to less incentive towards work. In private firms, direct compensation such as bonuses tends to be performance-tied and less likely to be paid in cash. For instance, 300 shares were issued for outstanding Tencent employees valued at 1.7 billion HKD on the 18th anniversary of Tencent. It shows another method of extrinsic reward, stock options, rather than cash. Employees and the corporation form a community of

interest focused on reaching its long-term purposes by issuing shares. Likewise, an increasing number of private companies are tying their reward strategy to the business profit, ensuring that employees are proactive to work harder for the common good. According to Vroom's expectancy theory, workers in private firms hold a firm belief that excess workloads would result in a higher bonus through profit-sharing schemes and modern performance assessment systems, so the majority are willing to work overtime for financial gain. In terms of third sectors, rewards are intangible and stem from an inherent sense of responsibilities, fulfillment, and excitement. For instance, the China Red Cross Committee, working as a typical non-profit organization, has set up a system of volunteer rewards ranging from one to five stars based on service time and contribution. Besides, those who serve for over 1,500 hours will be honored by the Red Cross Medal. In that an intrinsic value to volunteer for a charity cannot be quantified in monetary terms, non-financial honors are essential to attract and retain the best volunteers. In the light of Vroom's expectancy theory, employees in third organizations can be stimulated evidently by awards and recognition, since formal rewarding systems make them trust that extra commitment can be appreciated more and volunteer to make the most of their talents for intrinsic rewards.

4. Train and Development

Although the recruitment and selection activity has assisted the HR personnel to select the eligible employees on the basis of merit and relevance with the job, proper training enables them to become more productive and better meet organization requirements. In consequence, increasing enterprises come to realize the supreme importance of sustainable knowledge attachment from ongoing learning for the continuation of the success of an organization. Likewise, it varies in application depending on the type of organization. The majority of public sectors are funded centrally from the government through public taxation, and trained workers will generate higher returns to the general public. Consequently, training in public organizations can be more organization-oriented than individual-oriented because civil service is committed to improving the public services and fulfill non-economic goals for society. As a state-owned enterprise, the Bank of China (BOC) established a training platform with a large number of courses available materials so as to improve employees' professional skills and build a hardworking environment in BOC. Staff can attend courses whenever they have time, and it is adopted more effectively under Covid-19 when face-to-face contact is restricted strictly. Nevertheless, training in the private firms pays more attention on staff improvement. They implement cross-training programs to enhance the all-around abilities of employees continually, with a view to strengthening organizations' competitive edge. Such a private company as Volkswagen offers a Startup Direct trainee program to motivate employees' potentials. Third sectors need to maintain consistency in their performance and values, and thereby focus on training volunteers' work ethics. Red Cross Society of China held an Angel Fund volunteer training session in 2019, which aims to boost volunteers' enthusiasm and resolve issues that may arise in daily activities, thus improving service quality and conveying the core value.

To conclude, these core activities of HRM mentioned above can be summarized as the effective management and development of the workforce in an organization. Their proper operations assist in narrowing the gap between employees' outcomes and the overall business objectives. Although it is a fact that public, private and third sectors operate these HR functions with quite different approaches, they all aim to attract, develop, and retain the most qualified pool of employees to promote business growth. Consequently, an efficient HR system can be regarded as a strategic tool for winning competitive advantage.

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