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Strategic approach to human resources management during crisis

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Abstract

Human Resources Management is one of the most important units of modern firms and organizations. It gains even more importance in times of crises, because it makes up an important dimension of crisis management. It is well known that human resources policies have a great influence on people; therefore, those policies are to bring about humanistic consequences. In this study, possible effects of always looming crises and ways to avoid or cope with those crises have been examined and presented to readers. The study mainly focuses on the human resources strategies aspect of management at managing crises; and, it compares classical and modern ways to handle the effects of crises on human capital.

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1. Introduction

Crisis management may be defined as an organization's acts and behaviors which prepare it to be ready to manage major catastrophic happenings in a safe and effective style (Lockwood, 2005). In the general scope of the study, crisis is taken as only a financial crisis. However, from a human resources perspective, any kind of crisis is important to consider; so, in this study crisis in general will be evaluated.

A crisis can be described as a total disruptive event to a partial disruption where people, property, equipment or the environment that may end up effecting company value negatively. It ruins the reputation and upsets stakeholder perception towards the organization. In today's world, the human resources' role is ever more important during times of crisis to prevent irreparable damage than it was before. Human resources managers have important role to

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guarantee their environment are aware of the crisis from employee side and make plans and projections ahead to help reduce its disruption. For this purpose, human resources managers work together with complete commitment to produce solutions for the sake of organization. (Lockwood, 2005). While the focus of this study is derived from the last financial crisis of the world, as it is mentioned above, crises come in all shapes and forms; henceforth, this work will try to deliver the author's view of human resources during any crisis.

So in this study, we will not deal with how to prevent crises; yet, we will shed light on some modern approaches which human resources management may utilize in difficult situations.

2. Human Resources Management and Human Resources Strategies

Today, businesses have already started to pay more attention to human resources policies and applications in order to achieve a sustainable competitive advantage and high performance in business operations. The human resources management concept has emerged from the idea of using human capital reasonably and efficiently (Vardarlier, 2015). The human resources department in a business serves in various ways and for different purposes such as increasing competition, managing of international business, technological innovations, operating in accordance with current regulations, monitoring union activities, ensuring ethical issues and the best practice versus best fit (Lojić, Škrbić, & Ristić., 2012). The human resources department is widely accepted as keepers of the culture (Zaidi, 2005) and the guardian of company values and principles fairly across the whole organization. Human resources professionals have strategic role when a crisis strikes; and, their preparation reduces anxiety throughout the organization. So, the human resources department has probably the most important role in an organization before, during and after crises. Human resources management is to deploy and use the optimum number of personnel in suitable posts and times in order to enable the business to reach its goals. In this way, motivation and job satisfaction of personnel will increase. Therefore, operational costs will decrease and profitability will increase. All of these processes and activities may be collected under the umbrella of human resources management (Uyargil & vd., 2010).

As Canman (1995) argues from a human resource management perspective, employees should be considered as a prominent factor which adds value to the organization (Canman, 1995). Baysal goes with a simple definition, stressing that the human resources management concept of developing labor is to increase the contribution of employees to the welfare of the organization (Baysal, 1993). In fact, it is a unit of function and effort which ensures efficient management within the organization and its environmental setting; therefore, it's a contribution to the success of the business (Kaynak, 1998). So, the human resources management is as important as any other department which contributes to the organization. On the other hand, employees are thought to be one of the organization's resources; and therefore, should be managed in the same way as any other resource in the business (Kane, Crawford, & Grant, 1999). The effectiveness of human resource management is certainly associated with investment in human capital and also with strategic cost minimization. Employees are an important group of stakeholders and they cannot be directed by any other body within the organization as a whole unit. Additionally, their interests and needs are very important for the organization (Beardwell & Clark, 2007). Being different from other departments of the organization, human resources management concerns the training, skills and expertise of employees (Dessler, 2005). Since the human resources management's goal is to increase the success of the enterprise along with success of the employees by using the resources available, it should embrace five basic objectives which are efficiency, competitive advantage, legal compliance, work life quality, and workforce compliance (Çetin & Özcan, 2014).

One way of using human resources for the success of the business is to carry personnel management beyond the rules and bureaucracy by benefiting from the skills and potentials of the employees. This can be achieved by merging the five functions of management (Dessler, 2013). These functions are planning, organizing, staffing, leading and controlling. Planning is to determine the standards and goals used to create and improve the procedures and to make predictions. Organizing is to assign or delegate specific tasks to employees and establish departments. It also involves coordination and communication among employees. Staffing includes the recruitment, training and development of personnel, determining personnel standards, evaluation of these performances, compensation issues and employee consultancy. Leading is to motivate subordinates so that they could work more efficiently. Controlling is to determine sales goals and standards for product quality levels. Controlling also involves auditing

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