

Effects of Human Resource Management Activities to Improve Innovation in Enterprises

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Abstract. In this study, a model for improvement activities of human resource management (HRM), which is include: training, payment system, selection, valuation functions of organizations is proposed. It leads to development innovation in organization by improving the knowledge in staff and transfer knowledge between staff and use of knowledge in organizations. Today in all the word emphasis on the innovation that increased amongst all companies. Effects of information globalization and also factors (such as increasing comparison, in certain industrial boundaries, etc.) change the business environment. In this situation the companies for survive need to innovation. Key factors of successful in active organization in new technologies are having the innovation in offering productions and services by using special knowledge. In this organization the most important factor is having creation and expert human resource by high motivation. The most important problems are lacking use of human resource in innovation in organization that contains: lacking the suitable payment system, valuating function of staff, don't attention to dynamic activity in organization and don't offer sufficient training to staff.

Keywords: Effectiveness, Human Resource Management, Activity, Innovation.

1. Introduction

With ever more rapid technical change, and increasing global competition, it has become clear that the ability of organizations to develop and field innovative new products and services is a crucial influence on long-term performance [1]. Innovation is at the heart of organizations' success because it allows them to improve the quality of products, increase efficiency, cut costs, meet the changing needs of customers, increase sales and profits, gain a greater market share and differentiate themselves from competitors [2,3]. Firms with greater innovativeness will be more successful in responding to changing environments and in developing new capabilities that allow them to achieve better performance [4]. Innovation initiatives tend to depend heavily on employees' knowledge, expertise, and commitment as key inputs in the value creation process [5].

In studying of innovation in organizations, most important factor that must be considered is human resource management (HRM). Although in the past didn't give innovation ones consideration but today in surveying about activities of human resources accomplished, indicate clear relationship between human resource management and innovation. The strategy of human resource management must be improving innovation in organization coordinate to improving innovation in organization and to cause creation, transfer and operating knowledge in organization. Human resource practices (HR practices) are the primary means by which firms can influence and shape the skills, attitudes, and behavior of individuals to do their work and thus achieve organizational goals [6,7].

In this paper, a model for development activities of HRM, which is consist of: training, payment system, selection, valuation functions of organizations is proposed. It leads to development innovation in organization by improving the knowledge in staff and transfer knowledge between staff and use of knowledge in organizations.

2. Effectiveness

Effectiveness means the potential of producing an effect, and is most frequently applied in connection with degree to which something is able of producing a specific, desired effect. In management, effectiveness relates to getting the right things done. Drucker [8] reminds us that effectiveness is an important discipline which “can be learned and must be earned. In other words, effectiveness indicates to what extent accomplished attempts provides the considerable results. Erlendsson [9] defines effectiveness as: the extent to which objectives are met (‘doing the right things’). Effectiveness means the capability of producing an effect, and is most frequently used in connection with the degree to which something is capable of producing a specific, desired effect.

3. Management

Management in all business and organizational activities is the act of getting people together to accomplish desired goals and objectives using available resources efficiently and effectively. Management comprises planning, organizing, staffing, leading or directing, and controlling an organization (a group of one or more people or entities) or effort for the purpose of accomplishing goal. Management is the process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected goals [10].

4. Human Resources (HRs)

Human resources (HRs) is a term used to describe the individuals who make up the workforce of an organization, although it also applied in labor economics to, for example, business sectors or even whole nations . Human resources is also the name of the function within an organization charged with the overall responsibility for implementing strategies and policies relating to the management of individuals (i.e. the human resources). This function title is often abbreviated to the initials "HR" [11]. HR is a relatively modern management term, coined as late as the 1960s. The origins of the function arose in organizations that introduced 'welfare management' practices and also in those that adopted the principles of 'scientific management'. From these terms emerged a largely administrative management activity, coordinating a range of worker related processes and becoming known, in time, as the 'personnel function'. Human resources progressively became the more usual name for this function, in the first instance in the United States as well as multinational or international corporations, reflecting the adoption of a more quantitative as well as strategic approach to workforce management, demanded by corporate management to gain a competitive advantage, utilizing limited skilled and highly skilled workers.

The number one glossary suggestion and question that people request is: “What is the definition of human resources?” William R. Tracey, in The HRs Glossary defines HRs as: “The people that staff and operate an organization ... as contrasted with the financial and material resources of an organization. The organizational function that deals with the people ...” Long a term used sarcastically by individuals in the line organization, because it relegates humans to the same category as financial and material resources, human resources will be replaced by more customer-friendly terms in the future [12].

HRs are the human labor, the physical abilities, and mental abilities that produce the goods and services of businesses. In a business, the terms HRs are often used to refer to management of the people employed by the business. HRs management specialists recruit and interview employees, advising on hiring decisions in accordance with policies and requirements that have been established in conjunction with management, provide training to enhance employee skills, and develop compensation plans and incentive programs to motivate employees. In some businesses this is called personnel management.

5. Human Resource Management (HRM)

Human Resource Management (HRM) is the management of an organization's employees. This includes employment and arbitration in accord with the law, and with a company's directives. A HRM system refers to the systems and processes at the intersection between HRM and information technology. It merges HRM

as a discipline and in particular its basic HR activities and processes with the information technology field, whereas the programming of data processing systems evolved into standardized routines and packages of enterprise resource planning software.

HRM is the function within an organization that focuses on recruitment of, management of, and providing direction for the people who work in the organization. HRM can also be performed by line managers. HRM is the organizational function that deals with issues related to people such as compensation, hiring, performance management, organization development, safety, wellness, benefits, employee motivation, communication, administration, and training [11].

6. Activity of Human Resource Management

Currently Human Resource Management Systems encompass:

1. Payroll
2. Work Time
3. Appraisal performance
4. Benefits Administration
5. HR management Information system
6. Recruiting
7. Training/Learning Management System
8. Performance Record
9. Employee Self-Service

The payroll module automates the pay process by gathering data on employee time and attendance, calculating various deductions and taxes, and generating periodic pay checks and employee tax reports. Data is generally fed from the HRs and time keeping modules to calculate automatic deposit and manual check writing capabilities. This module can encompass all employee-related transactions as well as integrate with existing financial management systems. The work time module gathers standardized time and work related efforts. The most advanced modules provide broad flexibility in data collection methods, labor distribution capabilities and data analysis features. Cost analysis and efficiency metrics are the primary functions. The benefits administration module provides a system for organizations to administer and track employee participation in benefits programs. These typically encompass insurance, compensation, profit sharing and retirement [13].

The HRM module is a component covering many other HR aspects from application to retirement. The system records basic demographic and address data, selection, training and development, capabilities and skills management, compensation planning records and other related activities. Leading edge systems provide the ability to "read" applications and enter relevant data to applicable database fields, notify employers and provide position management and position control. Human resource management function involves the recruitment, placement, evaluation, compensation and development of the employees of an organization. Initially, businesses used computer based information systems to:

- Produce pay checks and payroll reports;
- Maintain personnel records;
- Pursue Talent Management.

Online recruiting has become one of the primary methods employed by HR departments to garner potential candidates for available positions within an organization. Talent Management systems typically encompass:

- Analyzing personnel usage within an organization;
- Identifying potential applicants;
- Recruiting through company-facing listings;
- Recruiting through online recruiting sites or publications that market to both recruiters and applicants.

The significant cost incurred in maintaining an organized recruitment effort, cross-posting within and across general or industry-specific job boards and maintaining a competitive exposure of availabilities has

given rise to the development of a dedicated Applicant Tracking System, module. The training module provides a system for organizations to administer and track employee training and development efforts. The system, normally called a Learning Management System if a standalone product, allows HR to track education, qualifications and skills of the employees, as well as outlining what training courses, books, CDs, web based learning or materials are available to develop which skills. Courses can then be offered in date specific sessions, with delegates and training resources being mapped and managed within the same system. Sophisticated LMS allow managers to approve training, budgets and calendars alongside performance management and appraisal metrics.

The Employee Self-Service module allows employees to query HR related data and perform some HR transactions over the system. Employees may query their attendance record from the system without asking the information from HR personnel. The module also lets supervisors approve O.T. requests from their subordinates through the system without overloading the task on HR department. Many organizations have gone beyond the traditional functions and developed human resource management information systems, which support recruitment, selection; hiring, job placement, performance appraisals, employee benefit analysis, health, safety and security, while others integrate an outsourced Applicant Tracking System that encompasses a subset of the above.

7. Innovation

The purpose of innovation is revealed and operated creativity, in other words, innovation means operated and creative thought; that is presentation of product, process and new services to market. It is mental creativity for making one thought and originality with use of a new concept.

In the following has referred to several definition of innovation:

“The act of introducing something new”

“A new idea, method or device”

“Change that creates a new dimension of performance” [8]

“The introduction of new goods, new methods of production, the opening of new markets, the conquest of new sources of supply and the carrying out of a new organization of any industry” [14, 15]

“Innovation is a new element introduced in the network which changes, even if momentarily, the costs of transactions between at least two actors, elements or nodes, in the network” [16]

“The three stages in the process of innovation: invention, translation and commercialization” [17]

“The ability to deliver new value to a customer”

“Innovation is the way of transforming the resources of an enterprise through the creativity of people into new resources and wealth” [18]

“Innovation does not relate just to a new product that would come into the marketplace. Innovation can occur in processes and approaches to the marketplace” [19]

8. Discussion and Conclusions:

Today organization based on their structures follow the certain goals and managers force to imply the goals. Manager should use of equipments and materials, systems, methods of vestment, make production engineering and by helping the human resources reach their purposes.

Generally, the goals of HRM determine the goals that include: production, distribution and sell. Thus the goals of HRM are mentioned in presentation services to these tree units. In this study we consider the effect of human resources management in innovation in organization. The results show that human resources management has direct relationship with innovation in organizations. Finding shows that by consideration to human resources and development of their activities improvement occurred in organization. The purpose of development of human resources management is training the staff, on time payment, give extra services to the staff, instead of their creative activities, and choose the staff and experts, evaluation function of staff, in all of mentioned cases lead to improve staff knowledge, transfer knowledge in staff and use of knowledge in organization

9. References

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