

# Interpretation and Assessment of Human Resource Management Systems

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**ABSTRACT:** Despite its strategic importance, the literature has failed to clearly define practical flexibility. Empirical studies have led to varied and often contradictory results based on various conceptualizations and measurement techniques. In the field of human resource management this paper proposes a structure to define and measure functional flexibility. Researchers tried to explain the word by categorizing past meanings and adding an integrative design to the process. Scholars discuss and justify the need for a certain degree of practical flexibility in human resource management procedures in the first part of this essay to support the ability of organizations to respond to a changing environment. From this perspective this capability is seen as a relevant source of competitive advantage. Scholars propose a new framework for functional flexibility and a measurement model based on our theoretical analysis that could help generate further studies on this topic. This structure should be used as a starting point for creating a realistic flexibility rating scale. In the last part of the article potential lines of research to be gained from this assessment are discussed. Scholars focus on the need to study how human resource discovery and exploitation can be flexibly incorporated into human resource management approaches.

**KEYWORDS:** Flexibility, Functional Flexibility, Measurement Model, Strategic Human Resource Management, Theoretical Review

## I. INTRODUCTION

The importance of adaptability has been acknowledged in pioneering studies recommended using flexibility as a measure for assessing organization performance. Companies use resilience not only to respond to environmental changes and uncertainties but also to cast doubt on their strategic advantage as some scholars have suggested. We categorize the different areas of flexibility after evaluating previous research. In this regard studies have focused on topics such as competitive strategy production processes and organizational structure [1]. We believe that creating scalable human resource management programs enables a company to create valuable unique and inimitable new capabilities by taking a strategic and open-minded perspective resource-based perspective. If resources are hard to duplicate and flexible to changing conditions they will be able to generate better results and a lasting competitive advantage. [2]. Similarly

this approach assumes that an organizations ability to achieve and maintain a sustainable competitive advantage depends primarily on the monopoly level of the organizations human resource competencies and skills. . As a result we can conclude that this way of producing and activating human capital plays a strategic function within the company. Valle Martin and Romero explain how contextual changes make the human resource management process more strategic Valle Martin and Romero explain. As far as we can tell all of these advances point to the need for adaptive human capital management systems [3]:

### A. Socioeconomic Factors

Population dynamics are changing under the influence of two factors: declining birth rates and increasing life expectancy. The advent of a new demographic situation has important consequences for human resource management. In this regard improving quality of life and its impact on longevity encourages workers to postpone retirement. As a result the workforce of companies is relatively older. Due to lower birth rates there are fewer young people in firms which reduces participation in new experiences beliefs and skills. The following socio-demographic changes that affect strategic human resource management should be illustrated: [1] the increasing participation of women in the labour market [2] the coexistence of citizens of all ages in companies and [3] an increase in the foreign workforce. The result of these socio-demographic changes is the increasing population complexity of organizations which requires greater flexibility in management processes.

### B. Political-Legal Factors

The social framework of a country has a significant impact on the competitive growth of companies. The position of the State is particularly significant in this regard not only because of its normative context but also because of its economic social and political weight. Organizations must respond to changes in the socio-political environment which is also often marked by instability. The push for a progressive policy against inequality in the workplace has been one of the most important political factors for human resource management in recent years. Likewise labour market reform collective bargaining and social protection reform have had a great influence on human resource management decisions.

### C. *Economic Factors*

Globalization leads to an increase in foreign trade as well as the rise of multinational companies. It also encourages the mergers and acquisitions that are often needed to grow to the size needed to compete in foreign markets. These trends often require organizations to be more adaptive. For example, the impact of mergers and acquisitions on human resource management were addressed. According to the writers, the major consequence of this context being a rise in the number of layoffs and planned retirements owing to the resulting company's redundancy of roles. As a result, workers regard these procedures as extremely insecure and risky.

### D. *Technical Dimensions*

Organizations are now better able to build and sustain scalable systems as a result of technical developments. Technological advancements can also help redefine the role of HR within an organization. High-tech companies need to produce products quickly to stay competitive which requires more flexibility in the workforce.

### E. *Operational Dimensions*

Organizational culture and human resource management are, in effect, inextricably related, according to numerous scholars. The degree of creativity displayed by a business is also an important organisational aspect to recognise, since advances (both technical and organisational) necessitate workers acquiring and renewing their skills. Organizations would become more nimble as a consequence of this. More flexible employees are required by the various kinds of work that have developed as a consequence of the adoption of new technologies.

These elements describe a new framework for human resource management, prompting businesses to make a number of adjustments in order to respond to changing conditions. Most of these improvements require investments in human resource management processes to make them more agile [4]. The notion of firm capital dependence has been used to illustrate the importance of flexibility in philosophy. Its effect on the financial performance of companies has been examined in observational studies such as those proposed by Bhattacharya Gibson and others. Notwithstanding its relevance, the literature on how to conceptualise versatility in the area of human resource management remains divided. Different studies have defined and quantified it using various constructions, with the bulk of them depending on only a part of its proportions [5].

## II. LITERATURE REVIEW

H. W. Volberda explained the word flexibility is frequently used informally in both mainstream business and academic settings. In some instances, the concept of flexibility is so simple that we all have an instinctive grasp of what it involves. Volberda follows by digging into the complexity of the inferred meanings and views of what appears to be a simple statement. He starts with all-encompassing notion of flexibility, which requires mobility and adaptability and is related to transition, innovation, and inventiveness, as well as robustness and durability, which imply consistency, long-term benefit, and developing capacity. Rather of leaving us to struggle

with this enormous concept, Volberda dissects versatility into its component pieces, enabling us to understand both what it is and how to attain it [6].

H. J. Huang et al. stated in this research that it looks at how human resource management practises may influence labour flexibility, or how flexible a company's staff is. A random sample of managers from Taiwan's largest manufacturers filled out a standardised questionnaire that contained a measure of worker engagement, which is used to evaluate a company's labour flexibility. Both the HRM model and qualifications tended to significantly increase employee engagement, according to the results. The findings' ramifications are discussed. Although leaves of absence are detrimental to a person's career development, our findings indicate that educational leaves are helpful. The average promotion after education leave is 3.41, indicating that companies, particularly newer ones, have a generally favourable attitude toward employees who take a somewhat lengthy absence to pursue higher education [7].

A. L. Kalleberg presented the connection between numerical and functional flexibility should be explored in organisational flexibility research. Unfortunately, research on one type of versatility tends to neglect the other. Furthermore, the core-periphery paradigm, which is the most commonly accepted understanding of the interplay between these two kinds of flexibility, is incorrect in many ways. They examine the evidence for and limitations of the agile firm's core-periphery paradigm, as well as various potential ways to conceptualising how companies can integrate practical and numerical flexibility. author focus on the United States and the United Kingdom, but author also examine at the facts and issues surrounding cross-national disparities in organisational flexibility [8].

V. Roca-Puig et al. articulated the extensive use of contractual contracts as a form of external labour stability is a feature of the Spanish labour market. Due to its institutionalization in the Spanish market environment it is of great interest to assess its influence on the competitiveness of companies. We have approached the study of external workforce flexibility in this article from the perspective of strategic human resource redundancy. This led them to consider how two types of flexible labour external and internal work together. This approach integrated into human resource management makes it possible to assess whether the combination of two types of flexible work in an organization has a complementary effect on the company's performance or conversely has an impact to replace. The emergence of these findings was examined in depth in this study which focused on three indicators of market efficiency: employee absenteeism employee efficiency and earnings returns. Therefore the results allow us to determine whether the two types of labour flexibility are compatible with each other as well as the optimal fit and combination between external and internal labour flexibility. In human resource administration, this is a significant issue [9].

### III. CONCEPTUALISATION

#### A. Human Resource Management

The variety of definitions provided in the literature shows how difficult it is to define flexibility. Organizational flexibility such as Suárez et al. Underlining is a more complex concept than simple. In addition it strongly depends on the context and fields of study [10]. Human resources are more essential than technological assets when it comes to flexibility. Flexibility increases workforce efficiency morale and the development of intellectual property all of which contribute to an organizations competitive advantage. In a similar manner, assert that human capital flexibility is related to a company's strategic edge, which is reflected in competitiveness, sustainability, and dependability in cost management.

Following a review of the literature, we discovered that diverse academics have used different terms to describe this kind of variety. Some academics have recognized the disparity and ambiguity of the proposed interpretations in this regard. Human resource flexibility is the ability of human resource management programs to respond quickly to changes and new criteria both inside and outside the company. The flexibility of strategic human resource management according to Wright and Snell has two meanings: [1] the integration of disparate skills and behaviours and [2] the ability of an organization to integrate integrates human resource management with everything y adjusting it to the demands of the times.

As demonstrated, the various ideas offered emphasize distinct elements of the versatility construct, despite their apparent connections. It would be necessary to build on the examination of three major components mentioned in earlier definitions in order to incorporate an integrated meaning: [1] staff competencies, [2] employee engagement and commitment, and [3] employee management activities. In the next section, we will propose an integrative construct termed versatility in strategic human resource management, which will try to cover all of the aspects discussed.

#### B. In strategic human resource management, there are many types of flexibility

Two criteria to distinguish between various types of human resource management versatility is employed. They started by differentiating between internal and exterior versatility. The second criteria distinguishes qualitative (or functional) flexibility from quantitative (or numerical) flexibility. Internal resilience refers to the capacity to adjust to changes in the same workforce. The willingness of a business to integrate new employees is referred to as external flexibility. On the other hand quantitative (or quantitative) flexibility is attributed to changes in workload while qualitative (or functional) flexibility examines qualitative changes of work in when taking into account employee capabilities.

Other approaches, such as Atkinson's modular business model, simplify the issue by assuming that human resource management flexibility may be split into two kinds or dimensions. These two aspects have been named in a variety of ways: internal and external flexibility; shifting and rigid flexibility; centred on occupations and

focused on partnerships flexibility are both indications of functional and numerical flexibility.

As has been pointed out: one that focuses on the internal company and emphasizes the use of human resources the other which deals with the technical layout. Number of employees and focus on hiring and firing steps present on the labour market. In the study conducted according to Roca-Puig et al. indicated (Figure 1). As mentioned earlier these authors argue that the concept of labour flexibility encompasses a wide range of human resource management techniques and activities that can be classified into two categories: internal flexibility or function and versatility outside or quantity. Table 1 shows the different authors' meanings for these two categories.

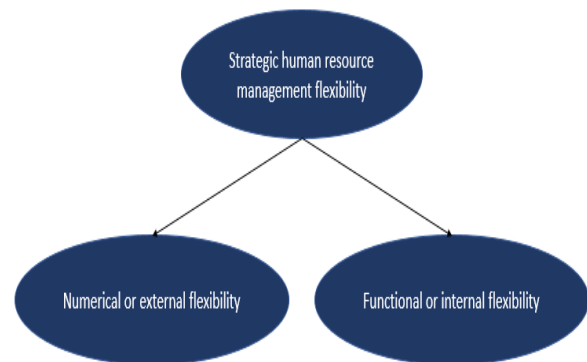


Figure 1: Flexibility of Strategic Human Resource Management Is Classified into Many Groups

The bulk of these studies believe that these two kinds of flexibility are mutually incompatible, since businesses only pick one of them. Other academics, on the other hand, have explained how they may be utilized at the same time.

Table 1: Definitions of the Types of Human Resource Strategic Path Versatility

References	Functional Flexibility	Numerical Flexibility
Volberda	Ability to broaden the range of expertise available to employees	Capacity to shift staff size in response to market changes
Huang and Cullen	Adaptability of the organization's employees to cope with unforeseen situations and incidents that necessitate innovation and initiative	Power of the company to change the number of staff in compliance with its special circumstances
Kalleberg	Employee capability upgrades to allow them to	Cost cuts was accomplished by limiting the

	perform a range of tasks and engage in decision-making	number of employees employed
Roca-Puig et al.	The corporation's efforts to integrate and improve workers' talents and abilities so that they can be transferred to different positions or divisions within the company.	Capacity to modify the number of employees on the job rapidly and easily in response to increases in demand.

The goal of functional flexibility is to improve efficiency. Previous research has focused on the first type of flexibility (digital or external) but more in-depth studies seem needed to fully understand the meaning of practical flexibility. Then the rest of the essay will focus on the internals of human resource management diving deeper into its distinct characteristics.

### 3.3 Functional Flexibility Dimensions

Functional versatility is defined in a number of ways. However as said before they all focus on internal issues assessing how human resources should be used to meet the needs of the business. The resource-based perspective has been utilized by many academics to extend the concept of practical flexibility. Organisational tools are flexible because they are suppliers of new commodities in this manner. For example, since tools may be utilized in a variety of situations without requiring modification or performing simple changes, they offer the business with necessary adaptation capabilities. Scholars have yet to establish a consensus on the measures that make up the concept of practical versatility.

## IV. DISCUSSION

Despite its strategic importance, the literature has failed to clearly define practical flexibility. Empirical studies have led to varied and often contradictory results based on various conceptualizations and measurement techniques. We will try to explain the word y categorizing past meanings and adding an integrated design to the process. In the first part of this essay which helps the organizations ability to response to a changing environment. This ability is seen as a relevant source of competitive advantage in this view.

Based on our theoretical analysis which could help generate further studies on this topic. This structure should be used as a starting point for creating a realistic flexibility rating scale. In the final part of the article potential lines of research to be derived from this assessment are discussed. We focus on the need to study how human resource discovery and exploitation can be flexibly incorporated into human resource management approaches. These scholars suggest that flexibility can be incorporated into a company's human resource structure in a number of ways. They describe functional flexibility as having three components or dimensions: [1] human resource management practices [2] employee skills and [3] behaviour.

The approach addresses two elements of flexibility, as shown in Fig. 2: [1] HR tasks that are flexible, and [2]

intellectual resources that is adaptable. Employee ability and behaviour variety, as described by earlier authors will be incorporated in our model as a sub dimension of human resource flexibility, as explained below.

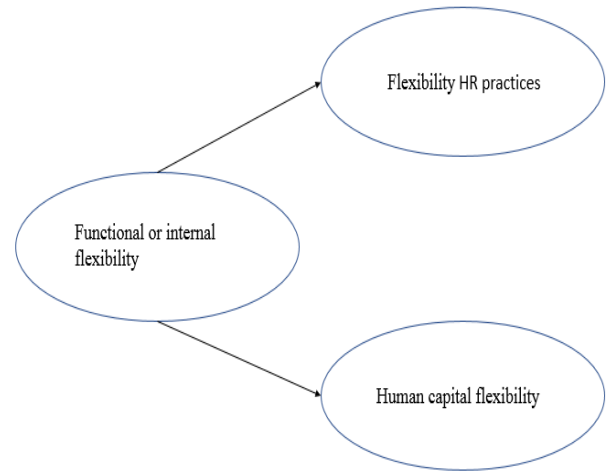


Figure 2: Functional Flexibility Dimensions

## V. CONCLUSIONS

Organizational flexibility is a key component of 21st-century companies. Companies are called upon to encounter difficulties that cannot be solved without a certain flexibility in the strategic environment described in the introduction. All internal factors of companies must be changed to ensure operational flexibility as we have seen in this study. Future research should focus on verifying the conceptual scale of functional flexibility described above. Accordingly the proposed model verification provides an addition to the document. A more specific examination of the pros and cons of the proposed scale compared with existing scales can also be made. As lack of knowledge about ambidextrous organizations is a major drawback of this study further examination of this topic is another possible avenue for future investigation. According to the document the potential for growth in this area of research lies in the fact that companies are flexible to react while remaining productive results in their activities. We can also delve into each sub-area of practical flexibility to complete the suggested theoretical model. The flexibility of agile-generating human resource strategies which are practices that are purposely designed to create agility with the strategic effect it can have is a newly discovered aspect of human resource strategies. It is a package of methods for generating new intellectual resources through a complex and messy series of processes. That is using human resource methods allows company employees to protect the organization from harm while maximizing potential opportunities by enhancing knowledge skills etc.

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