

THE IMPACT OF ORGANISATIONAL ON HUMAN RESOURCE MANAGEMENT IN SERVICE INDUSTRIES

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Abstract: *In practice, personnel managers often raise questions such as: "What exactly is the role of human resource management in the enterprise? Is it a service? Is it a strategic partner?" The essence of this question is the positioning of the enterprise's human resource management. As a unit that provides development support for the overall operation of an enterprise, the positioning of HRM necessarily depends on a variety of fundamental factors, such as the enterprise's organisational structure, business strategy, and type of enterprise. The organisational structure of an enterprise plays a decisive role in positioning its internal human resource management. In this paper, Enterprise System Management Consulting proposes positioning human resource management under different structures by sorting out the characteristics of the three primary organisational structures. Enterprises must change human resource management to adapt to environmental changes and realise sustainable development. With the development of enterprises, enterprise management has gone through the same stages: traditional, scientific, and modernised management. The core of modernised enterprise management is people-oriented management, and improving the strategic position of human resources in enterprise management is an important way for enterprises to flourish. This paper analyses the strategic position of the human resource department and its influencing factors from various perspectives.*

Keywords: *Human Resource Management, Service Industries*

Introduction

Upon conducting a thorough examination of the statistical findings, it becomes evident that the human resources market and the human resources service industry in 2022 exhibited the following patterns of growth and progression: (Alexandros,2022) There was a slight reduction in the number of organisations. In 2022, the total number of human resources service organisations amounted to 26,700, representing a decrease of 410 compared to the preceding year. The primary factor contributing to this phenomenon is the expansion and advancement of business, which has led to the consolidation and restructuring of smaller human resource service enterprises by larger and more powerful entities. However, it is worth noting that the ongoing reform in human resources market integration has accelerated integration between public employment service organisations and talented public service organisations. Consequently, the overall number of human resource service organisations has decreased. This reduction serves as an indicator of the effectiveness of market integration reform. (Corkindale,2021) The analysis also indicates that the current burgeoning business is witnessing significant growth. In 2021, firms in the HR service industry made significant progress in advancing emerging service businesses, developing service products, and expanding service content. The growth rates of human resource service outsourcing, human resource training, human resource management consulting, and senior talent search are 5.7%, 8.6%, 7.7%, and 12.9%, respectively, indicating an improvement in the service capacity of the human resource market.

From the statistical analysis report of 2019, the development of the human resources service industry mainly presents five major features: first, the number of organisations is growing steadily; in 2019, the number of all kinds of human resources service organisations is growing steadily, and more than 90% of the new organisations are private organisations.

Meanwhile, the scale of the industry continues to expand. Influenced by the overall economic development trend and the increase in the industry-scale base and other factors, the industry revenue growth rate has been reduced but still maintained at a high level of growth, especially in the central and western regions of the industry development momentum, exceeding that of the east. (Fombrun 2022).

"Furthermore, the service industry has developed comprehensively. Throughout the year, traditional service formats such as organising on-site recruitment, posting job information, labour dispatch, and HR service outsourcing, as well as emerging formats such as HR training, HR management consulting, and senior talent sourcing, all saw significant year-on-year growth." The person in charge of the Human Resources Mobility Management Department of the Ministry of Human Resources and Social Affairs stated that agglomeration and development had a growing effect. The country has successively built 19 national human resource service industrial parks in Shanghai, Chongqing, etc. In 2019, industrial parks were parked by more than 2,700 enterprises, with a park revenue of 195 billion yuan, becoming a major highlight of the industry's agglomeration and local economic development.

Strategic human resource management refers to the ability to achieve set development goals and the integrated planning of strategic functions from the perspective of human resource management to realise a rational management development mode. The use of strategic integrated planning in human resource management must be combined with the actual situation of enterprise development for scientific and reasonable application and effectively give full play to the potential of talent (Loang, 2023). To maximise the realisation of human

performance, human resource management work must be correctly recognised as strategic, and human resource management belongs to the systematic project. It must be based on the operator's diversified needs of a comprehensive analysis of the internal human resources of the organisation. Human resource management is a systematic project that must be comprehensively analysed according to the diversified needs of operators. The human resources within the organisation must be comprehensively researched and analysed, and the reasonable integration and optimisation of the resource elements must be realised with the help of the relevant theoretical foundations to create core human resources with competitive ability. Strategic human resource management mainly includes the management ability of managers as well as the ability to create two parts: in the management process, attention must be paid to the rational implementation of organisational strategy because the concept of strategic human resource management is introduced from abroad, and in foreign theory and development practice and the formation of the continuous (Candra et al., 2022). China's economic integration is gradually advancing; in the process of enterprise development, enterprises will face many challenges and pressures, and fierce competition in the market for the demand for talent is also gradually increasing (Dong & Loang, 2023). Therefore, the organisation must pay attention to the reasonable introduction of talent and strengthen the optimisation of team cultivation to develop the enterprise organisation, cultivate excellent talent, and create more value.

Literature Review

Theory of Organizational Behavior

The main object of this research is individual behaviour in established groups and organisations. The main object of organisational behaviour theory is the behaviour of individuals in established groups and organisations. It aims to place people in the entire social environment and fully consider their social attributes. It aims to place human beings in the social environment, take their social attributes into full consideration, and combine them with the requirements of reality through the rational arrangement of human resources (Loang & Ahmad, 2023). The purpose is to place people in the whole social environment and fully consider their social attributes, and through the reasonable arrangement and application of human resources in the light of the fundamental requirements, to fully demonstrate the great value of individuals in the groups and organisations. Values in groups and organisations. The theory of organisational behaviour describes an important phenomenon of organisational management behaviour, that is, in the same task and goal-driven, that is, under the driving force of the same task goal, under the command of the manager, the work behaviour quality and efficiency of accomplishment. According to organisational behaviour theory, any form of organisational behaviour can be divided into two categories: business behaviour and management behaviour (Liu & Loang, 2023). For example, workers complete the production according to the target of production tasks, and service staff in accordance with the rules of customer service to the customers according to the rules. (Leifer,2018)

HRM practices for managerial and hourly employees in effective and ineffective service-based firms

The general hypothesis predicting major differences in human resource practices used in the manufacturing and service industries follows an administrative view of the relationship between environments and organisational forms (Hannan and Freeman 2019). Thus, for example, population ecologists would point to the different niches that are the relevant environments for these two industry sectors and argue that the characteristics of the two

environments dictate the forms of organisations that populate them (Aldrich 2019). Models that emphasise the role of managerial decision-making and choice represent an alternative perspective for generating hypotheses about how organisations will likely differ in their management practices. The strategic choice perspective assumes that organisations face numerous design options and that the form of management an organisation adopts represents decisions made by management. However, these may be made within some constraints, such as those related to operating within the manufacturing or service industry (see Hrebiniak and Joyce 2020). A strategic choice perspective recognises that organisations often have multiple design options. Still, it does not necessarily assume that all options are equally effective within a given environment (e.g. Porter 2021). Thus, inappropriate managerial decisions can create organisational practices that could be more optimal, in which case organisational effectiveness is likely to improve. When applied to the issue of human resource management systems, this view of organisational adaptation leads to the prediction that when organisations operating within a given industry sector are compared, those that are more effective are organisations that have adopted HRM practices consistent with the demands of the industry.

HRM practices for managerial and hourly employees in service organisations

A large body of the literature addresses the nature of managerial positions. According to this literature, managers' jobs play several roles. For example, Mintzberg (2022) described ten managerial roles clustered into three categories: interpersonal, informational, and decisional. While allowing for differences in situations, taken together, these ten roles characterise the job of manager as being linked with others, taking risks, focusing on results and processes, managing the activities and jobs of others, dealing with unpredictable events, and monitoring the environment of the group or unit being managed. Jacques' (1989) concept of the time-span of discretion adds another distinguishing feature to managerial jobs. The period of discretion refers to the length of time it takes for the results of a contribution to become known. For managers, this period is usually relatively long. Using the Mintzberg role distinctions and Jacques' discretion period, managerial jobs can be compared and contrasted with hourly or non-managerial jobs. While managerial and non-managerial jobs are similar in that both are remunerated and are important to organisational effectiveness, managerial jobs are generally filled with more unpredictability, risk-taking, results-orientation, interdependence, and a longer period of discretion than hourly jobs. These differences may diminish, however, as service organisations reduce layers of management, decentralise, and push responsibility down to lower organisational levels, organisations use their HRM practices to encourage the behaviours needed to successfully carry out the managerial role (Ooi, 2024). Given that the managerial role is different from that of lower-level employees in organisations, it is reasonable to expect that organisations would use different human resource management practices for the two groups of employees.

Research Hypothesis and Model Construction

Relationship between the different genders of men and women on the managerial effectiveness of human resources management in the service sector

With the development and progress of society, the gender difference between men and women in the workplace has become less obvious, and an increasing number of people believe that women are more suitable for human resources. From this perspective, the number of female managers in human resource management departments has increased, and their status in the enterprise has also risen. However, in the actual operation of enterprises, the influence of female human resource managers in the company's strategic decision-making is different from

that of men, and the degree of strategic integration of female enterprises is different from that of men, which is still mainly caused by the practice of social policies and the concept of gender equality. In this work, cooperation between the opposite sex can make the working atmosphere more relaxed and pleasant. It will also make communication between the human resources department and other departments easier.

Hypothesis: Men and women of different genders positively affect the managerial effectiveness of human resource management in the service sector.

Relationship between the comprehensive ability factor of HR managers on the managerial effectiveness of human resources management in the service sector

After a lot of research, it has been found that the competence of human resource managers, including the degree of education, work experience, etc., is positively proportional to the efficiency of human resource management work and the contribution made to the enterprise. A study has been conducted on joint ventures in China and India, and the results show that the parent company and the local HR manager usually play different roles, and the HR manager of the parent company plays a greater role in corporate strategy. For example, CHROs and CEOs have much in common regarding leadership styles, thinking, etc., which suggests that CHROs can provide CEOs with high-quality advice and strategic solutions. (Berlin,2022)

Hypothesis: The general competence factor of human resource managers has a positive impact on human resource management in the service sector.

Relationship between the outsourcing factors for HR in organisations on the managerial effectiveness of human resources management in the service sector

There are two views on the impact of HR outsourcing in the shadow of their strategic positions. One view is that HR outsourcing frees managers from the hassle and enables them to devote more energy to their priorities, participate in the strategic decision-making of the enterprise, and make greater contributions to the enterprise, thus enhancing its strategic position. Another viewpoint is that HR outsourcing will lead to changes in the structure of the entire HR department, increase the work pressure on employees, increase the mobility of the company, reduce the control of resources by the HR department, and is not conducive to the enhancement of the HR department's strategic position. This paper argues that the work of human resources is trivial. Still, it can precisely gain the understanding and support of other departmental personnel, so human resource outsourcing is not recommended.

Hypothesis: There is a positive relationship between HR outsourcing factors in the organisation and the managerial effectiveness of HRM in the service sector.

Relationship between the organisational structure of the human resources department factors on the managerial effectiveness of human resources management in the service sector

The organisational structure of the human resources department also has a certain impact on its strategic position. The human resources department can use the talent development centre to provide the enterprise with better advice related to the operation of the business, in addition to the human resources service centre and HRBP. The rapid development of the era of 100 networking will surely lead to new changes in human resources. It will also have a favourable impact on the strategic position of the human resources department.

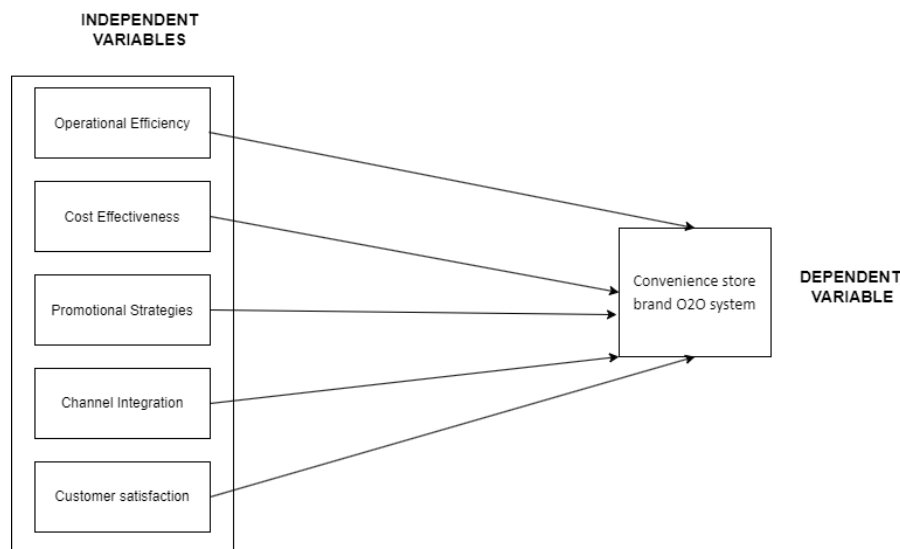
Hypothesis: It is hypothesised that there is a positive effect between the organisational structure factors of the human resource department and the managerial effectiveness of human resource management in the service sector.

Relationship between the factors for managers in the organisation on the managerial effectiveness of human resources management in the service sector

First, suppose the HR department wants to participate in the strategic decisions of the enterprise. In that case, it must have the authorisation of the CEO of the enterprise, and only with the CEO's approval can it increase its influence. From the CEO's point of view, there are three reasons affecting the strategic position of HR departments: the career scope of HR management, the idea of authorisation to the HR department, and the attitude towards the HR department. (Daft,2020) In addition, the credibility of the HR department and the evaluation of other departments are also factors that influence the CEO's attitude; second, the top management team is also an important influencing factor. If the top management team feels that the more capable the HRM is, the more influential it will be, the easier it will be accepted, and vice versa. Finally, when line managers are involved in HRM, the HRM staff will free up more time to work on the company's strategic work. At the same time, it will be easier to get the recognition of the parallel departments and make the work smoother.

Hypothesis: Organisational factors have a positive impact on the managerial effectiveness of human resource management in the service sector.

Construction of the research model.



The achievement of a prosperous corporation is contingent upon the effective planning and utilisation of resources, encompassing not only material, intangible, and financial assets but also the people element. This study aims to present a conceptual framework for implementing a human resource development system in business organisations operating in the research, consulting, and advisory services sectors within the industrial domain, particularly those lacking an established human resources management system. The major sources of entrepreneurial activity in businesses of this sort are human and intangible resources, which are characterised by their flexible utilisation and ongoing development of their potential. (Pfeffer,2018) Given the interconnectedness of research, advisory, and consulting activities

with the advancement and evolution of contemporary technologies, particularly in the realm of information and communication technologies, it is imperative to evaluate their efficacy in terms of cutting-edge, non-conventional technological apparatus and human resources. The financing of risky businesses differs greatly from that of merchandising companies because of the inherent nature of the business.

Conclusion

Human resources refers to the various kinds of knowledge, skills, and abilities possessed by people in an organisation, as well as the interpersonal interaction network and organisational culture generated by these people in the interaction process. According to research by scholar Dave Ulrich, the role played by enterprise human resource management in constructing enterprise competitive advantage is mainly manifested in four aspects: strategic human resource management (strategic partner), enterprise infrastructure management (management expert), transformation and change management (change facilitator), and employee contribution management (employee motivator).

The role function of a strategic partner refers to the human resource management function, which is an important part of business strategy. The HRM strategy should be integrated with the business development strategy of the enterprise, and the main task is to focus on ensuring the implementation of the HR strategy formulated by the enterprise; the role of the management expert refers to the HRM function, which is required to design and implement an effective HRM system, management process and management practices. This includes various systems related to employee selection, training, development, evaluation, and compensation. Employee motivation's role is to manage employees' dedication and contributions. Although human resources may be highly skilled, if they are aligned with organisational goals and fully utilised by the firm, it will be easier to gain a competitive advantage. Through employee relationship management, individual employee interests and corporate development goals can be closely aligned, and the role function of change facilitation refers to playing a role in restructuring the organisation to adapt to new competitive conditions. In today's rapidly changing competitive world, firms need to regularise change and develop their ability to change. The human resource management function can help organisations make and manage changes. Cultivating and developing core competencies is a fundamental long-term strategy for enterprises, and knowledge workers are the main carriers of core competencies. Enterprises must conduct strategic human resource management to attract, cultivate, develop, retain, and unite excellent talent and enhance the competitiveness of their human resources. Modern enterprises urgently need to improve their human resource management capabilities and competitiveness. The key factor in the strategic adjustment and transformation of Chinese enterprises is transforming and upgrading human resource management from conventional human resource management to strategic human resource management.

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