
ARGUMENTA OECONOMICA

1(12) • 2002

Wrocław University of Economics
Wrocław 2002

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SYNERGY EFFECT IN THE PROCESS OF HUMAN RESOURCE MANAGEMENT

The article presents the effect of such elements as selection, recruitment, employee induction, training, career development, remuneration and benefits, performance appraisal etc. on Human Resource Management. These elements should assure motivation, which in turn should be the determinant of the synergy effect. The Polish practice example shows that companies find achieving this goal difficult. This paper indicates the most important reasons for the depreciation of the value of motivation, hence the synergy effect.

INTRODUCTION

The main objective of this article is to define the synergy effect in the Human Resource Management process and present reasons why it is difficult to achieve this effect in practice. Moreover, the authors would like to show how important the synergy effect is and to prove that internal employee motivation could be achieved through this effect.

The problem is both complicated and a very subtle area for manager's notice. There are two main reasons for this situation: the first one is connected with the number of Human Resource Management process elements, and the second is that some of these elements (e.g. employees induction, training effectiveness) are neglected or omitted.

The basic hypothesis is that employees internal motivation could be created when all the elements of the Human Resource Management process are put together.

The following stages are:

1. Presenting the whole Human Resource Management process including all its elements.
2. Presenting the results of the research.

Research was conducted in 15 Polish companies from the food products FMCG branch, employing over 100 people. The average number of respondents was 25 people from each company (in total about 370 employees) including 54 managers.

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The research consisted of the following:

- finding benefits from the synergy effect of the HRM process. This stage was based on individual interviews with managers only. The choice of interview as a research method was prompted by the different interpretations of the synergy effect connected with the Human Resource process;
- analysing values sought by employees in a company (rank 10 values from the least important [1] to the most important [10]);
- indicating not sufficiently evaluated HR areas and their impact on HRM functioning (rank the elements of HRM process: 1. – Does exist; 2. - Sometimes exists; 3. – Does not exist).

3. Summarizing the results of the research and practical conclusions.

1. SYNERGY EFFECT IN HUMAN RESOURCE MANAGEMENT PROCESS

The changes that took place in Poland in the last decade have shown the strong influence of western style of management on various areas of operation of Polish companies. Transformations of the political system as well as the introduction of a market economy have changed the way of thinking not only of Polish managers but employees as well. It is not only 'hands' that counts but the 'whole' person as such. The person is not only the performer any more but, together with his qualifications, has become an active subject shaping the most valuable resources of the organization. The person – work relation is one of the strongest relations that are able to absorb the whole individual so absolutely. Currently employing the 'whole' person is an opportunity to increase human effectiveness and improve the company operation. An employee does not want to treat his work as a strictly autotelic value. His decision as to the choice of future employer is frequently made on a thorough consideration that anticipates the fulfilment of higher needs.

Viewing an employee as an important entity has necessitated giving up old personnel solutions and establishing Human Resource Management (HRM). The starting point of our dissertation are the earlier models (see A. Pocztowski 1998, p.17). One of them - a traditional model - lays stress on such values as: work share, productivity, control, discipline and financial motivation, and the second – interrelation model - which emphasizes affiliation, appreciation, communication, participation and satisfaction. HRM model is connected with: creativity, responsibility, self-control, organization and employees development.

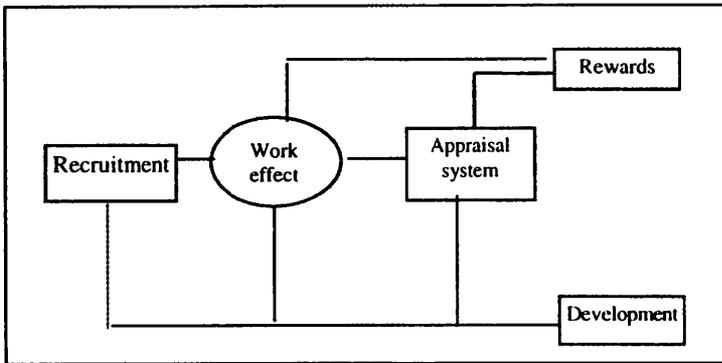


Figure 1. HR cycle in the Michigan's Model
 Source: A. Pocztowski 1998, p.21.

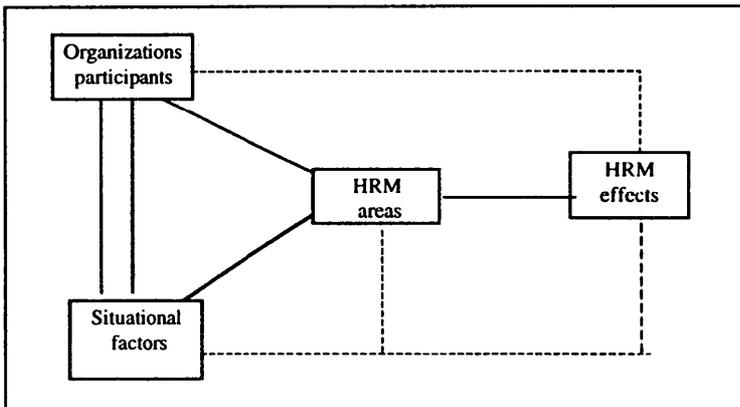


Figure 2. Harvard model of HRM
 Source: A. Pocztowski 1998, p.22

Today HRM is one of the most rapidly developing areas in many Polish companies. The rapid growth of HRM, under the pressures of external and internal environments, has shown both the strengths and weaknesses of this approach. The main weaknesses of HRM are:

1. omitting some elements of the HRM process (Figure 3),
2. treating individual elements of this process as separated items,
3. assigning individual tasks to wrong people,
4. inadequate HR communication system.

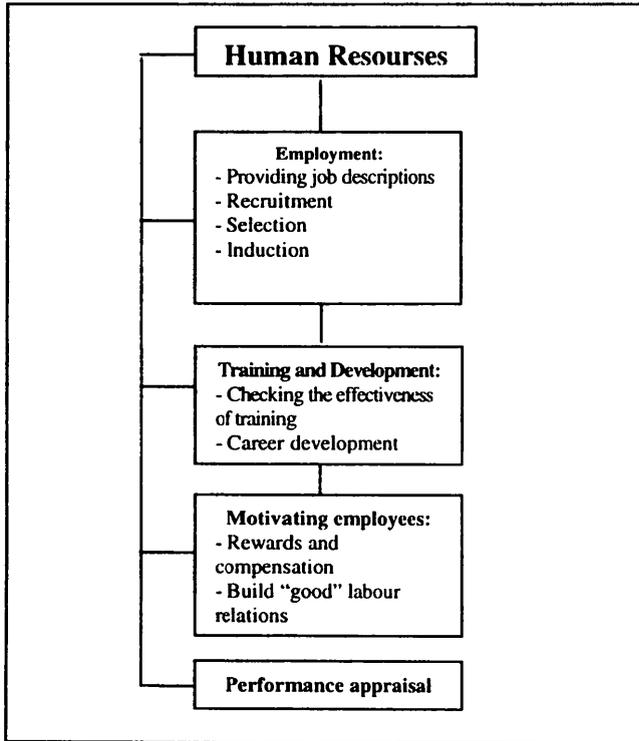


Figure 3. The main elements of the HRM process

Source: The authors' study.

HRM should not only aim at fulfilling specific tasks within particular functions or integrating its individual elements, but also at attaining the synergy effect. Generally, the synergy effect means an action of two or more elements that results in an effect that is different from the individual summation of these elements. The synergy effect has two aspects: positive and negative (an example of a negative synergy effect is social laziness).

The first one is something more than just the sum of all elements. The other one is exemplified by the tendency for individuals to expend less effort when working collectively than when working individually. The synergy effect in an HRM perspective primarily means the creation of widely understood internal motivation, which is an employee's driving force and results in effective performance and willingness to act. It demands a complex and formal approach. The mechanism of attaining the positive synergy effect in an organization consists of creating systems based on inter-relations of individual elements of the HRM process functioning within the widely understood HRM.

Attaining the effect is beneficial for both the organisation itself and the employee.

Table 1
Benefits from the synergy effect of the HRM process

Benefits for the organization	Benefits for the employee
Strengthening the employees' internal motivation	Strengthening internal motivation
Achieving competitive advantage	Treating employees as internal customers
Lower staff rotation	Self-realization
Greater involvement in the work performed	Greater integration
Loyalty towards the company	Greater contentedness and satisfaction
Better communication	
Increase of company competitiveness	
Improved performance of employees	
Better functioning of the company	
Greater significance of the organizational culture	

Source: The authors' study based on individual interviews with managers

An interesting question is when the synergy effect appears in the process of HR elements consolidation, and when it does not.

2. THE SUBJECTIVE ROLE OF THE EMPLOYEE AND EFFECTIVE COMMUNICATION

The basic condition of attaining the synergy effect is treating an employee as an active entity in the company. We have to give up the stereotypical way of thinking. According to T. Lambert in his book *50 Leading-edge Solutions to Executive Problems – Key Management Solutions* we may say that “HRM is already dead – dead with its anti-humanistic bureaucracy which tried to hide its total lack of interest in people behind position titles and names of programmes promising heaven on earth but in fact issuing the same questionnaires, procedures and rules all over again – briefly speaking for which people were only the personnel” (Lambert 1999, pp.18). The humanistic approach indicates assigning assumed objectives with specific priorities. In this aspect the company objectives should be in line with the employee’s objectives. Managers should adopt a principle saying that satisfaction of an individual’s needs and expectations not only effects the company’s success but also forms strong employee-organisation relations.

Table 2 indicates the discrepancy in actual needs of the employees. The discrepancy proves the lack of an effective communication system in companies.

Table 2
List of values sought by employees

Values sought by employees	Values sought by employees according to managers
Salary	Salary
Respect and recognition	Job security
Challenging job	Prospects of promotion
Training and development	Training and development
Prospects of promotion	Organizational culture
Active participation in the life of the organization	Respect and recognition
Job security	Challenging job
Organizational culture	Fringe benefits
Management's trust	Management's trust
Fringe benefits	Active participation in the life of the organization

Source: The authors' study

As Table 2 shows, managers and employees agree only as to the importance of salary. Such a view results from the economic situation of Poland (inflation rate and unemployment). Analysing the other values we may conclude that employees highly appreciate development, self-realization and being part of what is going on. According to managers, their subordinates appreciate job security and promotion. Therefore managers should not assume themselves what is important for their employees without asking. These discrepancies are one of the reasons why the effect of synergy cannot be attained. Implementation of broadly understood HRM is primarily connected with the creation of a communication system covering the whole HRM process.

N. Machiavelli said: *"There is nothing more difficult to undertake, more dangerous to conduct or less certain in results than paving the way for a new order"*. The unknown goal of an activity, omitting employees in making decisions concerning them and failing to inform them about the possible consequences of introduced changes multiply stress, generate apathy and a feeling of insecurity and finally leads to the total destruction of motivation.

3. INTEGRATION OF HUMAN RESOURCE MANAGEMENT PROCESS ELEMENTS

Another factor impeding the attainment of the synergy effect is neglecting seemingly insignificant elements of the HRM process (see Figure 3). There are two reasons for such an approach:

- involuntary neglectfulness,
- conscious reduction of costs.

While the first reason can be excused to some extent, the second one – economizing on subtle areas - can waste earlier expenditure. This does not mean that specified schemes and procedures must be strictly followed. The goal of HRM should be a development of a certain naturalness in planning and performing such activities. The process should not be treated as an apparent sequence of subsequent stages or a sum of unrelated separate elements or an artificial copy of Western European models frequently not adjusted to Polish conditions.

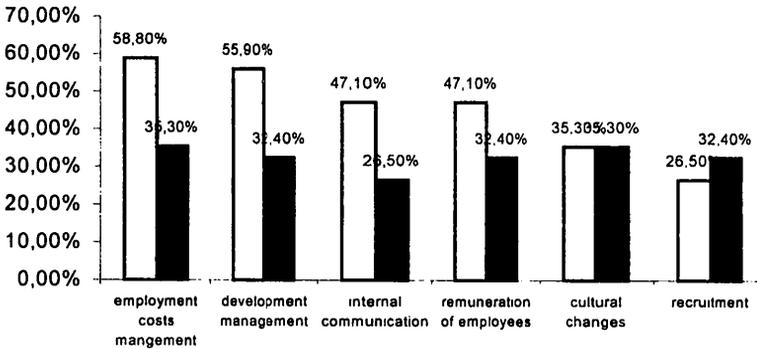


Figure 4. The level and increase in interest concerning particular areas of HR management in Poland (comparison of years 1999 to 2000), series 1 (white) – 2000; series 2 (black) – 1999
 Source: Berłowski 2000, p. 7

Although the analysis of Figure 4 confirms the increase of importance of each HR function, managers still wonder why the employees are not sufficiently motivated and what the cause is. At first, managers concentrate on each element of the HRM process as if the elements were autonomous “islands” or separate processes. Secondly, the reason often rests on the part of uncompleted tasks.

Table 3
Elements of HRM process and their evaluation

Elements of HRM process	Number of respondents who evaluated the areas in the following way [%]		
	Exist (1)	Sometimes exists (2)	Does not exist (3)
Human Resource planning	44.3	32.4	23.3
Providing job description	13.3	35.1	51.6
Recruitment and selection	58.6	21.2	20.2
Induction	6.5	7.9	85.6
Training and development	18.6	43.4	38
Checking the effectiveness of training	1.4	9.1	89.5
Rewards and compensation	24.8	38.7	36.5
Build "good" labour relations	11.2	59.6	29.2
Performance appraisal	12.3	32.1	55.6

Source: The authors' study based on research

Table 4 presents research results indicating five not sufficiently evaluated HR areas and their impact on HRM functioning.

Employment and the training of employees have been the most highly esteemed HR areas from among those analysed. While the whole HRM process has gained a new meaning, employment and training are of a particular interest to Polish companies.

Considering the problem of personnel employment, we can distinguish its three essential stages: recruitment, selection and induction. Companies pay special attention to the quality of the process of gaining new employees and selecting the best one. To achieve this, they rely on professionals in personnel. Using the help of personnel advisory agencies managers save their time but primarily they can be sure that the new employees are selected by a professional staff. In Poland outsourcing (the practice of using workers from outside a company) has become more and more popular. While recruitment and selection are performed properly, new employees induction is the stage often neglected by managers. Probably the process itself may seem so obvious and clear that nobody makes the effort to prepare and conduct it properly. Induction is forgotten by managers, but also by HR specialists. The latter assume that this stage is totally unnecessary or insignificant. However, the first experience of new staff at work are most important and determine their future careers. This is the first time when their expectations confront the employer's. The research

conducted in Polish companies has shown that more than a half of respondents declare they would leave work within the first twelve months (Żarczyńska 2000, pp. 8–9).

Table 4

Pros and cons of significant stages of HRM process influencing the attainment of the synergy effect in the Polish practice

Pros	Cons
of providing job descriptions	
<ul style="list-style-type: none"> • the employer knows whom he wants • the employee knows what he is supposed to do and what he is being appraised for 	<ul style="list-style-type: none"> • nobody knows the criteria of selecting potential candidates • the risk of employing a wrong person • prolonged recruitment process • increased recruitment costs • unknown duties and tasks
of specifying employees' career paths	
<ul style="list-style-type: none"> • specifying the training needs • setting clear promotion criteria • employees increased motivation 	<ul style="list-style-type: none"> • training for the sake of training • high risk of losing "good" employees
of employees induction process	
<ul style="list-style-type: none"> • decreased rotation of staff • quicker team acceptance • higher motivation • higher integration with the company 	<ul style="list-style-type: none"> • high rotation of staff • prolonged employment process • increased employment costs • longer process of familiarization with and adjustment to the culture of organization • anxiety and fear • lack of identification with the company
of checking the effectiveness of training	
<ul style="list-style-type: none"> • justification of the incurred cost and spent time • justification of personnel decisions (promotion, demotion, dismissal) • development of individual career plans • settling the company training plans 	<ul style="list-style-type: none"> • no feedback for the company • weakened motivation to adapt the contents of the training
of employees' performance appraisal	
<ul style="list-style-type: none"> • justification of personnel decisions (promotion, demotion, dismissal) • granting bonuses and awards • determining training needs 	<ul style="list-style-type: none"> • employees' unknown potential • biased personnel decisions

Source: The authors' study

As for the main reason, they suggest the lack of induction programme and „demanding top performance right away”. According to respondents the methods of introducing them to the company are:

- coaching, which means help from a more experienced and sympathetic colleague (40%),
- on the job training (34%),
- consultation for newly employed (26%).

Respondents have regarded the data gathered in the form of brochure specifying principles, norms and values respected in the organization, its regulations and benefits the employees are entitled to as the most important information indispensable in the induction process. However, the quantity of new information must not be too excessive. Respondents (80%) have noted that too much information given in the first days of employment led to disorientation rather than a feeling of being helped.

Proper HR management should assume that each person newly employed or assigned a new post should undergo a specially designed induction process. Its priority is passing such information that helps them to comprehend an overall picture of company operation, set requirements and to reduce the anxiety related with new work. Thus induction should crown the whole process of employment. The lack of induction destroys the process and impedes the attainment of synergy effect.

A similar trend is characteristic of the training within the organization. On one hand a dynamic and energetic evolution of the issue dated back to 1990 confirms that numerous companies are interested in this area, however, on the other hand training of employees is relatively new, and thus often not properly systematized. Decisions within the area are often made by chance. That is why we may state that employee training management still needs more work. We can certainly accept that one of the strengths of the discussed issue is a varied choice of outside training firms and consequently the possibility of finding the most adequate offer answering the analysed HR needs. A rapid expansion of the training market (between 1990-1999 the number of training firms increased six times) which is the result of evidently incompetent employees confirms “the hunger for training” of both employees and companies. The greatest weakness of the analysed issue is minimizing, simplifying or completely neglecting the stage of training effectiveness study. The conducted research shows that the majority of Polish companies primarily focus their attention on the two initial training stages: preparation and conduct of the training. The question whether the firm analyses the effectiveness of training among its employees was answered positively only by 31.5% of respondents. A group of 38.5% of respondents firmly denied that such an analysis had ever been

conducted, 17.5% were not sure whether such analyses ever took place in their company and 12.5% refrained from answering (Figure 5).

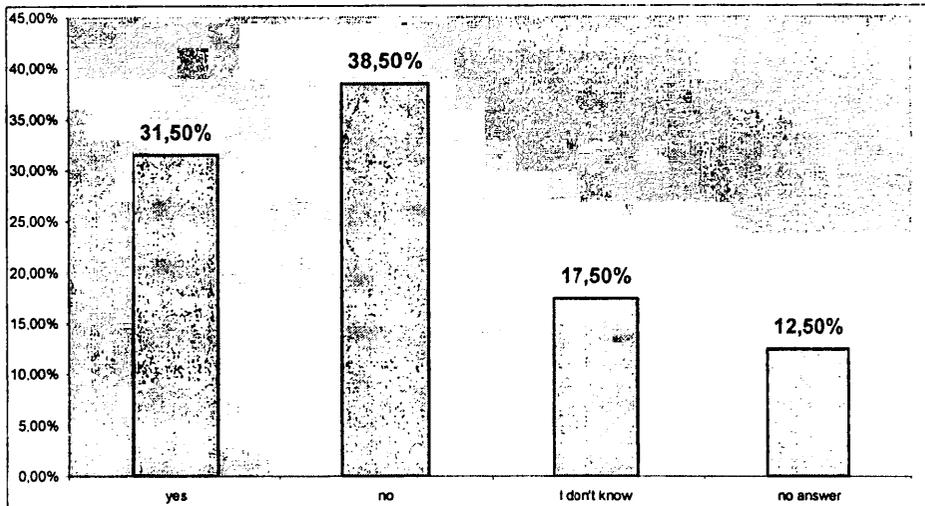


Figure 5. Conducting analyses of training effectiveness among employees according to the group of respondents.

Source: I. Janiak 2001, pp.97-98

For numerous companies the evaluation of training effectiveness is too complicated and costly a process. Moreover most of the companies do not fully realize the significance of such an evaluation in the light of the whole HRM process and the synergy effect.

4. ASSIGNING ADEQUATE TASKS

Table 5 shows the proposal of assigning adequate tasks of Human Resource Management process to the proper person.

Table 5
Assigning adequate tasks to the proper persons.

	Department supervisors' (line) activities	Personnel specialist activities
Employment	<ul style="list-style-type: none"> • Assist job analysis by listing specific responsibilities of the job for HR. • Explain to HR future staffing needs. • Describe requirements of the job. • Interview candidates and make final decisions. • Help and orient new employees in their first day in work. 	<ul style="list-style-type: none"> • Write job description based on input from line supervisors. • Develop personnel plans showing promotable employees. • Develop the right selection test and conduct initial interviews and refer feasible candidates to line supervisor. • Prepare orientation documents and outlines for new employees
Training and development	<ul style="list-style-type: none"> • Evaluate and recommend managers for developmental activities. • Provide the leadership that builds effective work teams. • Support employees and conduct systematically checking the effectiveness of training. • Assess subordinates' career progress and advise them regarding career options. 	<ul style="list-style-type: none"> • Support line managers for describing training needs. • Prepare organizational part of training. • Advise CEO regarding development plan for managers and employees.
Motivation and compensation	<ul style="list-style-type: none"> • Collect the information about subordinates' needs. • Assist HR by providing information regarding the nature and relative worth of each job, to serve as the basis for compensation decision. • Decide what nature and amount of incentives and packing of benefits to be paid to employees. • Build good labor relations based on establishing the day to day climate of mutual respect and trust needed to maintain healthy labor- management relations. 	<ul style="list-style-type: none"> • Conduct job evaluation procedures aimed at determining relative worth of each job in the firm. • Conduct salary survey to determine how much other firms pay for the same positions. • Develop together with line managers the firm's benefits, services incentives, pay plan alternatives. • Diagnose underlying cause of labor discontent.
Performance appraisal	<ul style="list-style-type: none"> • Use the firm's appraisal forms to appraise employees performance • Talk with your employees as often as possible and giving feedback to them 	<ul style="list-style-type: none"> • Develop performance appraisal tools and maintain records of appraisal

Source: The authors' study by comparison Dessler 2000, pp.7

CONCLUSIONS

In summarizing we may conclude that the synergy effect of the HR management process can only be achieved when all its areas are put together. Intentional or unintentional neglecting or disregarding of the seemingly insignificant elements of HR areas may form an essential barrier to the synergy effect. If the challenges of the future are to be met, tomorrow's HR departments must be much more integrated and all the elements must be incorporated into an organization.

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Received: Jan 2002; revised version: May 2002