



AIRAM Principle-The Dynamic Mantra for Strategic Management of Human Resources in Organisations

1. Dr.Sreedhar P.Nair, Head of the Department of Commerce, St.Michael's College, Cherthala, Alappuzha, Kerala, Email: drspnair@gmail.com
2. Dr.Sindhu S.Nair, Associate Professor of Economics, St.Michael's College, Cherthala, Alappuzha, Kerala, Email: sindstvm@gmail.com
3. Dr.Deepa Mathew, Assistant Professor of Commerce, Government Arts and Science College, Elanthoor, Pathanamthitta, Kerala, Email: deepabrigith@gmail.com

Abstract: Human resource turnover and attrition are the core issues in the contemporary organisational scenario. The issue of labour turnover and resignations are getting higher across the world. All organisations need to implement an effective human resource management system and there are five critical aspects and core principles of manpower management that requires special attention of the organisation. These five aspects are Absorption, Induction, Retention, Appraisal and Modernization of people and it is shortly referred to as AIRAM. The AIRAM principle envisages absorption of the right people, inducting them in right jobs positions, retaining them in the organisation in the best possible manner, adopting the right methods for appraising their performance and modernizing their knowledge, skills and competencies for effectively managing organisational changes from time to time.

Keywords: AIRAM, Human Resource Management, HR turnover, Absorption, Induction, Retention, Appraisal, Modernization

Introduction

Quality and customer satisfaction decide the survival of business enterprises in the new turbulent and competitive market environment. Finest quality products and services and accelerated customer satisfaction is the dream of business professionals all over the world. But how to realize this dream is a complex question confronted by them. In this highly competitive and market driven business environment, technology and

business strategies jointly control the operations of organisations. But the effectiveness of technology and business strategies are highly influenced by the quality of people employed. Now a days, they have started realizing the significance of qualitative human assets in the utilisation of organisational resources for producing best quality products and services. It is the only asset appreciates with time if properly nurtured.

In the words of Mr. I.K. Saha, President HRD, Birla Corporation Ltd., “Upgradation of technology without modernization of human resources will mean keeping a healthy fish into a dry pond”. Education, skill enhancement, training and development of people are very important for any organisation. To produce and market excellent products in a highly quality driven cost conscious business environment, organisations need excellent and innovative brains. Competent people with creative brains who can make things happen have to be attracted and retained in the modern organisations. Attracting and retaining best people is not an easy task. It requires a systematic and well designed people management programmes. Management of human capital cannot be based on any single factor; it is multi-dimensional and can be done only through proper methodology.

The Role of Organisational Leadership

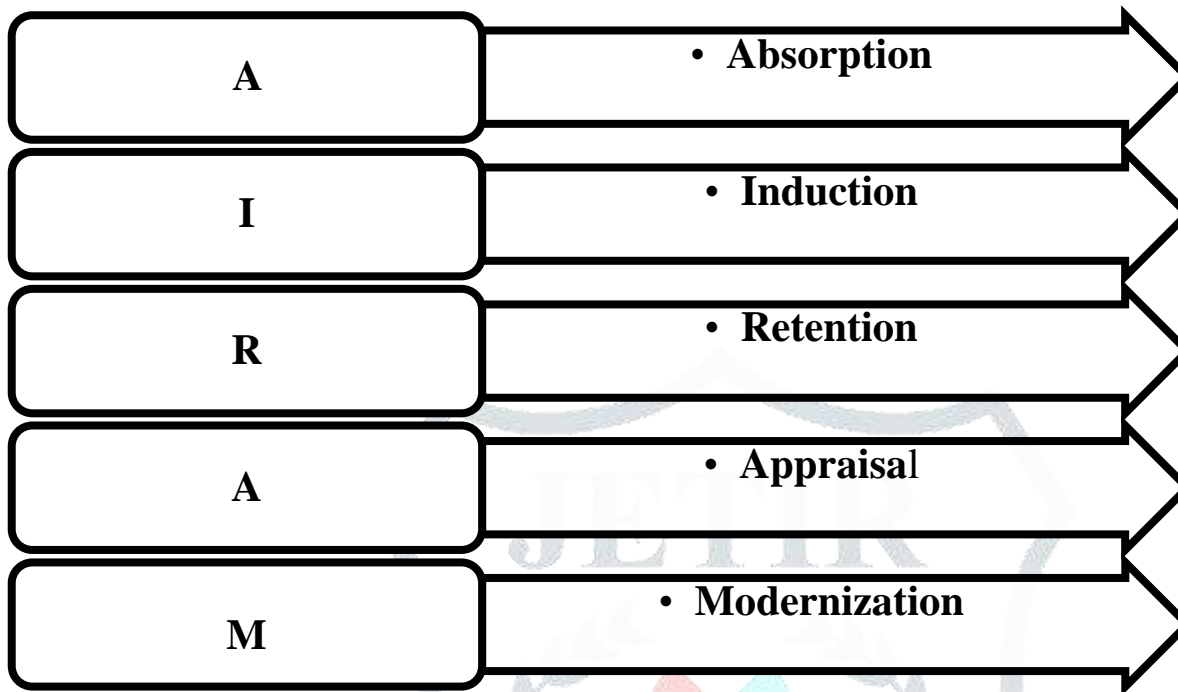
A powerful organisational leadership is highly essential for a spotless Human Resource Management (HRM) mechanism. The leadership of an organisation has an extremely important role in creating and shaping human resources as real assets. Unless the leadership recognizes the importance of people and their contributions in the organisational process, very little could be achieved in this direction. There is a popular saying pertaining to HR management that “best people produce best results, but it is the best organisation which produces best people”. A perfectly engineered mechanism of HRM will intensively focus on five core issues; Absorption, Induction, Retention, Appraisal and Modernization of the human capital

AIRAM Principle of HRM

HR turnover and attrition are the core issues in the contemporary organisational scenario. According to the U.S. Bureau of Labor Statistics, 4 million employees in America give up their jobs in July 2021. The Great Resignation also known as the Big Quit or Great Reshuffle is a current trend in which people on their own accord quit their jobs. The term was created by Anthony Klotz, Professor of Management at Mays Business School at Texas A&M University. The issue is severe in United States of America. HR experts opine that sluggish wage growth, high cost of living and job dissatisfaction are the possible causes of this phenomenon. The issue of labour turnover and resignations are getting higher across the world.

In this circumstance, all organisations need to implement an effective human resource management system and there are five critical aspects and core principles of manpower management that requires special attention of the organisation. These five aspects are Absorption, Induction, Retention, Appraisal and Modernization of people and it is shortly referred to as AIRAM. The AIRAM principle envisages *absorption* of the right people, *inducting* them in right jobs positions, *retaining* them in the organisation in the best

possible manner, adopting the right methods for *appraising* their performance and *modernizing* their knowledge, skills and competencies for effectively managing organisational changes from time to time.



AIRAM Principle of HRM

Absorption of the Talented Manpower

Absorption is the most significant aspect of the entire HRM mechanism. It implies the selection of the best talented candidates for placing them in jobs based on the requirements of the organisation. For this, organisations have to provide best facilities and compensation packages as per the market standards or even more than that. Along with the best compensation package, maintenance of a best work environment is another prerequisite. Moreover, in order to attract the best people, organisations need to rely on all sources manpower supply. Both the traditional and modern techniques of HR recruitment must be practiced for availing a large pool of competent people. Absorption of sturdy manpower significantly contributes to the efficiency of the organisation. On the contrary intake of wrong workforce will disrupt the work environment of the organisation. Wrong absorption will affect the state of working of the existing team of employees and may result low productivity.

Competency, Character, Commitment, Compatibility and Culture are the five C's that need to be given utmost importance while evaluating the person for hiring people for the organisation. First of all, the person must be fit for the job and fit for the organisation. Knowledge, skill and abilities highly matter while deciding the selection of the employee. Critical evaluation of the skills and abilities possessed by the person is highly essential in the selection process. Scientific and advanced competency tests encompassing mental, physical and intellectual abilities are rudiments of the competency evaluation systems and screening tests adopted by

an organisation for absorption of people. Failures in absorption will damage the interests of the entire organisation.

Meticulous Induction of the Incumbents

Induction is a complicated process which demands utmost care of the executives while placing people on jobs. Prior to induction, organisations need to conduct a systematic study related with the job and the nature of potential employee. This is necessary to place the right man in the right job. This will cater people with more satisfaction while at work. Experts have identified three factors that make people happy at work. They are;

- a) **Ability:** Skills, competence and knowledge possessed by person gives him a sense of confidence at work place.
- b) **Values:** This implies monetary rewards, status etc. attained by a person through his job.
- c) **Life Interests:** A job that provides life interests realization will keep people happy over a long period of time.

Absence of induction or poor induction practices will cause difficulties for the employees to settle with the work and integrate with the organisation. Problems in induction may create confusions and lack of clarity related with one's job and responsibilities. The outcome of poor induction will be low productivity, lack of job satisfaction and high amount of job stress. Therefore, organisations should take utmost care in formulating appropriate induction strategies for the selected candidates. The process of induction must aim at matching people to jobs that allow their deeply embedded life interests to be expressed.

Retention of the Talented

HR turnover is a crucial challenge of manpower management for many organisations that create significant operational costs for employers. It poses severe threats to the growth prospects of organisations. However, systematic retention strategies and processes help an organisation to keep its top talented people and reduce the risks of employee turnover to a large extent. Best quality manpower is a scarce resource and hence retention is an important ingredient in human capital management. Organisation must adopt stiff measures to prevent 'HR drain' by implementing fair reward systems and motivation packages. Diligent retention strategies are highly essential for retaining valuable people in the organization. Retention is very much important for an organisation because of the fact that the cost of replacement of an employee can range from one-half to two times of the yearly salary of the employee. Frequent recruitment and replacement of people end up with huge cost burden for organisations. Costs of job advertisements, screening tests, interviews, induction, training etc. will increase as a result of increased employee replacements.

Organizations with best retention strategies can raise the morale of people and enrich social relationships and engagement within the work environment. Organizations that concentrate on retaining the

talented and experienced people can generate significant returns as the talented and experienced staffs are efficient in solving complex operational issues. New employees in the place of experienced and talented old employees might take longer time to get things done and are more prone to customer service mistakes. This in turn will create problems for the customers and result in poor customer experiences. Ultimately this will damage the reputation and business of the organisation. Organizations that do not prioritize HR retention might face impediments not only in terms of the heavy costs in connection with replacement of human resources but also in terms of low productivity and loss of customers.

State of the Art Appraisal Techniques

It is highly essential for formulating renewal or modernization of the HRs. It helps to identify performance and non-performers. This enables the organisation to sort out “wheat from the chaff” instead of carrying the excess baggage. Appraisal allows an organisation to retain the best people and discard the worst. Systematic and advanced appraisal techniques provide support to employees who are performing well and give valuable inputs to employees who require improvements in performance. Sophisticated appraisal techniques render feasible ways to augment the quality and quantity of performance of the workforce. They help organisations to pinpoint the performance gaps in the workforce that require special attention. This will facilitate the organisations to take the follow up actions by implementing adequate training and development programmes.

Employees generally perceive appraisal of performance as something that is detrimental to their interests. So organisations should be highly careful while selecting the method of appraisal for its employees. There is not any universal technique of appraisal equally applicable for all organizations. . Each organization should identify and adopt an appraisal technique that is best suited for its work environment. Only the right appraisal technique can give the desired outcomes. The technique of appraisal opted by an organisation must be useful the organisation as well as the employees. Choosing the right performance appraisal method is a painstaking effort and complex process. After choosing the right appraisal technique for the organisation, the next important step is the proper implementation of this technique for identifying the core performance issues.

Modernization of the Human Resources

In order to ensure best performance of the people, their competencies need to be constantly improved. People must be educated continuously on productivity issues, cost aspects, maintenance of machinery, customer relationship management etc. For this organisations need to evolve and implement a suitable Human Resource Development (HRD) mechanism. Advancements in ICT (Information and Communication Technology) facilitate organisations to implement continuous learning programmes for the people. HR modernization is about engineering the right culture, business change process, and employee experiences. The ability of the workforce to confront, interact and manage changes in the business environment determines the success and survival of the organisation. It is the responsibility of an organisation to equip its workforce in all

respects to meet changes in the environment. A modern workplace facilitates a learning environment to enhance the skills and abilities of the workforce to innovate and manage the organisational changes. A continuous learning environment will modernize the employees and keep them engaged, motivated and helps to maintain a harmonious work climate.

Conclusion

People in an organisation are different to one another, having different perceptions, different beliefs and different values. They come from different economic, social, cultural and political backgrounds. So management of people requires qualities of both mind and heart. People are not machines or physical objects that obey commands in an unconditional manner. They are living beings having emotions and feelings with the faculties for reasoning and logic. Therefore sensible and scrupulous management systems are necessary to deal with the issues concerned with the human capital of an organisation. Defective HR management systems will result in failures and losses while effective HR management systems will result in success and survival of organisations.

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