



# Investigation of the Importance of Psychological Perspective in Human Resource Management and Supply Chain in Manufacturing Companies

Morvin Manap\*, Mustafa Meor

Department of Management, Marwadi Education Foundation's Group of Institutions, India

Received: 03 April 2020

Accepted: 13 May 2020

Published: 01 June 2020

## Abstract

Human resource management and supply chain can be considered to be responsibility of all those who manage people as well as a description of persons who are employed as specialists. It is that part of management that involves planning for human resource needs, including recruitment and selection, training and development. It also includes welfare and safety, wage and salary administration, collective bargaining and dealing with most aspects of industrial relations. The integration between the management of human resources and psychology is arguably the prime factor delineating HRM theory and practice from its more traditional personnel management origins. Selection of the personnel has long been recognized as a key activity within HR and this article seeks to explore the extent to which its practice provides evidence of such strategic alignment. The findings indicate a long-term impact of the interactional justice perceptions experienced in the recruitment negotiation on employees' intent to leave their organization. Specifically, job negotiation interactional justice perceptions have a lingering effect on an individual's turnover intentions beyond the effects of distributive justice and supportive human resource practices.

**Keywords:** Psychology; Management; Selection of Personnel; Human Resources

## How to cite the article:

M. Manap, M. Meor, *Investigation of the Importance of Psychological Perspective in Human Resource Management and Supply Chain in Manufacturing Companies*, *J. Hum. Ins.* 2020; 4(2): 82-88, DOI: 10.22034/JHI.2020.109839.

©2020 The Authors. This is an open access article under the CC BY license

## 1. Introduction

Research indicates that how potential new hires feel they are treated during the recruitment process can have a profound impact on their attitudes toward the recruiting organization and that negative, rather than positive, experiences in recruitment are more likely to affect those applicants [1, 2]. Much recruitment research investigates the short-term effect of recruiting practices and how the recruitment experience influences the applicant's decision to accept a job. However, none address the influence of those practices on the long-term employment relationship. Given the significance of justice or fairness perceptions on the employment

relationship. The manner in which employees feel they are treated has a long-term effect on the relationship they have with their organization, resulting in either positive or negative outcomes for both the individual and the organization. Gilbreth gave the following definition of the Psychology of Management: The Psychology of Management means the effect of the mind that is directing work upon that work which is directed, and the effect of this undirected and directed work upon the mind of the worker. The emphasis in successful management lies on the man, not on the work. Seyidov also defines the management and then shows the correlation between management and psychology. Management - a science about

\* Corresponding Author Email: manap@vistapathology.ir

coordination of resources of the organizations on reaching the planned purposes. There where a person exists, his psychological features that are reflected in his activity are always with him. Studying the psychology of management, we study the psychology of the person, his activity and the most important thing – influence of the mentality of the person on activity and influence of activity on psychology and behavior of the person. The psychology of management is the branch of psychology studying mental features of the person and its behavior in the course of planning, organization, management and the control of joint activity. The human factor is considered as the central point in the psychology of management, as its essence and a core. Being engaged in studying the person in the conditions of the concrete practical activities of psychology, managers constantly face the problems that need development both of the professional work, and of the person who carries it out. Among this variety of problems, Seyidov has given the greatest attention to four basic problems or fundamental questions of the psychology of management: motivation, leadership, interpersonal relations, selection of personnel. Motivation – activity of the person, its formation in the process of its realization and satisfaction gained from the activity [3, 4].

Leadership is one of the brightest and interesting phenomena arising in the course of group activity. The efficiency of any activity depends on its adequate understanding. According to Nemov the leader – an authoritative member of a social group, whose power and privileges are admitted voluntarily by other participants of the group, ready to listen to him and follow him. Interpersonal relations are a part of the human nature. It is shown in the form of internal requirement in communicating and establishing the interpersonal relations. Selection of personnel – Management and Psychology most closely intertwine among themselves in a question on selection of personnel. The psychology of people as concrete participants in the process of management is on the foreground and allows us to speak about the high practical importance of psychological factors in management. If the psychological aspect of selection is guided by revealing of necessary characteristics, features, qualities and abilities of the person for successful performance of this or that professional work by means of psychological methods and techniques then selection from the point of view of management is a search and revealing of people by means of requirements of the professional work. It is necessary to combine inherently and to supplement mutually the two

approaches set forth above to select the people for the purpose of the most adequate and productive use of the available human resources providing achievement of the planned purposes [5].

Storey's findings that selection as a key, integrated task was evident in 80 per cent of the case companies investigated provide grounds for optimism. Conversely Wright and Storey's conclusion that despite a few reported exceptions traditional approaches to recruitment and selection continue to dominate practice presents an altogether more pessimistic picture. These apparent contradictions inevitably place a question mark over the extent to which strategic Selection is really practiced by organizations. Miles and Snow (1984) and Schuler and Jackson were able to identify human resource (HR) practices, including selection, which were congruent with the different competitive strategies of defender, prospector and analyzer, and cost reduction, innovation and quality enhancement, and found evidence of such practice in case companies. At other times, evidence of strategic selection has emerged from studies investigating general developments in the HR practice. For example, from a comprehensive study investigating how the management of HR was developing in UK companies, Storey was able to identify 'selection' as one of twenty-seven dimensions that could be used to differentiate HRM from more traditional personnel management and industrial relations practice. Under HRM, selection was identified as an 'Integrated, key task', whereas under the personnel and industrial relations banner it was seen as a 'Separate, marginal task'. In his analysis of fifteen major case companies, Storey found evidence of integrated selection in 80 per cent of them. In a review of their own case study research, Hendry, Pettigrew and Sparrow identified that strategic responses to changes in the business environment, such as restructuring, internationalization and total quality management, were leading to demands for new employee skills to support such moves. Their delivery required a more strategic approach to selection [6, 7].

## 2. Psychometric Tests

These include tests of cognitive ability (traits of general intelligence such as verbal, numerical and logical ability). They also extend to self-reporting tests (questionnaire inventories) about the candidate's self-perceived behavior, personality, life/work orientations and value systems. Completion of the application form and the interview are both tests. There are also group exercises which are used as tests. In addition to these devices there are hundreds of off-the shelf tests on the market. A test is an instrument, designed to measure something. The "something"

has to be measurable – either in a concrete sense or in a comparative sense – we can compare the results of individuals against the results of groups who have been measured using the same instrument and for whom “norms” exist. If we use tests there needs to be a clear correlation between possessing the quality being tested and subsequent success in learning and performance. An employer may devise a test or buy one in off-the-shelf. Someone has to administer the test properly and have the ability to interpret the results. From a test’s results, the employer may judge that the applicant does not have the necessary qualities. However, if the test is unreliable or invalid, litigation may knock on the door. If the applicant is a woman or from – say – a minority group or is disabled then the employer is obliged (natural justice and statute) to offer evidence relating to how the conclusion about “unsuitability” was arrived [8, 9].

### 3. Critical Analysis

The selection process is concerned with identifying, attracting and choosing suitable people to meet an organization’s human resource requirements. Selection is essentially concerned with finding, assessing and engaging new employees or promoting existing ones. As such, its focus is on matching the capabilities and interests of prospective candidates with the demands and rewards of a given job. Selection decisions are amongst the most important of all decisions that managers have to make because they are a prerequisite to the development of an effective workforce [10, 11].

Selecting the right employees is important for three main reasons. First, your own performance always depends in part on your employees. Subordinates with the right skills, knowledge and attributes will do a better job and the company. Employees without these skills will not perform effectively, and your own performance and the firm’s will suffer. Second, it is important because it’s costly to recruit and hire employees. Third, it’s important because of the legal implications of incompetent hiring. Various selection techniques are available, and a selection procedure will frequently involve the use of more than one. Interviewing is universally popular as a selection tool. A single one-to-one interview may give way to a series of 1-to-1 interviews or interviews with many – the panel. We can analyze the interview in terms of how it is structured, the processes of interaction, the problems of interpersonal decision-making, the relationship between job-related questions and personal questions [12, 13].

The interview is an examination – a face-to-face encounter via which each side seeks to make a decision about the other. The employer is in the dominant position. Even where the shortlist is very short and the employer is desperate to fill the post – it is unlikely that an applicant perceived as being a rogue or maverick will be employed. The employer at all times will seek to protect their interests. The face-to-face selection interview is the traditional method – yet it is fraught with problems of subjectivity, interpersonal judgment, interpretation and misinterpretation. Why we still use interviews even though if they are so subjective and unreliable.

1. The interview plays key part in differentiating between candidates for the same job.

2. The interview serves the employing organization is a social entity. Owners/members want to determine who they are going to be working with. Selectors have positions of power within the organization. In their decisions they want to appoint the most competent person technically but not someone who will not “fit into the culture”. If the candidate will become a loyal contributor (according to their perception of what is important to the organization) the person choice itself may enhance the interviewer’s own status within the organization.

3. The interview – for candidates who are short-listed – provides a setting in which documented information, test measurements and interpersonal, social value-judgments are made.

4. Factual information is exchanged and clarified by both sides at an interview e.g. what did the applicant decide on a specific career move, what expertise do they have on a given area and what is the evidence for this?

5. The interview brings together data from several sources – application forms or curriculum vitae, test results, job data. These can be assessed and intangibles – would this person fit into the team (given what we know of their expectations and behavior!). A social meeting is necessary.

6. Applicants want to present themselves rather than be judged mechanically e.g. on the basis of a clinical test or form.

So even though the interview is known to be unreliable – it still dominates and is unlikely to be abandoned. It is however now the subject of increasing external inspection by the courts. The selection process emerges as a matter for human rights. The managerial response is likely to be more defensive in terms of seeking to improve the processes which generate evidence that the selection decision was based upon job criteria and measurable Tests may be designed or bought in to “measure/evaluate” a candidate’s knowledge or

skills. The test may be specifically job related – a typing test or test for fork-lift truck driving, debugging a computer program or making a sales presentation. The test may be generic – knowledge of labor law or verbal/numeric comprehension and fluency (tests of cognitive ability). Typing tests, spelling test, arithmetic test, bricklaying tests, fork-lift truck driving tests, the Graduate Employability Test – These require the “subject” in a test situation (arguably realistic in terms of job similarity) demonstrating what he/she is supposed to know and can do. For the test to be valid the competences being tested must be required by the job/task. If not, then the results from the test may have nothing to do with job performance. The results are likely to be poor predictors – so why use the test? For employment test design, a very thorough job analysis is needed to establish the knowledge, skill level (mastery) and to elicit the contexts or environmental circumstances within which the job holders will perform with competence [12, 14, 15].

- Will the employee be performing in a busy, noisy environment?
- Will he/she be expected to perform speedily or under pressure?
- Will they be carrying out a multitude of tasks at once?
- Will there be supervision, advice and assistance?

Is there a high level of risk and initiative required? These and many other questions indicate that competence requires mastery.

These range from asking candidates to make a presentation on a subject to candidates meeting in a group to discuss a topic or resolve a problem (case study or simulation exercise involving planning, organizing, leadership, communication skills, analysis, synthesis, influencing etc). Applicants may be presented with a situation that they might face if they got the job such as planning a conference, evaluating an organizational case study and making decisions.

#### **4. Work experience**

Can candidates be invited to do the advertised job for a short period? If they do a contract of employment relationship is formed. Most employees are engaged on the basis that their first few weeks/months at work consist of a probationary period during which time their suitability is being assessed by their actual manager, peers and anyone else directly affected by their performance. In a sense a college leaver or someone else who starts on a training scheme or

“work-fare” programmed is participating in a longer selection process. At the end of the probationary period – the employer makes a decision as to whether or not the job relationship is to continue[13, 16].

#### **5. Effects of Recruitment and Negotiation Practices**

In the late 1990s and 2000, students graduating from both undergraduate and graduate business programs often found themselves inundated with employment offers and opportunities. During that time, the job market for new graduates in certain fields was extraordinarily tight. As a result, numerous companies resorted to high-pressure hiring tactics in order to obtain new hires and avoid being understaffed once the recruiting season was complete. For instance, some companies would phone students late at night and allow them only 12 hr to make a job choice. Still others suddenly would add bonuses to their offers of employment. A large body of research exists addressing the role of recruitment practices on organizational outcomes. Empirical evidence indicates that recruitment practices affect the job choice decisions of prospective new hires. However, there is limited empirical research surrounding aggressive or high-pressure negotiation practices. One study conducted with 288 graduate management students in a job market simulation exercise suggested that aggressive negotiation tactics diminish the quality of matching outcomes. It is our contention that if aggressive negotiation practices are part of the recruitment process, they will have a significant impact on the applicant’s intentions of remaining with the organization long after the negotiations are complete. How applicants feel they are treated in the recruitment process is an important factor in their job choice decisions. In some instances, mistreatment during recruitment could lead an applicant to decline an employment offer from the offending organization and seek employment elsewhere. In contrast, some applicants may not feel they are in a position to be as selective in choosing an employer, based either on a situation that is unique to them personally or to circumstances where jobs are scarce. When an applicant declines an employment offer because of his mistreatment during recruitment, the organization loses a potentially valuable employee. Conversely, when an applicant who feels mistreated during recruitment ultimately accepts the offending organization’s employment offer, the organization also loses out in the form of a poor employment relationship with the new hire. Expected that, the same negative consequences will

occur when applicants feel they are mistreated during the job negotiation process [17-19].

## 6. Simulations

These range from asking candidates to make a presentation on a subject to candidates meeting in a group to discuss a topic or resolve a problem (case study or simulation exercise involving planning, organizing, leadership, communication skills, analysis, synthesis, influencing etc). Applicants may be presented with a situation that they might face if they got the job such as planning a conference, evaluating an organizational case study and making decisions [20-22].

## 7. Assessment Centers

Several methods are combined into a program (e.g. interviews, ability and psychometric tests, presentations etc) for group of candidates who attend a center (company training center, hotel). Some of the techniques involve candidates working/interacting in groups (discussion or management games/simulations) and their behaviors are recorded and evaluated by observers (trained?). Candidates may spend one or more days together with their selector/observers – who meet to share observations and interpretations about candidates [23-25].

## 8. Biographical Analysis

Analysis of the application form and the interview process in a broad sense involve biographical analysis. Employers seeking to fill jobs involving considerable responsibility perhaps including a high security or risk element may wish to investigate the candidate more deeply. A security search may be involved – clearly issues about privacy are raised here. However, on a milder footing, the biographical picture may be expanded by asking the candidate to complete a questionnaire which gathers further information about his/her life/career history. The questionnaire may capture further details on professional development and qualifications and explore more subjective areas such as preferences about the make-up of a job and developmental aspirations/opportunities. The questionnaire responses now have to be either analyzed or interpreted. Validation, reliability and administrative costs now need to be questioned. Bio-data methods are available in computerized forms which involve statistical correlations of job success with detailed biographical elements [20, 26].

## 9. Hand-writing Analysis

The applicant's hand-writing – shapes, angles, sweeps, emphasis, size – is analyzed by experts. From this inference are made about the candidate's qualities very dubious in terms of validity and reliability – yet some practitioners sell the method. Which employers use it or dabbled with its use? Selection has long been seen as two of the activities of the HR function. However, increasingly organizations are choosing to involve other parties such as line managers or specialist agencies, or to outsource the activity altogether. Employees can be involved at various stages in the selection process. The most popular level of involvement is to encourage existing employees to introduce candidates to the organization; almost half of respondents have either introduced or improved bounty payments to staff for introducing successful candidates.

In one of the biggest companies of Azerbaijan (NB Group OJSC) was involved into the project concerning organization of selecting staff. During my activity in that project have found out that a less common approach is to involve peers or team members in the selection of candidates. The first stage of selection consisted of a competency-based interview. To be successful at these stage candidates had to demonstrate an outgoing personality, a positive attitude to life, some knowledge of the company and enthusiasm to work there. Those who successfully completed this interview were then invited to undertake a week on the-job experience at the company with the vacancy. Candidates were required to work the same time as their future colleagues. An existing team member will be assigned to act as a guide and mentor for the day. Team members assess each candidate on a number of competencies, including enthusiasm and ability to follow instructions, and then vote on whether or not they want to offer them a job. Candidates were also interviewed by the company manager who does not get a vote but can lobby for or against someone. Towards the end of the week the manager gathers team members' votes and lets candidate know the outcome [27, 28].

In this work have attempted to explore the literature and practice on the selection on HRM and also the help of psychological methods. It is notable that although the HRM concept has been around for two decades, the literature contains more questions than answers on both the practice and academic status of this field. Correct selection is therefore of crucial importance. And correct selection must mean that both parties to the selection decision, e.g. interviewer and interviewee, are satisfied, in all

circumstances, the right decision has been made. The candidate who has been subjected to a battery of tests, however thoroughly validated, will not necessarily feel this if he or she has never had a chance to talk to a member of the organization. Similarly, the interviewer who has never met the candidate cannot be sure that the approved ingredients detected by the tests do really go to make up an acceptable whole whose appearance and impact on others match his / her test scores and whose tenacity and motivation augur well for success in the job.

## 10. Conclusion

The integration between the management of human resources and psychology is arguably the prime factor delineating HRM theory and practice from its more traditional personnel management origins. The justice literature frequently illustrates the importance of fairness in the workplace. When employees feel they are fairly treated, the effects are usually positive, and when they feel mistreated the negative impact can be significant. Some studies have investigated how recruitment practices can affect the job choice decisions of a potential employee and others have explored the effects of interactional justice perceptions. Our research brings these domains together to examine how the negotiation experience in recruitment and its corresponding interactional justice perceptions can affect one's long-term relationship with the organization. Our results indicate that not only do recruitment practices have a lingering effect on one's intent to leave, but that the fairness perceptions related to the negotiation experience in recruitment also have a far-reaching effect on the employment relationship.

## References

1. Lee CKM, Chan TM. 2009. Development of RFID-based Reverse Logistics System. *Expert Systems with Applications* 36(5): 9299-9307.
2. Korten S, Christian K. Application of RFID (Radio Frequency Identification) in the Timber Supply Chain Einsatz von RFID in der Holzertekette 2008. 551-569 p.
3. Sirkka A. Modeling traceability in the forestry wood supply chain 2008. 104-105 p.
4. Melski A, Thoroe L, Schumann M. Managing RFID data in supply chains 2007. 176-189 p.
5. Tajima M. 2007. Strategic value of RFID in supply chain management. *Journal of Purchasing and Supply Management* 13(4): 261-273.
6. Edwards P, Edwards S, Economy P. Home-based business for dummies: John Wiley & Sons; 2010.
7. Berkley B, Economy P. Giving back: connecting you, business, and community: John Wiley & Sons; 2008.
8. Batstone CJ, Sharp BMH. 2003. Minimum information management systems and ITQ fisheries management. *Journal of Environmental Economics and Management* 45(2, Supplement): 492-504.
9. Murthi BPS, Sarkar S. 2003. The Role of the Management Sciences in Research on Personalization. *Management Science* 49(10): 1344-1362.
10. Cyert RM, Kang S-H, Kumar P. 2002. Corporate Governance, Takeovers, and Top-Management Compensation: Theory and Evidence. *Management Science* 48(4): 453-469.
11. Management QAMT. Improving air quality in metropolitan Mexico City: an economic valuation: The World Bank; 2002.
12. Tian M, Yang J, Management S, University XJ. 2015. An empirical study on the impact of public expenditure policies on enterprise R&D expenditure. *R & D Management* 27(5): 44-52.
13. Ghosh D, Das PK, Doloi B, Management N, Harbour D, Glass C, editors. Parametric studies of abrasive water jet cutting on surface roughness of silicon nitride materials. All India Manufacturing Technology, Design and Research Conference (AIMTDR); 2014.
14. Economy DR, Mara NA, Schoeppner R, Schultz BM, Unocic RR, Kennedy MS. 2016. Identifying deformation and strain hardening behaviors of nanoscale metallic multilayers through nano-wear testing. *Metallurgical and Materials Transactions A* 47(3): 1083-1095.
15. Economy NC. 2015. Seizing the global opportunity: partnerships for better growth and a better climate. *Washington, DC*.
16. Economy DR, Sharp JL, Martin JP, Kennedy MS. 2014. Factors associated with student decision-making for participation in the Research Experiences for Undergraduates program. *International Journal of Engineering Education* 30(6): 1395-1404.
17. Economy NC. 2014. Better growth, better climate. *The New Climate Economy Report, The Global Commission on the Economy and Climate*.
18. Brounstein M, Cumbay T, Economy P, Hildebrandt T, Lloyd KL, Kindel S. Managing All-in-one for Dummies: John Wiley & Sons; 2014.
19. Economy NC. 2014. The Global Commission on The Economy and Climate. *Washington DC: World Resources Institute*.
20. Economy NC. 2016. The sustainable infrastructure imperative: financing for better growth and development. *London, UK*.

21. Tunik MG, Powell EC, Mahajan P, Schunk JE, Jacobs E, Miskin M, et al. 2016. Clinical presentations and outcomes of children with basilar skull fractures after blunt head trauma. *Annals of emergency medicine* 68(4): 431-440. e431.
22. Kawano SM, Economy DR, Kennedy MS, Dean D, Blob RW. 2016. Comparative limb bone loading in the humerus and femur of the tiger salamander: testing the 'mixed-chain'hypothesis for skeletal safety factors. *Journal of Experimental Biology* 219(3): 341-353.
23. Economy NC. 2018. Unlocking the inclusive growth story of the 21st century: Accelerating climate action in urgent times. *Retrieved on 3: 18*.
24. Hannabarger C, Buchman F, Economy P. *Balanced Scorecard für Dummies*: John Wiley & Sons; 2013.
25. Buccieri LR, Economy P. *Writing children's books for dummies*: John Wiley & Sons; 2012.
26. COMMITTEE OSGA, COUNCIL OSH, PRACTICE M, PRACTICE CO, MEDICINE A, DISEASES COI. 2016. Medical Versus Nonmedical Immunization Exemptions for Child Care and School Attendance. *Pediatrics* 138(3).
27. Schmidt M, Thoroel L, Matthias Schumann. 2010. Co-existence of RFID and Barcode in Automotive Logistics. *AMCIS 2010 Proceedings*.
28. Sheen Y. 2007. The Effect of Focused Written Corrective Feedback and Language Aptitude on ESL Learners' Acquisition of Articles. *TESOL Quarterly* 41(2): 255-283.