



## Human Resource Management Practices: Assessing Added Value: A Book Review

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**Abstract** – HR managers would do well to document the added value of HR investments and their impact on firm performance in order to garner management's attention and establish credibility. In order to highlight the impact of HR practices, Maïke Andresen and Christian Nowak respond to two crucial queries: What additional benefit does investment in HR processes and functions provide? How can the value added produced by HR practices and functions be measured? An overview of the four-step (ORMM-approach) methodology that organizes the process of establishing the added value of HRM is provided in order to address three key questions: It is necessary to model the cause-and-effect relationships (R) between antecedents and outcome variables based on a specification of the outcome variables (O). Furthermore, the added value must be monitored and evaluated using appropriate measurements (M) (M). In addition, a summary of the articles in this edited book demonstrates how this edited volume aids both practitioners and academics in their work in light of the well acknowledged theory-practice gap.

**Keywords:** added value; HR investments; Book Review; ORMM-approach.

### Book Editors Biography

At the University of Bamberg in Germany, **Maïke Andresen** is a professor of organisational behaviour and human resource management and holds the chair in human resource management. In addition to writing multiple books in her subject disciplines, Maïke has published articles in significant scholarly journals, edited volumes, and other venues. Her areas of interest in research include diversity management, expatriation, international career management, management development, and work flexibility.

German University of Bamberg's Chair of Human Resource Management is home to **Christian Nowak**, a lecturer and research assistant and a graduate in international management.

### 1. INTRODUCTION

Book contains total 13 chapters and book Access provided by Ethiopia Ministry of Education. This book is intended to assist academics and practitioners in evaluating the added value of HR practices. It offers practical tips for selecting efficient HR management techniques as well as particular advice designed to make it easier to gauge how HR practices affect value generation. In-depth empirical research from numerous research traditions and academic fields is consulted in order to make suggestions that are supported by evidence. It covers a wide range of duties that the HR department must perform and focuses on fresh difficulties including determining the added value of work-life balance strategies.



Indeed, expatriation on Adding value with HR is a costly endeavor. According to recent estimates, despite the fact that businesses spend billions of dollars annually to send their personnel on international assignments, the ROI from expatriates has been utterly "unsatisfactory." However, companies continue to have difficulty defining what truly constitutes an international assignment's success and have made little to no progress with regard to the ROI of expatriates in actual practice. More concerning, few have a concrete plan for how to meaningfully measure expatriate ROI. Moreover, these same businesses frequently have a short-term profit-driven orientation, ignoring factors like worldwide careers and the "battle for talent" on a global scale. Many also fail to conduct their mobility programs with logical strategic principles and a clear business strategy, as they frequently do in other aspects of their firm. The next point is: if expatriates are some of a company's most expensive employees, shouldn't we be able to explain why we're spending so much money on them and manage them better? This chapter's goal is to explore the "added benefit of expatriation" in more detail. What function does expatriation fulfill specifically, and which overseas assignment types and international assignees bring genuine value? How have the definition and measurement of expatriate return on investment ('ROI') historically been done? How should foreign assignments' return on investment be assessed in the future?

## 2. RESEARCH METHODOLOGY

Edited books are those that feature chapters written by many writers and one or more editors who hire additional subject matter experts to write particular chapters. As an illustration, the book on the left was edited, but the book on the right was authored by a single author. The writing process must include editing and proofreading. Maiké Andresen and Christian Nowak aid in making your writing more successful and your ideas more understandable. Students and authors frequently mistakenly believe that they are identical, although there are clear distinctions between the two. Maiké Andresen and Christian Nowak brought up the point that the research process used for an edited book includes both organized and unstructured quantitative analysis. Illustrated is non-structured qualitative analysis. Content analysis is another name for structured quantitative analysis. Developmental, substantive, copy, and proofreaders are the four fundamental editing used by the f editors.

## 3. REVIEW OF BOOK THEME: THE VALUE AND PURPOSE OF EXPATRIATION AND INTERNATIONAL ASSIGNMENTS

For a number of reasons, expatriation is essential to an organization's global operations. According to preliminary study conducted Maiké Andresen and Christian Nowak, corporations hire expats for three main reasons: (1) to fill international roles when talented locals aren't available; (2) to advance management; and (3) to manage, coordinate, and aid in the transfer of a company's culture. The top six motivations for using expatriates are to: (1) cover a skills shortage; (2) build management experience; (3) launch new efforts; (4) transfer technology; (5) provide managerial control; and (6) transmit company culture, according to a number of industry polls.

In addition to the aforementioned, McNulty and Inkson (2013) discovered that expatriates are also used for the following: (1) corporate culture reasons (such as an old boys' network or continuing to use expatriates because they have always been used), (2) functional requirements for project-based mobility when a client needs consulting staff on-site, and (3) financial reasons, such as bottom-line driven objectives or the cost



advantages associated with using expatriates from a certain country. These explanations demonstrate how businesses operate differently across industries and have various justifications for hiring foreign nationals.

The reasons for expatriation, however, Maïke Andresen and Christian Nowak are not always mutually exclusive: there may be more than one reason to use expatriates, more than one benefit to be achieved, or more than one failure or opportunity that may have been missed.

#### 4. REVIEW OF DEFINING OF INTERNATIONAL ASSIGNMENT VALUE

Maïke Andresen and Christian Nowak argued that measuring the return on investment from expatriation has been the "holy grail" of the global mobility sector for more than a decade (Johnson 2005; Russ-Eft and Preskill 2005). Although just 9% of the 123 organizations surveyed formally assess expatriate ROI, the Brookfield 2012 Global Relocation Trends Report demonstrates that there has been very little advancement in this area of management. The three largest obstacles are not having enough time (18%), not knowing how to accomplish it (39%), and it not being vital to their organization (11%). None of the businesses gave their expatriation ROI a "excellent" rating. 58% indicated their ROI was "fair" or "poor," compared to 42% who rated it as "very good" or "good." These statistics unmistakably show a tremendous waste of time, resources, and resources to ensure an investment return that is viewed as minimal at best. How is this possible?

Determining the true meaning of a return on investment from expatriates is a part of the issue. The definition given by Brookfield—"achievement of the assignment objectives at the predicted cost"—has historically been used by practitioners the most. Yet, research demonstrates that this definition is insufficient since expatriation involves more than just a financial "cost"; it also has non-financial benefits that must be taken into account (Scullion and Collings 2006). Due to this flaw, a different definition was created, which has now gained widespread acceptance and citation in the academic community and is becoming more popular among practitioners:

*"A computation that, depending on the assignment's goals, compares the firm's financial and non-financial gains to the overseas assignment's financial and non-financial expenses (McNulty and Tharenou 2004, p. 73)."*

This definition has the advantage of explicitly recognizing the non-financial component, which many managers believe to be the main benefit of using expatriates, especially those on long-term international assignments, in addition to the financial cost and benefit components that the concept of expatriate ROI should include and acknowledge. Hence, value is the main consideration rather than just monetary cost.

Maïke Andresen and Christian Nowak manifested that expatriate ROI may be easier to understand for some firms than for others due to the fact that some organizations may find it difficult to define the goals of an international assignment. For instance, it can be challenging to meaningfully describe goals like "professional development," "succession planning," and "developing leadership competencies." In order to allow for customization in accordance with a wide variety of financial and non-financial costs and advantages relevant to varied assignment goals and firm expatriation strategies, a definition like the one above must purposefully avoid being unduly prescriptive. This is crucial because there are numerous justifications for using international assignments, making it impossible to come up with the "optimal" definition of expatriate ROI that would work for every business.



## **5. CHAPTER WISE REVIEW OF BOOK**

### **5.1 Adding Value and HRM Practice**

Maïke Andresen and Christian Nowak contend that despite HR's extensive tool and practice set, there is currently no overarching decision science that outlines how businesses can achieve strategic success through their human resource management. Maïke Andresen and Christian Nowak advise building a tradition of evidence-based HR practices in order to support businesses' informed HRM decision-making. A family of approaches known as "evidence-based HR" uses the professional judgment of HR specialists as well as research evidence, contextual data, and other relevant information. Maïke Andresen and Christian Nowak discuss the potential of Talentship as an evidence-based decision science and as a first step towards a general way of thinking to support HR decisions after reviewing implications for HR practice from scholarly work, economic and societal trends, as well as business tools from other managerial domains. As a result, Maïke Andresen and Christian Nowak think the current chapter makes a substantial contribution to practitioners' and academics' understanding of the continued shift towards evidence-based HR.

### **5.2 Realizing the Highest Value of Investments in Talent Management**

Maïke Andresen and Christian Nowak provide research-based insights into the areas and conditions in which talent management (TM) offers value for a business in this chapter. Since 2008, Maïke Andresen and Christian Nowak have been conducting a recurring large-scale TM study to examine the utility of TM. In this study, Maïke Andresen and Christian Nowak mix academic ideas with in-depth, practically oriented analytical techniques. A total of 2,660 respondents from 21 sizable, globally focused firms in Europe took part in the survey. The findings indicate that organizations have trouble effectively designing TM. In this chapter, Maïke Andresen and Christian Nowak offer options for dealing with this. Maïke Andresen and Christian Nowak show why an exclusive talent-differentiation strategy is preferred and clarify the elements of an effective talent definition and strategy. Maïke Andresen and Christian Nowak provide justification for why it is crucial that all relevant parties understand this definition and it is crucial to demonstrate the financial benefits of investing in TM practices, which are frequently specialized and pricey, now more than ever. Maïke Andresen and Christian Nowak demonstrate the benefit of utilizing analytics to strengthen the impact that both recent and upcoming TM investments have on the attitudes and behaviors, such as intention to leave and commitment, of pertinent employees. These factors are simple to translate into a financial business case. There are various alternatives to investing in traditional TM methods that are worthwhile taking into consideration, such as investing in personalised arrangements (i-deals) and enhancing employees' possibilities for success. TM does not always entail doing so. Also, it is advised to make it apparent how the company's employment agreement differs from that of rivals in terms of talent.

### **5.3 How to Evaluate Employer Brands: A Monetary Approach**

For many firms, attracting and keeping top personnel is becoming an increasingly important task. Academics and practitioners agree that an appealing employer brand is essential to winning the ongoing battle for the best personnel in order to address the ongoing talent deficit. Human resource managers must consequently prioritize evaluating employer brands in order to gauge their ability to draw in top talent and measure the success of their employer branding initiatives. Yet, it is difficult to find relevant key metrics to assess employer branding. In response to this flaw, the chapter offers a monetary method of assessing employer brands. Also,



this study looks into how significant workplace branding elements affect how much money is paid for employer brands. The employer brand recognition score model that is being given offers a financial key figure that enables a thorough and monetary assessment of talent management in contrast to pertinent rivals and with respect to various target groups.

## 5.4 Assessing the Return on Investments in Human Resource Development: Theory and Practice

According to recent reports, businesses are spending more money on their employees' internal training. The beneficial economic impact on the company's success that these investments in higher education are meant to achieve is a key factor in this trend. The specialized area of HRM known as education controlling is concerned with assessing training initiatives' efficacy, utility, and success through the evaluation sub-function. In light of this, the article's focus is outcome evaluation, which evaluates the effectiveness of further education initiatives from an economic standpoint. There are currently very few theoretical frameworks, ideas, and models that can be used to assess the financial return on training investments. Economic indicators of performance (KPI) are used by business controlling to confirm the worth of investments that the business has made. Return on investment (ROI) is one of the key performance indicators (KPI). This article will address the question of how the economic effects of in-company training measures can be ascertained from a theoretical perspective because the discussion of utility confirmation of the in further schooling measures, especially in regard to the calculation of the ROI on investment in education and the need to establish what deficiencies exist in the theoretical and empirical foundations of education controlling, has been controversial in the relevant subject literature. An overview of the present state of research on education control, and in particular the investment return of in-company training methods, will be provided in order to achieve this.

## 5.5 The Added Value of Expatriation

Indeed, expatriation is a costly endeavor. Businesses pay billions of dollars each year to send workers on abroad assignments, however recent surveys (e.g. Brookfield Global Relocation Services, Global relocation trends study report, Woodridge, IL, 2012) indicate that the ROI from expatriates has been completely "unsatisfactory". However, companies continue to have difficulty defining what truly constitutes an international assignment's success and have made little to no progress with regard to the ROI of expatriates in actual practice. More concerningly, few have a clear plan for how to meaningfully measure expatriate ROI (Cartus & Primacy, Global mobility policy and practices survey, Wilmington, NC, 2010). However, these same businesses frequently have a short-term profit-driven orientation, ignoring factors like worldwide careers and the "battle for talent". However, many people fail to manage their mobility initiatives in the same way they frequently manage other aspects of their businesses: with sensible strategic methods, a distinct goal, and a focus to guarantee an acceptable level of "success" (McNulty and Inkson, Managing expatriates: A return on investment approach, Business Expert Press, New York, 2013). The next point is: if expatriates are some of a company's most expensive employees, shouldn't Maïke Andresen and Christian Nowak be able to explain why we're spending so much money on them and manage them better? This chapter's goal is to explore the "added benefit of expatriation" in more detail. What function does expatriation fulfill specifically, and which overseas assignment types and international assignees bring genuine value? How have the definition and measurement of expatriate return on investment ('ROI') historically been done?



## **5.6 A Look Into the Future: Is Working Time Freedom Apt to Add Value for Different Stakeholders?**

### **A Discussion with Experts in the Field**

In the subject of working time flexibility, it's possible that output control will eventually take the role of input control (recording working hours) (recording goal achievement). Working time flexibility or a "results-only work environment" are two names for the underlying work time paradigm (ROWE). Working time freedom implementation requires a concerted effort to alter corporate culture such that employee autonomy over the time, timing, and place of their work becomes the norm for all or a significant portion of employees at all levels of the occupational hierarchy. Contrarily, conventional efforts to flexible work schedules (such as part-time work, telecommuting, shortened work weeks) rely on individual agreements with select employees and, as a general rule, demand a supervisor's approval. Due to regulatory limitations, ROWE has only recently been applied in a small number of US organizations, compared to its rarity in Europe. Based on initial empirical findings, theoretical models, and expert interviews, this chapter explores the functional and dysfunctional implications of a ROWE for various stakeholders. Although working time flexibility is thought to have benefits, a number of management practices are recommended as requirements for its success.

## **5.7 Investments in Work–Life–Balance Pay Off: The Case of Commerz bank AG**

The dual role that women had to play as bank employees and mothers constituted a significant barrier to their careers, it quickly became clear when Commerzbank began looking more closely at the problems of women working in the bank in the late 1980s. The idea of the "corporate childcare center" was devised to aid in the solution of this issue. The first childcare center was then prepared to be established in 1998 in conjunction with pme Familienservice. Commerzbank was unable to learn from other businesses' experiences because it was the first company in Germany to offer such a cutting-edge service targeted at promoting work–life balance. Due to this, it was determined that the operations would be monitored and objectively assessed from the beginning and over a substantial period.

## **5.8 Investing in the Subjective Well-Being of Temporary Workers: Examining the Added Value**

The discussion of the added value of investments in temporary workers' subjective well-being takes into account the unique triangular employment relationship that exists in temporary work, and is based on theoretical strategies and empirical findings from the research fields of seasonal employment and subjective well-being. A concluding cause and effect model summarizes the positive effects of an increased temporary worker's subjective well-being on productivity, behavior regarding organizational citizenship, health, and commitment as well as a negative association to turnover intention and the risk of engaging in counterproductive work behavior. Regarding the investment return, other limiting elements of well-being-enhancing measures include genetic predisposition, adaptive processes, selected reference individuals as well as investment expenses, deceitful signals directed at the workforce, and the activities' unproven efficacy.

## **5.9 Added Value of Employee Financial Participation**

Our understanding of the benefits of employee financial engagement is expanded in this chapter. The word "financial participation" refers to an employee's participation in the enterprise's profits and results, including its stock. Profit-sharing and employee share ownership are the two main types of financial participation for employees (including options). While employee share ownership adds a share holding element where





employees may perceive themselves to be co-owners of the company, including the possibility of voice and control, profit sharing is still seen as an incentive for employees with favorable individual and organizational level outcomes. This chapter reviews recent research on the effects of financial engagement and demonstrates that, for the most part, the findings are consistent with favorable results. The literature also demonstrates that financial involvement is not an HR tool that primarily yields outcomes in a general manner, but rather that the best results may be obtained when integrated into what Maïke Andresen and Christian Nowak refer to as a "high performance ownership system" of HR policies and practices.

### **5.10 Determining Outcomes of HRM Practices: Benefits, Opportunities and Limitations**

Concretizing value creation as a determinant in a company's performance and long-term health can be done in a variety of ways. It is the result of a process that adds value to a particular input and ultimately results in the creation of operational or business value. A distribution of the resulting added value is made to eligible stakeholders. The satisfaction of one's own and other people's needs, as well as the creation of compensation, are additional reasons for creating value in addition to meeting the demands of stakeholders, such as meeting basic needs, security needs, social needs, the desire for recognition, or personal fulfillment. There doesn't appear to be any question that HRM helps to create value. To this point, however, it is unclear how the additional business value produced by HR services and the behaviors that derive from them may be recognized and evaluated. In order to address this issue, the current chapter will cover the advantages, possibilities, and constraints of evaluating the results of HRM practices from a leadership and management accounting viewpoint as displayed on the Balanced Scorecard.

## **6. CONCLUSION AND RECOMMENDATIONS**

The challenges surrounding the evaluation of the value added by HR-related measures have been covered in this Book. It was noted that a specific monetary estimate of the capacity to add value cannot be expected, particularly given the unique characteristics of HR. It was discovered that, in addition to the use of an adequate orchestra of tools and approaches, the Added Values would seem to be very well adapted to remedy this aggravating situation. This is due to the fact that Added Values have the innate capacity to transmit information about the mechanism of value production by linking resources, processes, markets, and value and will hence improve transparency in the many chains of cause and effect. Last but not least, it is argued that the combination of tools and methods. In order to gather additional evidence to support the economic viability of HR policies, it is recommended that the set of tools and procedures utilized be complemented by in-depth reporting of quantitative and qualitative characteristics and values.

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## **AUTHOR CONTRIBUTIONS**



All authors equally contributed to the drafting of the manuscript. Book review was carried out by Gemechu Tufa. Weakness and strengths analysis of book was done Dr. Shashi Kant. Draft Preparation was written Gemechu tufa . . All authors have read and approved the final draft of the book review.

## CONFLICT OF INTEREST

The authors declare no conflict of interest. The authors have no competing interests to declare relevant to this article's content. This is the origin book review done by research scholar Gemechu Tufa under the guidance of advisor Dr. Shashi kant from his PhD study on book review qualitative evaluations.

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