

ISSUES AND CHALLENGES IN GAINING COMPETITIVE ADVANTAGE IN HUMAN RESOURCE

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ABSTRACT

Human resource plays a vital role in gaining competitive advantage. Now a days competition is the biggest issue of service and products. Much attention has been directed to a better service and the best product and how this can be achieved through utilizing human resource. Competitive advantage is the favourable position an organization seeks in order to be more profitable than its competitors Employees are the real assets of the company, if they are satisfied in their work they are more attentive in their work and this makes them to produce more and results in high production and brings profit to the company, as well as increases the level of goodwill of the company in the minds of the consumer and this will lead the company to achieve a high position in the market than its competitors.

Key words: *Employees, achieve, performance, outstanding performance, competitors,*

INTRODUCTION

Human resource plays a vital role in gaining competitive advantage. Every organisation has their own objectives and goals to achieve. There are 5 M's in management which are very important to a successful business they are Man, money, material, machine and market. Here the first and foremost element is Man. They are the main assets of a company So, in order to achieve the organisation's objectives and to keep its position alive in the market. The company must utilize the available human resource effectively. The organisations are always interested to provide outstanding performance than its competitors The Company can gain competitive advantage through empower the human resource.

MEANING

Competitive advantage is the favourable position an organization seeks in order to be more profitable than its competitors. Competitive advantage is a business concept describing attributes that allow an organization to outperform its competitors. These attributes may include access to natural resources, such as high grade minerals or inexpensive power, highly skilled personnel, geographic location, high entry barriers, etc. New technologies, such as robotics and information technology, can also provide competitive advantage, whether as a part of the product itself, as an advantage to the making of the product, or as a competitive aid in the business process (for example, better identification and understanding of customers).

DEFINITION

"A superiority gained by an organization when it can provide the same value as its competitors but at a lower price, or can charge higher prices by providing greater value through differentiation. Competitive advantage results from matching core competencies to the opportunities." These resources are the sources of competitive advantage. Barney describes a competitive advantage as occurring "when a firm is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors"

HUMAN RESOURCES

Prior to discussing the potential of human resources for constituting a sustained competitive advantage, it is important to clarify the conception of human resources. Human resources as the pool of human capital under the firm's control in a direct employment relationship. Human resource practices, on the other hand, are the organizational activities directed at managing the pool of human capital and ensuring that the capital is employed toward the fulfilment of organizational goals. This leads to recognizing two aspects of human resources.

STATEMENT OF THE PROBLEM

Human resource plays a vital role in gaining competitive advantage. Now a days competition is a biggest issue of service and products. Much attention has been directed to a better service and the best product and how this can be achieved through utilizing human resource. Competitive advantage is the favourable position an organization seeks in order to be more profitable than its competitors. Employees are the real assets of the company, if they are satisfied in their work they are more attentive in their work and this makes them to produce more and results high production and profit to the company with this in mind the researcher has framed the following objectives

- To analyse the present position of the company
- To study the challenges faced by the companies in acquiring and training employees
- To analyse the major challenges that affect the company at the time of acquiring employees.
- To study the issues in gaining competitive advantage
- To offer policy suggestions for sustaining competitive advantage

TYPES OF COMPETITIVE ADVANTAGE

Comparative Advantage

Comparative advantage, or cost advantage, is a firm's ability to produce a good or service at a lower cost than its competitors, which gives the firm the ability sell its goods or services at a lower price than its competition or to generate a larger margin on sales

Differential advantage.

A differential advantage is created when a firm's products or services differ from its competitors and are seen as better than a competitor's products by customers.

MEETING COMPETITIVE CHALLENGES THOROUGH HR PRACTICES

HRM practices that helps the companies deal with the four competitive challenges can be grouped dimensions.

- The human resource environment
- Acquiring and preparing human resource
- Assessment and development of human resource
- Compensating human resource

Managing internal and external environment factors allows employees to make the greatest possible contribution to company productivity and competitiveness. Customer needs for few products or services influence the number of types of employees businesses need to be successful. Managers need to ensure that employees have the necessary skills to perform current and future jobs. Besides interesting work, pay and benefits are the most important incentives that companies can offer employees in exchange for productivity, quality and customer service. There are two types of challenges. 1. Technology challenges 2. Global challenges

Technology challenges: Advancement in technology is one of the biggest challenge it consist of

- Changed how and where we work
- Resulted in high performance work system
- Increased the use of team to improve customer service and product quality
- Changed skill requirement
- Increase working partnership

Global challenge

- To survive companies must compete in international markets.
- Be prepared to deal with the global economy
- Off-shoring –exporting of jobs from developing countries to less developed countries
- On- shoring-exporting jobs torural parts of the United States

ISSUES RELATED TO HUMAN RESOURCE IN GAINING COMPETITIVE ADVANTAGE

There are 5 main areas of legal environment influenced human resource management over the past 25 years

1. Equal employee opportunity legislation
2. Employee safety and health
3. employee pay and benefits
4. employee privacy
5. job security

If the employees are not satisfied about any of the above five area, the performance of the employees will become low. This will lead to poor performance of the business in the market.

RESEARCH METHODOLOGY:

The study mainly depends on the primary source of data. Considering the objectives, the necessary primary data was collected with a help of questionnaire. Sample size is 50. Convenient random sampling method is followed to collect primary data. The present study is empirical in nature. The secondary data related to the study has been collected from the information published in journals, magazines, newspaper and websites. The study area is Coimbatore. To analyse the validity of the data, Percentage analysis, Two-way analysis, Chi-square test are used as tool.

ANALYSIS AND INTERPRETATION

TABLE -1

TABLE SHOWING THE RELATIONSHIP BETWEEN BUSINESS TYPE AND INTEREST OF EMPLOYEES IN TRAINING

Cells	fo	Fe	fo-fe	(fo-fe) ²	(fo-fe) ² /fe
R1c1	7	5.2	1.8	3.24	0.623076923
R2c1	4	4.8	-0.8	0.64	0.133333333
R3c1	9	4	5	25	6.25
R4c1	0	3.6	-3.6	12.96	3.6
R1c2	0	2.4	-2.4	5.76	2.4
R2c2	1	3.12	-2.12	4.4944	1.440512821
R3c2	4	2.8	1.2	1.44	0.514285714
R4c2	1	2.4	-1.4	1.96	0.816666667
R1c3	4	2.16	1.84	3.3856	1.567407407
R2c3	2	1.44	0.56	0.3136	0.217777778
R3c3	3	3.64	-0.64	0.4096	0.112527473
R4c3	2	3.36	-1.36	1.8496	0.55047619
R1c4	0	2.8	-2.8	7.84	2.8
R2c4	5	2.52	2.48	6.1504	2.440634921
R3c4	1	1.68	-0.68	0.4624	0.275238095
R4c4	2	1.04	0.96	0.9216	0.886153846
R1c5	2	0.96	1.04	1.0816	1.126666667
R2c5	0	0.8	-0.8	0.64	0.8
R3c5	0	0.72	-0.72	0.5184	0.72
R4c5	0	0.48	-0.48	0.2304	0.48
				Total	27.75475783

Null Hypothesis (H₀): There is no significant relationship between business type and interest of the employees in training programmes.

Calculated chi—square value : 27.75

Degree of freedom =12

Level of significance : 5%

Chi-square table value : 21.0

The calculated chi-square value is higher than the table value at 5% level of significance. So the null hypothesis is rejected . hence there is a significant relationship between type of the business activity and employees interest on training programme.

TABLE -2

TABLE SHOWING THE RALTIONSHIP BETWEEN BUSINESS TYPE AND INTEREST OF THE EMPLOYEES IN TRAINING PROGRAMME

Business type	Interest in training programme					Total
	Strongly agree	agree	Neutral	disagree	Strongly disagree	
Production	7(14%)	4 (8%)	9(18%)	0(0%)	0(0%)	20(40%)
Wholes sale	1	4	1	4	2	12(24%)
Financial services	3	2	0	5	1	14(28%)
Travelling services	2	2	0	0	0	4(8%)
total	13 (26%)	12(24%)	10(20%)	9(18%)	6(12%)	50(100%)

The above two –way table reveals that majority (18%) of the production based companies are neutrally agree that their employees take interest in learning from the training programmes the company offers.

FINDINGS

Majority of the respondents (50 %)are agree that they are facing difficulties in acquiring and training employees

Majority of the respondents(87%)are agree that appreciation is one of the effective tool to motivate employees

Majority of the respondents (76%)states that they are strongly agree that compensation problems reflect in employee's performance.

CONCLUSION

The asset of the company is not only the financial capital, machinery and buildings. The greatest asset of a company is its employee's .without employees the simple fact is there would be no one to produce and sell their product and service, manage day to day operation effectively. The company have to utilize the asset effectively to gain competitive advantage in the market .The good quality of worklife gives safe and secure life to the employees. If they are satisfied in their work they are more attentive in their work and this makes them to produce more and results high production and profit to the company as well as increase the level of goodwill of the company in the minds of the consumer.

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