Chapter 4

Using Modeling and Simulation Techniques to Improve the Accountability and the Performance of Human Resource Management

Florea Nicoleta Valentina
Valahia University of Targoviste, Romania

Manea Marinela Daniela
Valahia University of Targoviste, Romania

ABSTRACT

The analysis of human resources function and its contribution to obtain performance dates back to the 1920s. Now, the HR is an equal partner on the board of the companies, having a strategic role in obtaining performance, thus we try to show that compensating appropriately, the human capital it will be motivated to obtain performance. This paper examines the two different visions of different managers in which the human capital is perceived as a major cost for organization and the others which perceive it as an investment on long run. In this article, we analyse the impact could have the direct costs of human capital on individual and organizational performance using samples of some variables from European level, data between 2005-2016. Data used for the different years were analysed using simulation methods. Findings of this study show consistency with the theory in the filed, bringing a value in motivation and accountability of human capital and performance obtained through human capital.

DOI: 10.4018/978-1-5225-3226-2.ch004
INTRODUCTION

Human capital became crucial for any organization in obtaining performance. Due to its unique and valuable skills, knowledge, and experience, human capital is a key and strategic resource for achieving competitive advantage, so it is for many organizations an investment and not a cost. Thus, human capital analysis, controlling and accountability gain great importance in performance organizations, being the largest cost from the operating costs. And because into the external environment there is a continuous change, every step it is met the globalization and the liberalization of the markets, the organizations must take into account the possible risks, the high costs, the uniqueness of human capital, the nature and the structure of work, the needs of employees and of the customers, the labor conditions and to use some special techniques necessary to predict the appearance of these risks: simulation and modeling. These tools will help organizations to know the next future using past data about the organization, necessary to forecast future problems linked, in our case, by the human capital.

Human capital is unique, having unique skills, attitudes, behaviors, knowledge, intelligence and capacity to use tools, methods and instruments necessary to improve any process, and obtain individual and implicitly organizational performance. To maintain on long term the talented human capital, organizations must implement some practices in order to attract this capital, to retain it and to use it by developing it continuously. To do these, the smart organizations may use best HR practices as financial motivation or compensation, because this is the most visible process outside organization, which help it retain talented staff on long run. Compensation is consisting in direct and indirect costs for human capital.

This paper wants to offer an answer to an important issue: “Does direct costs of human capital influence the capacity of individuals and organization to obtain motivation, work satisfaction and performance?” In order to answer this issue, we collected data from European level, from 28 countries and denoted as EU (28 countries) between 2005-2016 regarding some variables which are presented into our research methodology.

Our study is offering in the first part the literature review on human capital and its role in obtaining performance on long term. The second part is analyzing the human capital from two points of view: that old point of view where the capital was perceived as being a cost and the second one which is as being an investment and a major factor in adding value and obtaining competitive advantage. The third part presents the influence could have human capital direct costs on the variable presented above, using simulation and we present the research methodology. The results, discussions, proposals and measure to improve the study are provided in the fourth part. Finally, the fifth part concludes the study.
Related Content

**Academic Community Manager: Manager of the Academic Community**
[www.igi-global.com/chapter/academic-community-manager/180119?camid=4v1a](www.igi-global.com/chapter/academic-community-manager/180119?camid=4v1a)

**CSR and ICT: New Insights From the Shear Zones Perspective**
[www.igi-global.com/chapter/csr-and-ict/197924?camid=4v1a](www.igi-global.com/chapter/csr-and-ict/197924?camid=4v1a)
Social Media as Efficacious Tool for Teaching
[www.igi-global.com/chapter/social-media-as-eficacious-tool-for-teaching/191435?camid=4v1a](www.igi-global.com/chapter/social-media-as-eficacious-tool-for-teaching/191435?camid=4v1a)

Learning from Failure: Braving the Multifaceted Challenges to E-Government Development
[www.igi-global.com/chapter/learning-failure-braving-multifaceted-challenges/58081?camid=4v1a](www.igi-global.com/chapter/learning-failure-braving-multifaceted-challenges/58081?camid=4v1a)