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*"You must treat your employees with respect and dignity because in the most automated factory in the world, you need the power of human mind. That is what brings in innovation. If you want high quality minds to work for you, then you must protect the respect and dignity. "* . As supported by Mr Narayana Murthy , the chairman emeritus , human resource management deals with many aspects of people's needs , including employee-employer relationship , supporting , motivating and respecting employees , encouraging teamwork and better communication among peers. Number one goal of any company is to make the best outcome financially and be able to satisfy its customers . To do so , a company needs to satisfy its employees and make sure that they feel supported and respected , so they can give their best . This essay will focus on only two positive impacts of human resource management , therefore supporting my claim that human resource management should play a formal role in every company .

Firstly , human resource management has a positive impact on financial outcomes of companies. After studying empirical data and collecting statistics from 38 Banks in Palestine researchers from African Journal of Business management, found that all tested variables of human resource management have positive effect on financial outcome of the Banks. With human resource management , employees get motivated which increases their productivity and performance level . As their performance increases , the work done in the company also becomes more competent and efficient , which in return affects the financial situation of the company positively , leading to satisfied employers , satisfied employees and satisfied customers.

Human resource management also affects workers' health both psychologically and physically . Since human resource management deals with people's psychological , emotional and social needs , people feel supported , wanted and respected . All these contribute to an employee's psychological wellness, which also results in better work performance . It's an undeniable fact that a person's physical health is affected by his/her psychology . When a person is in a good place psychologically , he/she is also less likely to experience serious or minor health issues . This also means that they will be less likely to take days off work for health issues . This also contributes to an increase in worker performance and work done .

In conclusion , human resource management is the key to both higher financial outcomes and employee's health . Both of these factors result in higher productivity , better performance and satisfaction for all . We can conclude from these results that human resource management needs to play a formal role depending on how much the company cares about its employees , finance and customers.