Human Resource Management Unit I Essay

[Author Name(s), First M. Last, Omit Titles and Degrees]

[Institutional Affiliation(s)]

Author Note

[Include any grant/funding information and a complete correspondence address.]

Human Resource Management Unit I Essay

**Introduction**

Human resource management is an important aspect of the business; it is an integral part of any organization. Human resource management, also known as HRM, refers to the strategic way or approach to effectively manage the people working in a company or an organization. Delta Airlines is also a dynamic organization that is providing its services in the airline industry. The 90 years old airline company has a diverse range of operations and has been satisfying its clients from the day of its initiation. Delta Airlines has an efficient department for managing the affairs of its human resource that looks over all the important and sensitive issues of its employees. Professionals working in any department, especially in the field of Human Resource Management, use various measures and tools to measure the profitability ratio, performance and efficiency of the employees. Same practice is followed in the case of Delta Airlines. The experts and professionals working in Delta Airlines also apply some of these measures and check the same aspects in their organization. The purpose and advantages of these approaches have been given below.

**Discussion**

**Economic Value Added (EVA)**

It is a measure of the company financial performance. Economic Value Added or EVA is calculated using the following formula:

**Economic Value Added (EVA) = (Actual Return - Expected Return) x Invested Capital**

The measure of Economic Value Added (EVA) is important because it indicates how profitable a company’s different projects are. It also serves as a reflection of management performance.

**Return on Investment (ROI)**

Return on Investment or ROI is a measure that can be used to check the efficiency of an investment in any business or project (De Alwis, & Rajaratne, 2011). It is also used to compare the efficiency of investments in different projects. The result of this measure is expressed in terms of a ratio or percentage. Return on Investment (ROI) is calculated by the following formula

ROI =

**Balanced Scorecard (BSC)**

A Balanced Score Card is a measure or metric that is used by organizations for a number of purposes. Also known as BSC, this measure is especially related to strategic planning and management system (Kaplan, Davenport, Robert, Kaplan, & Norton, 2001). There are various advantages and purposes of this kind of metric. One of the basic purposes of this kind of measure is that it can be used to communicate effectively, by the management to the employees, what the organization and top management wants them to accomplish. Moreover, it can also be used effectively to prioritize certain products and services.

**HR Scorecard**

An HR scorecard refers to the visual representation of all the key factors used by the Human Resource Department of any organization, in order to measure its own efficiency. These factors are used to measure the achievements, productivity, efficiency and many other factors that are meaningful to the organization. In addition to this, many aspects of the organizations such as costs, hiring, turnover, performance management, training and synchronization with the organization goals. Most of the times, HR scorecards are linked with the organizational goals, strategic goals and corporate strategies

**Conclusion**

Hence, it can be concluded that every company relies upon particular mathematical and statistical measures in order to calculate the return on its investments and profitability. Good organizations such as Apple and Microsoft invest heavily in these measures to get the exact data or figures for these aspects. Furthermore, Delta Airlines also follows these practices and effectively calculates its return on investments, profitability ratios and many other ratios which can help the airline company devise improved strategies and designs for running the business more effectively and efficiently.

**References**

De Alwis, A. C., & Rajaratne, W. D. H. M. (2011). A study on measuring return on investment of a key account management training program. *Scientific papers of the University of Pardubice. Series D, Faculty of Economics and Administration. 21 (3/2011)*.

Kaplan, R. S., Davenport, T. H., Robert, N. P. D. K. S., Kaplan, R. S., & Norton, D. P. (2001). *The strategy-focused organization: How balanced scorecard companies thrive in the new business environment*. Harvard Business Press.