

NEW MANDATE OF HUMAN RESOURCE MANAGEMENT IN 21ST CENTURY

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Abstract

There are similarities as well as differences between the present-day HRM and the past one. When it comes to focus of HR management on the overall employment relationship, together with all the actions, decisions and issues linked with this relationship, there is apparent similarity in the past and the present HRM. Moreover, like in the past, today's HRM is also introducing changes in the employment relationship and in the organizations.

Keywords: human resource management, strategic management, personnel management

Definition of Human Resource Management (HRM)

HRM may be referred to as a focused and logical tactic towards the management of the organization's most important resources—the people working there. These people contribute to the attainment of organization's objectives at individual and collective levels for a sustainable competitive advantage.

Literature Review

Present-day Human Resource Management

We can observe some distinctions in the HRM of the two periods in that more concentration is assigned to the present-day HRM towards meeting the contemporary needs that arise from the variations in the models of organizations.

1. According to Sisson¹, in variance with the past personnel management, the present-day HRM includes the following four features:
 - (i) Human Resource Management places emphasis on integration of traditional activities of personnel management in addition to involvement in overall organizational planning and change.
 - (ii) Today's HRM is instrumental in organizational change, creates culture of the organization and facilitates the exercise of initiative and organizational determination.
 - (iii) Many traditional activities of the HRM have been decentralized from the personnel specialists to senior line management.

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¹ Sisson (1990:5) as referred by Blyton P. and Turnbull, P., (1992) in 'Reassuring Human Resource Management', Sage Publications, California, USA, p.3.

- (iv) In present HRM, individual employees are focused rather than collective management (trade union) relations.

The present-day HRM is usually referred to be broad and thoughtful; involving all personnel concerned with the managerial responsibilities; considering individual employee as important asset for the organization; and fulfilling needs of the employees, and improving organizational performance through individual development².

The field of human resource management is no doubt an outcome of changes having taken place in the personnel management but it has also been instrumental for organizations in their dealing with these changes³. This has turned the personnel management as a chapter of the past.

In an effort to cope with the management issues, a majority of large U.S. firms have had to adopt and employ strategies that directly affect and involve Human Resource Management practice. These strategies have included the downsizing, restructuring, or right-sizing of organizations, as well as adopting new employment relationships such as the utilization of contingent employees. Since the HRM has remained directly concerned with the organizational going-on and planning at all levels, as a result, the strategies have been effective and quite successful.

The human resource professionals have focused on organizational restructuring as well as helped facilitation of organizational effectiveness in the new emerging organizations. The HRM has developed a culture of introducing supportive behavior in the organizations. Accordingly, the human resource managers and experts have got an important role to play as leaders in the development of human resources so that the latter are able to support the competitive organizational social culture. As leaders in the organization, these managers and HR professionals are responsible for managing administration, operations and strategic functions of the organization⁴.

The term 'Human Resource Management' has become popular and is widely used these days throughout the business world. In an organization, all the individuals working for the organization are included in its human resource. The organization's human resource management function usually refers to all the decisions that influence the workforce. The HRM activities, whether small or large in size or scope, of HRM, have definite influence on the organization's function.

Philosophy of Human Resource Management

The Philosophy of human resource now considers them as human capital. The concept of human capital is linked with people working in an organization. In performing their jobs, the human resources share their skills, talent, knowledge and faculties with their

² Poole,1990:3, as quoted by John Ahier and Geoff Esland in 'Education, Training and The Future of work in Social, Political and Economic Contexts of Policy Development', Routledge, USA, 1999, p.169.

³ Gerald, R., Ferris, Sherman D. Rosen, &Darold T. Barnum, (1995), 'Handbook of Human Resource Management', Blackwell Publishers, Massachusetts, USA, p.37.

⁴ Mathis, R.L., Jackson, J.H.,(2009), Human Resource Management: Essential Perspectives, 6th edition, South-Western Cengage Learning, Ohio, USA, p.10.

organization to bring about organizational development as well as improving their own efficiency⁵. Keeping in view this conception about human resource, it becomes very important that they are properly and effectively managed and firm policies are framed to govern their management. This will help develop a suitable organizational culture and the promotion of a sense of determination to the organization, among the employees, suggesting that in order to get a high performance and productivity, the employees play a key role.

It is the management philosophy that becomes the key means of framing human resource management policies. Where relation between human resource management policies and management philosophy are sturdier, such organizations are internally consistent⁶.

The term HRM either denotes a particular manner of getting at the management of human resources i.e. the people at work, or it serves the purpose of interchangeable expression of personnel management.

Storey points out the feature characteristics as under⁷:

- Determination of the employees is gained, by not just compliance through administration.
- Personnel practices and procedures with organizational objectives combine for a better output.
- HRM becomes the concern of line managers instead of the personnel specialists.
- For the purpose of acquiring employees' commitment, individualistic approach toward the labor is applied.

Connotation of HRM

Human resource management has acquired its present form after certain changes through the history of about a century. Ideas, approaches and techniques from various fields have made it possible for HRM to emerge in its current form. The emergence of social sciences has given stimulus to HRM which has swiftly widened its scope of acceptance for the management employment. There is however no perfect or final explication of HRM.

To different people, human resource management has got different meanings. Generally, the human resource is referred, by many, as the most important of all assets. This should however not be taken as a final verdict regarding its definition. Some people stress that HRM is about matching employment practices to an organization's strategy. As a consequence of this approach, employment practices should be integrated to strengthen

⁵ Armstrong, M. (2011), 'Armstrong's Handbook of Strategic Human Resource Management', 5th edition, Kogan Page, Philadelphia, USA, p.11.

⁶ Poole, M., (ed.) (2003), Human Resource Management: Critical perspectives of Business and management, 3rd edition, Routledge, New York, US, p.41.

⁷ Storey, J. (2007), Human Resource Management: A Critical Text, third edition, Thomson, p.9.

one another. This approach also suggests that decision-making related with employment should be strengthened through some specific way like by use of personnel planning, rather than making decisions in isolation. It is notable that attitudes, behaviors and motivation of employees significantly influence the reward systems that include promotion, selection of individuals for training courses and similar incentives. It is for the HR management to ascertain that such practices related to personnel communicate positive impression to the employees. The present human resource management has got a particular philosophy behind it. This philosophy requires the management of an organization to gain employees' commitment and motivation through confidence-building between the two. This also includes allowing employees who exercise their influence in the management of the organization. When mutual trust exists between the employees and the management, the organizational culture is conducive for the advantage and growth of the organization and its employees both.

Management or human resource is concerned with the dimension of the people/employees. Those who are directly involved in the production of goods and services, and the line employees are provided support in the human resource matters by the HRM staff.

An organization, for the purpose of achieving its objectives and goals, develops skills of its employees and acquires better services for them, motivates them for a performance of high standard. Besides, the organization also ascertains that commitment and loyalty of the employees for the organization sustains. This approach is not limited to any particular type of organization; rather, such organization could be a business, educational, health, social or a government organization. Needless to say that competent and responsible person, when employed, an organization is likely to flourish and succeed. When we have a look at the history of personnel management during the past several decades, it appears that a number of efforts have been made during the 20th century to understand the human behavior in the workplace with a view to improve the organizational output as well as the work environment. There has been much exploration for theories and tools, by academicians and practitioners, to describe and influence human behavior at work. Problems related to the employees are generally similar for the managers of different organizations. They always need finances and manpower whatever be the circumstances; whether the company progresses or not; whether the business grows or not; new equipment need to be purchased, old stuff is to be replaced and new technology and methods are to be brought in. Besides, reorganization, retraining and hiring and firing of staff is to be carried out. Managers are laden with responsibilities of effectively dealing with the current and upcoming events and conditions, and at the same time, required to be prepared to accept new thoughts and challenges. Derived from a focused managerial background, human resource management is representative of a holistic approach. Agenda of HRM concerns business related issues, hence it supports in the overall success of an organization. Human resource management serves various functions, which are focused on an effective management of the employees – the human resource – of an organization. The experts or professionals of HRM observe the benefits, training, hiring, career development and similar functions of the employees of the organizations. HRM people not only conduct interviews of people for employment, rather they also elaborate benefits of the company

and deal with more aspects of business in present time. HRM in fact carries the objective of supporting an organization to fulfill its strategic commitments, and this it does by attracting qualified persons, and then by retaining them and then by effectively managing them, making certain that the organization observe the labor laws in letter and spirit.

When we glance at the past of HRM, we see that it was personnel management that performed administrative function. Today's circle of activity and responsibility of HRM is not limited to administration of employees; rather the HRM professionals must be able to understand the whole business. These professionals are also becoming strategic business partners who, at the same time, can provide consultancy to the senior management, advising them on the most effective use of an organization's employees i.e. the most important source of the organization. All the decisions related to management and other similar actions that govern the organization-management relationship are linked with the human resource management.

By using strategic approach, interests of the organization are protected, Value addition of human resource is also obtained through development process and with the help of management of their performance; and one of the important job of the HRM is to win employees' loyalty and commitment to the objectives and values of the organization. Some instances of management decisions and actions concerning employees of the organization are:

- (a) Planning
- (b) Acquiring
- (c) Retaining
- (d) Developing/training performance appraisal
- (e) Safety and health
- (f) Family and work life
- (g) Compensation

It is usually assumed that for the sake of achieving business objectives, HRM is more related to the strategic management of an organization's personnel.

Human resource management is also termed as a mechanism that combines human resource policies concerning business strategy of an organization. It is also termed as an up-to-date elucidation urging upon that like any other resources of an organization, people of the organization also need to be managed. These people are not to be considered as burden or cost, rather as asset. Managing organization means managing people, and this is the meaning of human resource management.

HR management deals with providing and deploying needs of human resources. Here demand comes before supply. For this sake, planning, monitoring and control is required. General understanding behind the idea of HRM is that effective overall management is capable of increasing employees' interests. That is why HRM is identified with management interests, which are a common activity of management and gives a different impression than the 'workforce'. The human resource management activities involve recruiting, screening, and training, rewarding and encouraging its employees. Earlier, specialists of personnel management performed such jobs, but now there are a number of HR managers to perform these functions. With appropriate contact

with the line management, the HR management becomes more effective. This aspect is good in the sense that when senior management takes up human resource issues, a more meaningful understanding of the HR develops about.

According to Torrington, Hall & Taylor (2008)⁸ it is no simple matter to set a definition for human resource management. The term HRM on one hand refers to a set of activities related to management of an organization's personnel. In this sense HRM may be merely a substitute of former personnel management. On the other hand, HRM refers to a specific approach that deals with managing people effectively. In this sense, HRM can be clearly distinguished from personnel management. Accordingly, 'Human Resource Management' denotes an approach far different from personnel management, and in HRM people at work are involved in activities of an organization maintaining their interest and willingness.

Human Resource Management refers to a new meaning (Poole, 2002)⁹ in that HRM takes into account fitness of human resources working in form of a well-set team whose cultural values are considered, and this team works with a foreseen strategy. These human resources are socially linked with one another and bear trends and abilities to advance. In human resource management of an organization, authorities are devolved from top to bottom management which keeps a suitable balance of authority among employees of different cadres and levels. This balance of power develops a sense of trust among the employees and management. In HRM, work is always target-oriented and workers and managers know their responsibilities and targets of the organization. Since interests of workers are taken care of in HRM, they are inspired to participate in the progress of their organization.

The increasing acceptance as a developer and implementer of strategy is one of the most vivid variations in the role of human resource management. A business strategy elaborates the direction in which an organization looks forward to get there. As the corporate community is becoming increasingly abreast with the potential competitive advantage obtained with the help of people, a company's HR management is envisaged as a function that requires management using strategic measures. Human Resource Management appears playing its role in the following manners:

1. In the form of a responsibility which is a pivotal part of a manager's job. It is an inherent facet of the process of management as it combines all practices and policies, including workforce management.
2. The role of a specialist management function. Toward the responsibility of developing and monitoring their organizations personnel management strategies, the personnel specialists carry a certain responsibility. Line managers carry on playing their due role despite presence of a specialist personnel function there. The personnel's job is to provide adequate consultation and administrative assistance. There come occasions

⁸ Torrington, D., Hall, L. & Taylor, S. (2008), 'Human Resource Management', 7th edition, Prentice Hall, p.6.

⁹ Poole, M. (2002), 'Human Resource Management: Critical Perspectives on Business and Management', Routledge, p.33.

where they may perform additional tasks, taking responsibility for particular activities, for example, granting promotions or carrying out negotiations with trade unions.

As human resource management importantly cares about performance and efficiency of organization's workforce and as improvement in their efficiency and performance becomes the source of improved services for the customers, it may be claimed therefore that management of human resources is significantly linked with satisfaction of customers.

The concept of HRM appears to many people as vague and elusive, not just for the reason that it carries a number of definitions. Pinning down an acceptable meaning may seem like making effort to hitting a moving target in a fog. This confusion reflects the various interpretations given in literature on the subject of HRM. Human resource management is a flexible term, covering a range of applications that differ from book to book and from organization to organization. A philosophy of people management, on the belief that human resources are distinctly significant, can ensure sustained business success. An organization gets competitive advantage when it puts its people to effective use, meeting its defined aims. Human Resource Management focuses on recruiting competent, flexible and committed persons, managing and rewarding their performance and elevating important abilities.

Since organizations are constantly influenced by certain forces of change, they have to deal with these forces in a strategic manner. Especially, in view of the 'Four-tier Model of Forces for Change', individuals, groups and organizations are influenced by forces of change. This change expands its limits from organizational level to provincial level, then to regional and sub-regional level and finally to global arena¹⁰.

View of Human Resource Management from Different Aspects HRM as Restatement of Existing Personnel Management

Introduction of HRM may be termed as natural reaction to a new and a sort of reformulation of the customary functional activities. It is generally believed that many an inherent problem of managing unstable issues regarding employees can be addressed through HRM more effectively than by the techniques which have come from traditional developments in personnel management. Therefore, the employment relationship can be transformed completely.

Many professionals believe that the idea, that their actions can only be seen through some fixed theories, is not practical. There is in fact a significant task of recruitment, selection, reward, management and development of employees that is to be accomplished with all possible efficiency.

In these terms, human resource management appears as something in the endless streak of management laws that was once fashionable but with the passage of time lost fervor.

¹⁰ Robbins, S.P., Judge T.A., Odendaal A., Roodt G., (2009), 'Organisational Behavior – Global and Southern African Perspectives, 2nd edition, Pearson Education South Africa, p.30.

On the other hand, traditional Personnel Management—the pragmatic one—has found out the meaning of operational task in real sense.

Human Resource Management as a New Managerial Discipline

As per this perspective, HRM carries more diversity and complexity, and incorporates such issues as the philosophies of personnel and industrial relations, the professional will to show the management of employees as a holistic discipline and the firm belief that the HRM is capable of providing an integrated approach. This would on one hand keep together the differing perspectives of personnel management and industrial relations and, on the other, develop a new and wider discipline as an outcome of the joining of these customary components as in present times obsolete and irrelevant and as dealing with problems which mark past, as against the present, practice. This is probably the most significant in the remaining of functional activities turning 'Training' into 'Employee Development' and 'Industrial Relations' into 'Employee Relations'. The purpose of this renaming is not designed just to update an image (which itself is important though), but also the aim is to express the nature of the employment relationship in the changed conditions. In this sense, the Industrial Relations is viewed as expressing a relationship based upon a manual, manufacturing unionized workforce – rather than the assumed broader idea of 'Employee Relations' which deals with a total workforce that includes white-collar and technical staff of whom many are female members and some non-unions of employees. The objective of all this appears to be that the management wants control over the entire employment relationship as a basic element in the ideology of HRM. The HR Management is a means of transforming the established personnel practices, according to this ideology.

Activities of a banking sector organization are governed by monetary aspects and social values of the society concerned. This fact turns management of banks into an onerous task. The most tedious element with respect to management of banking organizations is the growth and development of their human resources. This development acquires more significance in view of the fact that trends and demands of banking sectors are continually changing. To meet this challenge the human resources must be developed, which is possible through upgrading of their knowledge, skills and behavior.

HRM as an Individually Focused Development Model

Human Resource Management has highlighted the idea of maximizing the potential of employees which the traditional Personnel Management has kept to the limits of mere customary technical response for overcoming the pressing operational problems and issues. It may be claimed that in this concern the Human Resource Development and Human Resource Management have introduced something new about training and investing in employees. This new approach urges upon connection of employee with the nature and obligations affecting personnel and organizational growth.

HRM as a Strategic and International Faction

With the development of Human Resources Management, the connections between corporate policies, broad strategies of organizations and employment relations have also emerged. In the past, the industrial relations management and the personnel

management were related to coping with either the repercussions following the strategic decision that had been made earlier or to deal with the problems which posed a threat to the achievement of a certain strategy in the long run. In the development of human resource management, another notable element is showing its concern for the international personalities. The national and the natural context in which it operates, considerably influences the employment relationship. So, changes in the national labor markets have resulted in emergence of a number of employment formations, policies and relationships within the context of economies of market. Employers operating in these labor markets have no affect on their neighboring peoples. However, when these employers operate out of their homeland, they may influence or be influenced in terms of change. Therefore, the international companies deploying homogeneous employment policies are usually said to be seeking and promoting wide-ranged personnel systems that neutralize national disparities and which urge upon organizational cultures drawn from the company's strategic objectives. The most popular of the firms having been identified as adopting this approach is International Business Machines (IBM). A special characteristic of this approach is that the firm applies internal policies to formulate approaches for the human resource management, which are considered as role models for other organizations and firms. This tendency of approach transpires that the HRM has got the strength to offer a managerial approach to a cultural-neutral employment relationship derived from organization's own strategies, and can benefit other organizations across the borders as well. This tendency may develop the understanding that the most appropriate definition of human resource management refers to the multinational companies making such policies that have the capacity to influence, irrespective of culture, other organizations as well.

Strategic nature of development of the human resource management refers to thinking and planning ahead of time. Since many companies and organizations throughout the world have started realizing value of their human resources, the former consider that development of these human resources will bring advantage to the organization in terms of enhanced skill and learning among their employees¹¹.

Conclusion

In a business or organization, the HRM in the present-day challenging and competitive environment should be essentially used for the advantage of all stakeholders. It is highly important for an organization to pursue its objectives with firm determination with the help of optimum efficiency and productivity.

At the beginning of this study, the term 'human resource management' is examined in detail. Besides, the methods or techniques integrated by the employees into the business are also considered. Some controversial aspects are also taken into account, for example, the question whether the trade unions and the human resource management can get along well.

¹¹ DeCenzo David A., Robbins Stephen P., Human Resource Management, Sixth Edition, John Wiley & Sons, Inc., p.6.

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