

REVIEW ARTICLE

Human Resource Perspectives in Contemporary management thought

Uzzal Kumar Borah

Senior Faculty, COMIT, SMU Learning centre, Cholahara, Jorhat, Assam, India
uzzalborah@rediffmail.com; +91 9435052140

Abstract

During the early stage of capitalistic thought movement, business had a production orientation i.e business was concerned with production, manufacturing and efficiency issues. By the mid 1950s, a second stage emerged, the sales orientation stage. The prime concern of business was to sell what it produced. By the early 1970s the third stage, the marketing orientation stage emerged as business came to realize that consumers needs and wants basically determine the whole process. Marketing research became exceedingly critical. Businesses realized that it was useless putting a lot of production and sales effort into products that people did not want. Some people claim that we are now on the verge of fourth stage, one of a personal marketing orientation with strong focus on *HRM*. They believe that technology is available today to market to people on an individual basis. Here comes the customer satisfaction which eventually became the motto of all the players to sustain in the market. Under this kind of an abysmal transition-*HR* has turned out to be the focal point of any organization because organization sees customer as two classes—*Internal (employees) and external (end-customers, suppliers, stakeholders etc.)*. This is a review on multiple dimensions of *HR* approach in present organization, basically aimed to satisfying the external customers through a force of contented and cheerful internal customers.

Keywords: *HR perspectives, system approach, contingency, dynamic engagement, internal customers.*

Introduction

In an organization, Human resource (*HR*) is the sum total of knowledge, skills, creative abilities, talents and aptitude etc. that are in the disposal of the management. It also encompasses the inherent abilities, acquired knowledge, skills, talent and aptitudes of the employees. It is also sometimes referred as human factors consisting of inter related, interdependent and inter acting physiological, sociological and ethical components. It is beyond doubt that human resources have been critical in organizations since the very beginning and continues to be critical and significant in today's organizations. The paradox lies in the fact that the majority of the challenges in organizations even today pertain to the human and social rather than physical, technical or economic factors. To be precise, productivity is significantly linked with the nature of human resources and their total environment consisting of inter-related, inter-dependent and interacting economic and non-economic (i.e. political, religious, cultural, sociological and psychological factors). Owing to this, the subject of human resource management (*HRM*) can be studied from at least two angles namely *economic and non-economic*. While the economic factors are easily identifiable and controllable, the non-economic factors require keen observation and listening skills and will need to be addressed differently and sensitively. Out of four factors of production i.e. men, money, material and machine, men is the most crucial yet the most difficult to manage because it is not standardized, interchangeable or passive.

Quoting Sophocles who said that "*wonder of wonders is man, who has infinite capacity to think, to develop, to create, to invent, to feel, to love, to create, to kill, to respect, to hate, to analyze or destroy*". Since human beings possess all these qualities, they are the most complex creatures. Social vistas have multiplied this complexity manifold. So, systematic and scientific study on human behavior was of paramount importance to the modern management thought (Mamoria, 2003).

HRM-evolving as a full bloom discipline

Human resource management as a discipline had not been a formal study till recent past. In the past 100 odd years, the techniques of human behavior at work has become formal and structured in a way that certain basic practices recognized as core and individual organization follows a host of other practices also as per individual business driven needs. The formal discipline of Human resource management emerged from around 1980s and got recognition as a vital discipline in modern world. But going back, the evolution of the subject *HRM* have taken place through four broad phases-the craft training method, Human relation as focus, the scientific management system and the prevalent organizational science-human resources approach. Let us observe them individually one by one.

Craft training method: In some parts of Egypt and Babylon, skill based training was provided to people to ensure a steady flow of craftsmen required to build huge monuments.

The trend was subsequently noticed in Europe by the 13th century and later craft guilds evolved to ensure not only the skill acquisition but regulate the conditions of employment, level of skills and improved production techniques. This is most relevant in the domestic industry where generations of skilled workers need to be trained and make them experts in a particular skill. During this period at least the aspect of training was recognized as a tool to enhance productivity and skills.

Human relation as focus: This is an outcome of the famous studies undertaken by US social scientist Elton Mayo and Fritz Roethlisberger (1924-1932) at the western electric Hawthorne plant at Chicago.

Major inferences from this study are:

- Output from employees is not the only factor of Economic incentives.
- Employee satisfaction and performance greatly depends on leadership and work group dynamics.
- Any factor influencing employee behavior is embedded in a social system. In such circumstances, leadership style and practices is big influencer.

On the basis of study conducted on clerical and production employees, it is concluded that role of supervisor is critical in raising the productivity level. When this is examined, the following observations surfaced:

- Emotional support to the employees is critical.
- Differentiated tasking, regulate and coordinate the activities of subordinates, without direct interference on work task.
- More likely to exercise general rather than close or light supervision.
- Human dignity and personality to be recognized. Importance of individual freedom of choice and making them part in decision making.
- A child is encouraged to think independently rather depending on parents.
- Transition from owner manager to professional manager being accountable for achieving task.
- Skill requirement at all levels was recognized and proactive approach to Human resource management was adopted with participative mode and transparent culture.
- Skilled manpower became a scarce and hence human relation came as pivotal in utilizing these scarce resources.
- Attitude towards labour change with the change in work ethics, demanding delicacy in sorting them out.
- A constantly changing work environment in today's organization demands greater specialization and high degree of managerial effectiveness with and through people.
- There is increased level of employee aspiration with access to higher education readily.

Under such a milieu, career development programmes in industry are more prevalent today than any time in the past; all these programmes are endeavors to help the individual make a self fulfilling career. In the process it is assumed that the person will make a better contribution to the organization.

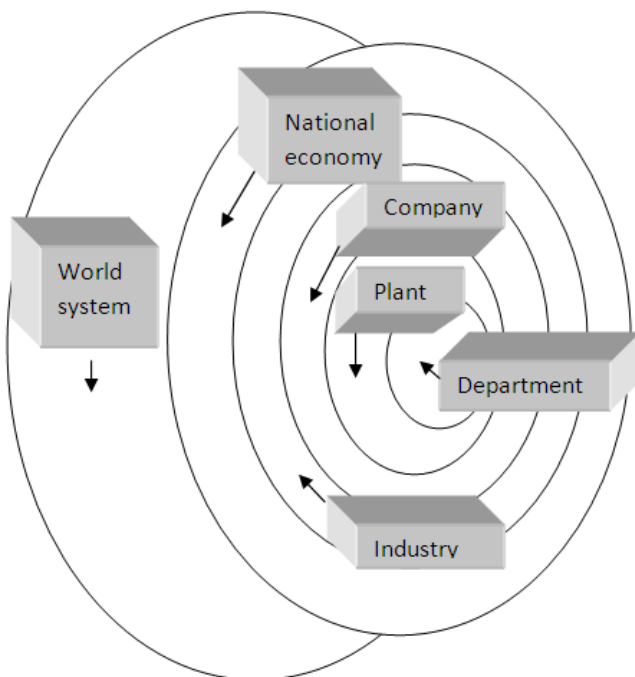
The scientific management approach: The approach is evolved subsequent to industrial revolution typical of the 19th and early 20th century. The philosophy is instilled in the principle of mass production and organization of work-simple work skills and supervisory managerial skills. This rapidly emerged as the assembly line approach to managing work flow, which later Fredrick Taylor (1856-1915) promulgated that money can drive employee to perform to their best. Over a period of time, the conviction became questionable with surfacing of union issues and employee dissent. Consequently management conviction deepens that employee welfare is a key HR practice and to redress employee issues, hygiene approaches like recreational facility, medical program and employee grievance systems emerged.

Organizational science approach: This is the most practiced approach in modern organization. Focus is on the employee experience, not on the individual alone. Organizations today are concerned with HR policies and processes that are competing; to attain most preferred employer status and also to retain best talents. Talent management has emerged as new buzzwords in organizations today and they are leaving no stone unturned to keep the best talents stay for long (Caselet, 2008). Organizations are wooing the employees through a variety of innovative ways like work from home jobs, careers for married couple, global work assignments and internal job posting, world class workplace infrastructures from in campus cricket ground to gymnasium etc. (Fisher *et al.*, 2004; Rajan Mishra, 2008).

Although there are set of classical and modern thought OR theories which influenced the management practice in modern organization, trouble crops up in the implementation level. The longer we breathe with a particular theory, more we become comfortable with it and more we tend to ignore other alternatives unless we are forced to change upon consequences (James *et al.*, 2002). Here we find the answer as to why modern management thoughts fortify the need of a mosaic of many theories that have endured over at least the past century. Here we can unfurl a discussion on three additional perspectives that can draw a lot of interest for the practitioners and academic community. The perspectives are the system approach, the contingency approach and lastly the dynamic engagement approach. According to system approach, the organization is a unified, directed system of interrelated parts, which is also a part of larger external environment.

Theory promulgates that activity in any segment of the organization, affects the activity in other segment in different magnitude. Hence, an activity in marketing department might have an effect on production, operation or any other department. It says about a system consisting of many subsystems. Thus, a department is a subsystem of a plant, which may be subsystem of a company, which may be subsystem of a conglomerate or an industry, which is a subsystem of the national economy, which is subsystem of the world system. To deepen our understanding, let us put it graphically in Fig. 1.

Fig. 1. Systems as sum of subsystems.



The synergy is created when different departments work in tandem in a collaborative manner instead of working as individual identity. The system is termed as an *open system* if it interacts with its environment or a *closed one* if it does not. Each system has a boundary that separates it from the environment. In a closed system, boundary is rigid, in an open system boundary is more flexible. A system has flows of information, materials and energy (including human energy). It is analogous to the communication process where messages get encoded at sender's end and gets decoded at receiver's end with feedback in between. Likewise Human energy information, materials etc. make an entry to the system from environment as inputs, undergoes processing and transformation within the system and exit the system as output. Control is exercised through monitoring and continuous feedback (James *et al.*, 2002). The contingency concept delves into the situational business philosophy that accepts the management techniques based on the prevailing situations. It is different in different types of situations or circumstances.

It is an attempt to apply the concepts of major schools in real life situations. When methods highly effective in one situation failed to work in other situations, a new approach needs to be developed to suit the situations. Hence, there is no such standardized or universally accepted principle that works in every situation. According to this approach, the manager's task is to identify which technique will, in a particular situation, under particular circumstances, and a particular time best contribute to the attainment of management goal. To achieve higher productivity in workplace the classical approach will resort to a work simplification process based on time and method study, while the behavioral approach might be to create a motivating climate through job enrichment. But the contingency approach will look for the best method to apply. In case of unskilled workers exposed to limited training opportunities, work simplification can yield better results, but, with skilled workers driven by pride in their abilities, a job enrichment program might be more effective. Contingency approach portrays each set of organizational relationships in its unique circumstances and hence occupies a dominant position among the management theories in current context (James *et al.*, 2002).

Call for dynamic engagement: This school of thought has evolved as a consequence of businesses transcending national boundary and new communication technology has accelerated the change at an incredible pace. The speed of organizational activity picks up dramatically and fostered a heightened level of activity in organization and management especially the HR domain. Dictionary meaning of 'Dynamic' is contra-used of the term 'static' leading to a continuous change, growth and activity; while *engagement* is leading to activity/ action coupled with others unlike the opposite word *detachment* leading to decoupling with others. In short dynamic engagement can well be defined as proactive focus on human relationships with sufficient space for adjustment to probable changing conditions over time. Let us discuss this in terms of six critical themes in order of significance which are incidental to this perspective.

Ambience in new organization: This conviction appreciates that organization environment is not a simple fixed set of factors; rather it is a complex, ever changing set of people and processes and hence demands a conscious and constant effort to ensure a better work ambience. The role of the manger becomes critical as he has to develop high degree of empathy and interpersonal skill besides fulfilling his own concerns. He has not only to take care of his peers, colleagues within the organization but to maintain a healthy relationship with his fellow counterparts in other organizations also.

Ethical and social alignment: Managers need to inculcate a culture in the organization based on the cardinal principles of value and ethics.

Any organization based on these two foundations can potentially become most respected company in the long run. Employees that have cropped up in organizations based on these two foundations not only become better earner for the company but also end up being priceless citizen of the society if they replicate these values in groups, they are affiliated to. Dynamic engagement does not necessarily always mean to combat competition but it is a way towards achieving excellence. It becomes lasting if organizations are built in strong foundation of value and ethics (Aswathappa, 2010).

Managing global village: The impeccable innovation in communication and innovation has ushered in a new era of global perspective of human action and thinking. A flurry of new economy business in financial and telecommunication domain cropped up that revolutionized the world and defined business practices very differently. Benchmarking with the numero-uno in the industry has become a common mantra for every player. This has necessitated the much needed managerial skill also to scale up to benchmark with the best.

Managers become global citizens and they need to develop multiple skills to cope up with the situations (Cascio, 2002).

Reengineering as consistent and continuous process: Approach is directed towards building an environment where creativity blossoms. Focus is on reengineering the entire process to assess and self-assess to understand what it is all about and potentially where it could be. Innovation is fostered (Cascio, 2002).

Synergy with multiculturalism: It strives to leverage the diversity of workforce in terms of value and culture for creating positives vibes in the organization. Management is learning and appreciating this fact of life and converting this into unlimited opportunity.

Quality as the focal point: Focus on quality of finished goods or service to attaining customer delight through a systematic process called TQM. Quality audit for products and HR audit on the human factor are two critical methods of quality revolution in today's organization. The thrust needs to be consistent and continuous (James *et al.*, 2002; Cascio, 2002).

Conclusion

Subsequent to the above discussion it is worthwhile to mention the importance of human factor at workplace. The objective of any firm i.e. enhancing stakeholders' value can well be achieved through approaches leading to the satisfaction of the internal stakeholders or the employees. Human relations are proved to be vital in attainment of this very objective. A human relation program is attempted to enhance employee motivation and work place morale through improved communication and their participation in decision making process. As discussed earlier a blend of HR theories and dynamic engagement perspectives are tools, the organizations are inventing to achieve the desired result.

Acknowledgements

Author expresses his deep sense of gratitude to Dr. Dulal Bhattacharyya, Noted educationist and Dr. Umen Dutta, HOD, CKB Commerce College, Jorhat for constant motivation and thank his colleagues Taufiq, Debasish, Panchami, Subrata and Diganta Dutta for their support.

References

1. Aswathappa, K. 2010. Human resource management. Tata Mcgraw Hill, ISBN: 9780070682139, Section 7. p.25.
2. Cascio, W.F. 2002. Managing human resource Productivity, quality of work life, profits. McGraw Hill/Irwin, ISBN-10: 0072317167. pp.10-18.
3. Caselet. 2008. Talent management: How to invest in your workforce. Douglas Macmillan, Business Week, August 14, 2008.
4. Fisher, Schoenfeldt and Shaw. 2004. Human resource management. Houghton, ISBN-10: 0618527869. pp.11-15.
5. James, A.F., Stoner, R., Freeman, E., Daniel, R. and Gilbert, Jr. 2002. Management. Prentice Hall of India, New Delhi.
6. Mamoria, C.B. 2003. Personnel management. Himalayan Publishing house, 3rd Edn. New Delhi.
7. Rajan Mishra. 2008. Industrial economics and managerial principle. Laxmi Publications, ISBN: 8131803015, pp.211-215.