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HUMAN RESOURCE MANAGEMENT – THE EVOLUTION OF THE CONCEPTION

The article presents the development of human resource management (HRM) conception. During last thirty years the field developed very dynamically. The conceptual foundations of the issue were extended and this domain start to have significant influence on research activities in HR and related management disciplines.

The purpose of this paper is to review approach to HRM, including HRM definitions, comparative HRM, strategic HRM and international HRM. It takes into consideration the managing people within new ventures and transition circumstances.

1. INTRODUCTION

Deep transformations in many areas of the activity of enterprises are changing the current ways of perceiving canons and principles. Accommodating to requirements of the information and knowledge era is a dilemma of the majority of enterprises. The economy based on the knowledge is indicating the new stage in the development of both organizations and society. In categories of the most significant resource knowledge is a leading one, with creating which the human is inseparably connected.

The recognition of the human as the strategic resource of contemporary organizations brought a lot of changes in ways of managing them. These changes are observed in many areas: production, technical, financial, marketing, but first of all personal. In these organizations an approach towards workers is changing. They are treated as the most valuable resource of the organization. Surviving and development of the organization increasingly depend on experience, as well as motivation of workers. Therefore, more and more companies are recognizing the importance of managing their human resources in the most effective way. However, the global context of human resource management (HRM) has to be recognized and incorporated.

As the environment becomes more global, managing people also becomes more challenging, more unpredictable and uncertain. Human resource management (HRM) is the rapid appreciation for and development of all aspects of global and international activities as well as issues associated with and affected by HRM.

Academics and practitioners are working on understanding and advancing the knowledge of issues in and activities associated with managing human resources within a global perspective. At the same time, they are also relating the basics of HRM with the environment of the company. Within the global context, two of areas of human resources managing have evolved: comparative HRM and international HRM, and within the context of the company, the area of strategic HRM (SHRM).

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2. HUMAN RESOURCE MANAGEMENT (HRM)

The HRM is a vital function in organizations. It engages everyone and it takes time. Managing human resources effectively requires that the special expertise of HR professionals in the HR department be used by, and in partnership with, line managers and other employees. It involves attending to the concerns of the moment while keeping a longer-term perspective in mind. It also involves continuously improving and changing activities that take time to put in place and produce results. Consequently, HRM includes people managing activities, policies, and practices that firms can use to compete effectively now, and many changing forces (e.g., new competitors, new technology, business restructuring, legal, and social concerns) that organizations need to understand and respond to in order to ensure they are positioned to compete effectively over the longer term.²

In contemporary literature, there is a tendency to describe HRM as a particular labour management strategy that emerged in the late 1970s, finding popularity initially in the United States and then gradually being adopted within larger organizations across developed economies.³

HRM was originally conceptualized and developed in the United States of America. The study of personnel management, which was “partly a file clerk’s job, partly a house-keeping job, partly a social worker’s job and partly fire-fighting to head off union trouble”⁴ was superseded by the new science of human resource management.⁵

In the connection with meaning of immaterial value for creating the market value of organization and with influence on creating the competitive advantage, a conception of human resource appeared.⁶

A central aspect of HRM is the link with the organization. After all, the competitiveness of companies and nations has been increasingly recognized to stem from the caliber of their people. The significant advantages of companies having workforces that are fully developed, highly motivated, and rewarded for creativity and innovation is widely understood. But because “the human resource” is so central to the success of companies, strategies need to be formulated in ways in which the human assets of the firm are a central feature.

HRM involves “all management decisions and actions that affect the nature of the relationship between the organization and employees - its human resources”.⁷ It encompasses the “development of all aspects of an organizational context” so that they will encourage and even direct managerial behavior with regard to people. HRM is organizational in its compass, it involves all managerial personnel, it regards people as the most important

² R.S. Schuler, *The Internationalization of Human Resource Management*, “Journal of International Management” 6 (2000), p. 239–240.

³ S. Marlow, *Human Resource Management in Smaller Firms: A Contradiction in Terms?*, “Human Resource Management Review” 16 (2006), p. 469–470.

⁴ P.F. Drucker, *The New Realities: In Government and Politics, in Economics and Business, in Society and World View*, Harper & Row, New York 1989, p. 269.

⁵ C. Brewster, *European Perspectives on Human Resource Management*, “Human Resource Management Review” 14 (2004), p. 366.

⁶ *Elastyczne zarządzanie kapitałem ludzkim w organizacji wiedzy*, red. M. Juchnowicz, Wydawnictwo Difin, Warszawa 2007, p. 16.

⁷ M. Beer, B. Spector, P.R. Lawrence, D.Q. Mills, R.E. Walton, *A Conceptual Overview of HRM: Managing Human Assets*, Free Press, New York 1984, p. 4.

single asset of the organization and it seeks to enhance company performance, employee needs and societal well-being. It comprises a broad area of focus and carries with it the ideal of increasing the sum of human satisfaction at a variety of levels.

As with many disciplines, the study of managing people has changed rather dramatically during this century. The focus of managing people in organizations was on developing precise analytical schemes to select and reward an individual. This focus was typically for the purpose of motivating, controlling, and improving the productivity of entry-level employees. During the 1920s, work on these analytical schemes expanded to encompass issues of appraising and training individuals, essentially for the same purpose.

While the focus during the first quarter century was on the individual employee, the second quarter was to see it shift to the group. Elton Mayo's work at the Hawthorne plant focused on improving the productivity of individuals by experimenting with groups. His efforts included changing the group composition and incentive schemes. They also included changing environmental conditions, namely lighting and the physical arrangements.

In the late 1970s and 1980s, the discipline of organizational strategy started to make an impact upon HRM. Environmental forces, namely more intense international and domestic competition for companies, also began to make an impact. This dual blow reflected the continued theoretical and applied sides of HRM. The result of this within HRM was recognition that a substantial number of organizational characteristics not generally addressed actually had/have substantial impact upon managing human resources. Thus, organizational characteristics such as structure, strategy, size, culture, and product and organizational life cycle began to be incorporated into the work under the HRM label.

Today, forces of global competition, worldwide labor availability, business ethics, and the environment are winning the attention of HRM. Of course, this does not mean that the issues of the 1970s and 1980s can be forgotten. To the contrary, these are all carried forward, making the job of HRM challenging, rewarding, and exciting. Collectively, all these events, until the late 1970s and early 1980s, described the discipline and study of "personnel management". Then the discipline and study began to change and gradually assume the label of "personnel and HRM" or just "HRM".

Organizationally, HRM has gone from being concerned only with the operational issues of personnel to include the more strategic, business level concerns of the organization itself. Human resource departments might also be concerned about the operations of key suppliers and customers. Managerially, human resource professionals are working more closely with the line managers, to some extent a customer of the human resource department. As the human resource profession has become more involved in the global, external, and strategic issues of the organization, so has its critical goals changed.⁸

In summary, the discipline of managing human in organizations has transformed itself tremendously throughout the 20th century. Today what organizations and the human resource/personnel professional have is a range of alternatives for managing human resource.

3. COMPARATIVE HUMAN RESOURCE MANAGEMENT

As international competition has intensified, practitioners and scholars have turned their attention to the question of what factors affect the ability of nations and their busi-

⁸ R.S. Schuler, *Internationalization...*, p. 245.

nesses to adapt more effectively to the economic and social change required to survive in this competitive environment. For example, a growing literature has emerged about the contribution of internal and external labor market flexibility to successful economic performance. Countries like Germany have moved to deregulate the labor market to enhance flexibility and employment. The underlying theory that describes and explains how variations in comparative human resource management systems (HRMSs) operate to impact firm and, therefore, societal performance has been slow to develop, in large measure because of the methodological difficulties involved in carrying out the large-scale comparative research important to theory development.⁹ Much of the scholarship related to understanding international HRM issues deals with the problems of multinational companies operating across countries.¹⁰ The alternate perspective of comparing the complete HRMSs of different countries has been explored more sparingly; indeed, much of the work that has been published primarily has focused on the collective bargaining functions of HRMs. In recent years, though, good comparative research on national HRMSs has begun to emerge.

However, almost none of the work comprehensively and systematically has examined HR practices in relation to each other and to business strategy to determine how these practices contribute to competitive advantage. This is the essence of comparative HRM, thus HRM in this international context requires focus on the functions, policies, and practices of HRM in different countries.

Different countries have different national cultures that have different HRM implications. One of the challenges that faces organizations as they globalize their operations is the adaptation of their HR practices to the new set of cultures in which the organization is operating and the creation of a manner of operation that is both comfortable to the organization, and appropriate for those cultures. This market challenge is true for firms all over the globe. As organizations become more global and begin to do business in greater numbers of areas, the number and variety of cultures represented in their workforce also changes. As this number increases and as organizations attempt to treat each different culture with respect, practical issues can arise that may make doing business increasingly more difficult.¹¹

4. STRATEGIC HUMAN RESOURCE MANAGEMENT (SHRM)

Strategic human resource management constitutes new and the most comprehensive approach to human resource management in organization. Its development was initiated at the beginning of eighties in the last century and constituted an answer to changes in surrounding of contemporary organizations.

As in case of different definitions used to determining the personal function, strategic human resource management do not have one established definition. Taking the attempt to define this problem, it is proposed to adopt the following assumptions:

- Human resource is a strategic source
- HRM is integrated with the corporate strategy

⁹ J. Begin, *Dynamic Human Resource Systems Cross National Comparisons*, De Gruyter, Berlin 1997.

¹⁰ P.J. Dowling, D. Welch, R.S. Schuler, *International Dimensions of Human Resource Management*, Southwestern, Cincinnati, OH 1999.

¹¹ R. S. Schuler, *Internationalization...*, p. 248–249.

- HRM is inwardly integrated (it means that functional areas of HRM create consistent system)
- The managers of all levels are conscious of the role of human resource in purposes of the company realization.

On the ground of mentioned assumptions there are taking the attempts of the definition of the strategic human resource management, for example: "It is taking action and decisions referring to workers that in long term direct actions in personal area and have fundamental importance in the success of organization".¹²

Early in the development of the HR field the emphasis was often focused on ensuring that employees had the ability and motivation to achieve established organizational goals and that there were sufficient workers with particular skills available to meet organization needs. With the introduction of strategic human resource management this focus shifted toward one of human capital contributions, strategic capabilities, and an organization's competitive performance. This shift signaled a dramatic change in the role and influences of human resource professionals and adjusted the lens used to capture the expectations of human resource activities within organizations. SHRM argues that more than mechanical, administrative contributions are expected from HR professionals.¹³

The increasing emphasis on strategic contribution was accompanied by a growing interest in linking HR activities to competitive performance. A large number of empirical studies have been published examining the relationship between HR practices/systems and organizational performance across a wide variety of settings. A series of studies soon offered a menu of HR practices that demonstrated important strategic outcomes.¹⁴

SHRM is largely about integration and adaptation.¹⁵ It has many different components, including activities, policies and practices. The various statements also imply what SHRM does: it links, it integrates, and it connects across levels in organizations. Typically, organizations define (or redefine) their strategic business needs during times of turbulence. As such, these needs reflect management's overall plan for survival, growth, adaptability, and profitability. Internal characteristics (such as culture and the nature of the business) as well as external characteristics (such as the state of the economy and critical success factors in the industry) may well influence the definition of needs. The biggest factor affecting SHRM, however, is not a particular characteristic so much as it is experience with this mode of planning. Human resource managers who have never before been asked to meld human resource activities with strategic needs will find that the process takes time, persistence, and a detailed understanding of the needs that have been defined. In fact, linkages between human resource activities and business needs tend to be the exception even during non-turbulent times. When such linkages do occur, they are usually driven by the organization's efforts to formulate and implement a particular strategy.¹⁶

¹² G. Łukasiewicz, *Kapitał ludzki organizacji: pomiar i sprawozdawczość*, PWN, Warszawa 2009, p. 57–58.

¹³ R.S. Schuler, *Internationalization...*, p. 250.

¹⁴ M.L. Lengnick-Hall, C.A. Lengnick-Hall, L.S. Andrade, B. Drake, *Strategic Human Resource Management: The Evolution of the Field*, "Human Resource Management Review" 19 (2009), p. 69–71.

¹⁵ R.S. Schuler, S.E. Jackson, *Strategic Human Resource Management: A Reader*, Blackwell, Oxford–Malden, MA 1999.

¹⁶ A.A. Thompson, A.J. Strickland, *Crafting and Implementing Strategy*, 10th edn., McGraw-Hill, New York 1998.

5. INTERNATIONAL HUMAN RESOURCE MANAGEMENT

The world has become more competitive, dynamic, uncertain, and volatile than ever before.¹⁷ To be successful, many firms have to compete on the global playing field because the costs associated with the development and marketing of new products are too great to be amortized only over one market, even a large one such as the USA or Europe.¹⁸ Yet there are some products and services that demand accommodation to location customs, tastes, habits, and regulations. Thus, for many multinational enterprises (MNEs) the likelihood of operating in diverse environments has never been greater. While these scenarios suggest paths that MNEs have indeed taken to being internationally competitive, they are being superseded by the need both to manage globally, as if the world were one vast market, and simultaneously to manage locally, as if the world were a vast number of separate and loosely connected markets. The trend is creating a great deal of challenge and opportunity in understanding and conceptualizing exactly how MNEs can compete effectively. Knowledge of conditions in a variety of countries and knowledge of how to manage both within and across them is the essence of international HRM. The complexities of operating in different countries and employing different national categories of workers are a key variable that differentiates domestic and international HRM.

Strategic international human resources defined as “human resource management issues, functions, and policies and practices that result from the strategic activities of MNEs and that impact the international concerns and goals of those enterprises”.¹⁹ While this definition is certainly consistent with the definition of HRM presented within a single country or domestic context, it facilitates the inclusion of a significant number of factors discussed in the international literature, both in the areas of international management and business, and international HRM.²⁰

With the concern for being global and the concern about the transfer of learning and being multidomestic and, therefore, simultaneously being sensitive to local conditions several strategic concerns relevant to international HRM arise.

6. SUMMARY

Developing of the new model of the economy based on the knowledge create challenges and induces numerous consequences. It also concern the meaning and of the ways of approaching the issue of human resource management in organizations.

In the sequence of twenty last years we are the witnesses of the next revolution in this field. Traditional staff/personnel management is replace by human resource management. With its contribution to the development of management theory is applying the strategic prospect in personal decisions and giving the key meaning for human resource on account of its uniqueness and the hardness in its imitation and substitution.

The emerging economy based on the knowledge led practice for returning the attention of world on quality features of this resource. The competence potential of workers and the

¹⁷ R.M. Kanter, *Transcending Business Boundaries: 12,000 World Managers View Change*, “Harvard Business Review” 69/3 (1991), p. 159–164.

¹⁸ C.A. Bartlett, S. Ghoshal, *Managing across Borders: The Transnational Solution*, London Business School, London 1991.

¹⁹ R.S. Schuler, P.J. Dowling, H. DeCieri, *An Integrative Framework of Strategic International Human Resource Management*, “International Journal of Human Resource Management” 4/3 (1993), p. 717–764.

²⁰ A.V. Phatak, *International Dimensions of Management*, 3rd edn., PWS-Kent, Boston, MA 1992.

organizational knowledge became the main source of getting the competitive advantage. A special elasticity of human resource means the possibility of fast adapting to changes in the organization strategy of the company.

What is happening today in the field of HRM is nothing short of revolutionary. The organizational function of HRM is becoming more important than ever. Line managers are getting involved in HRM, and human resource managers are becoming members of the management team. Also, because HRM is seen as significant to the success of organizations, virtually everyone in the organization can make a contribution to the management of people and the success of the organization at the same time.

In comparison with the past, today's and tomorrow's characterizations of HRM reflect the more intense levels of national, regional, and global competition, projected demographic and workforce figures, anticipated legal, and regulatory changes, and considerable technological developments. Translated through major changes in organizational strategy, structure and technology, these environmental forces require swiftness, quality, innovation, and globalization for firms wishing to survive the battleground of international competition. These environmental forces have given rise to the need for understanding and utilizing knowledge in comparative HRM, strategic HRM and international HRM, as well as the area of HRM.

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ZARZĄDZANIE ZASOBAMI LUDZKIMI – EWOLUCJA KONCEPCJI

Artykuł przedstawia ewolucję koncepcji zarządzania zasobami ludzkimi (HRM). Koncepcja ta w ciągu ostatnich trzydziestu lat rozwijała się bardzo dynamicznie. Rozbudowane zostały teoretyczne podstawy tego zagadnienia, które ma znaczący wpływ na badania w zakresie zasobów ludzkich i dyscyplinach powiązanych z zarządzaniem.

Celem artykułu jest analiza podejść do zarządzania zasobami ludzkimi, wliczając w to definicje HRM, „porównawcze” HRM, strategiczne HRM i międzynarodowe HRM. Artykuł bierze pod uwagę zarządzanie ludźmi w nowych, zmieniających się warunkach.