SOME ASPECTS OF HUMAN RESOURCE MANAGEMENT WITH SPECIAL EMPHASIS ON HR STRATEGIES AND TOOLS

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Summary: Human Resource Management (HRM) has been emphasized as a significant contributor to successful business strategy. Like most of the innovative new methods in business area, HRM also emerged in the US and it has been spread from there to other countries, primarily by multinational companies. The evolution of HRM is strongly connected to changes in labour market firstly of all in developed countries. Low-value-added work phases have been outsourced from developed countries to poorer ones, especially to Southeast Asia, where semi-skilled workers suffer under terrible conditions but who cares? This labour force is surely not subjects of sophisticated HRM methods. However, topics in HRM related to higher value-added jobs have growing importance (selection, recruiting, retention, etc.). Attractive, inspiring work-Environment (ergonomics) can be considered as product of HRM. One of the most important tasks of HRM is to improve performance in organization. In multinational companies, HRM helps incorporate employees arriving from different cultural environment. Its impact on Small and Medium Size Enterprises (SMEs) can be more directly observed because of the smaller size of organization. In the public sector, HRM also can play important role, but in a number of countries, it is used to serve corruption, clientele building and servilism and not public ethos. New challenges, usually connected to current social debates, determine the development of HRM.

Keywords: Labour Market, HRM, Multinational Companies, Labour Force, Systems Management

1. Introduction

Human Resource (HR) is a product of the early 20th century, when researchers began documenting ways of creating business value through the management and later strategic management of the workforce. The function was initially dominated by transactional work, like administration of payroll, award, benefit, i.e. pure administration.

Many feel that the worldwide social changes are rapid and fundamental and this cannot be handled by traditional means. If we look at for example the automation on one hand it can significantly reduce the need for human labour, and on other hand it raises the danger that robots could reign over humanity. So what might be the prospect for artificial intelligence? Sometimes social theoretical approach can help find answers for challenges related to HRM. HR department or HRM has an important role in the life of organizations/companies. Its aim is to maximize employees' performance at state, corporate or private organization. This type of activity is focusing on how people can be managed within organizations, respecting its system, strategy, policy, value, targets, etc. Thus, the typical HR department is dealing with recruitment, development, training, further education, the performance appraisal, the motivation and rewarding system of employees. Finally, in this paper, we try to summarize the development of HRM and its impact on organizations, mostly on business corporations. The role of HR/HRM has been different in different period. By today, a real science evolved

and HRM consist of many different elements. Areas covered by HRM invoke other sciences like industrial/organizational psychology, sociology, ergonomics, education, etc. They all contributed to the success story of HRM.

2. Different Aspects of HRM

Schein 1985 describes three types of organization in his work Organisational Culture and Leadership and they reflect how HRM is challenged by different corporate philosophy and management style (Mureithi & Wasikama 2000), which are as the follows:

1. Culture of Operators: it develops behaviour, which on one hand can manage and mitigate the impact of changes caused by managers, leaders, and on other hand can handle the intervention and commanding endeavours of the various functional unit.

2. Culture of Technocrats (Engineers): this is the culture of professionals dealing with operation, systems, and rules of the organization. Those who belongs to this culture, they usually do not like dealing with people and are happy to ignore questions about human behaviour.

3. Culture of the Leaders (Executives): this is basically characteristic of managers, top executives. For them, the fundamental value is the vindication of the financial aspects, the share price and the dividend, securing financial viability, preserving the goodwill of stakeholders.

The three main different dimensions, which can be considered in HRM as we look at the essence of HR activity, are:

1. Classical tasks - Dealing with employees regarding the company's or organization's strategy/targets. From this aspect, the primary purpose of HRM is to serve the basic needs of the company/organization. Administrating the traditional task, keeping records related to staff, gathering information about study etc. This activity is considered with suspicion in non-democratic or not fully democratic systems and the connotation of HR department is negative in these countries. Although the primary focus is on the interest of the company/organization, HR is dealing with the well-being of employees as well, like certain benefits, social assistance system, maintaining the contact with retired workers, etc. The HRM's position is somewhat schizophrenic between owner/manager and employees. It must fully serve the interest of organization. In many cases, HR stuff has direct contact with police or intelligence services. Still HR must carry out confidence building.

2. Contribution to the development of corporate strategy - This activity evolved later than the first one. At that time, HR already had other duties as well not only the administrative ones. HR became responsible not only for daily services but was expected to contribute to long-term strategic plans. HR was challenged how it could contribute to improving the quality, strengthening the creativity and increasing the competitiveness. In addition, there is another difficult topic: the international competitiveness. It is important that these questions/requests should be answered-reflected by employees as well even if they do not do it in a formalized manner.

3. The self-interest of the HR department - Of course, every organization has its own interests, the so-called self-interest. In this respect, HR Department does not differ from other departments. Concerning its self-interest, it conducts similar strategies within the organization than other departments. It participates in the power plays with other units. The only difference is that the access to information is not equal and HR's position is advanced. What does the self-interest dictate? Preserving the organization, this is the normal basic condition of any existence. Then, an important goal is also to be strength enough in comparison to other units. HR should be considered useful, important and irreplaceable for the management's purpose. HR Department must avoid being blameable by the staff for any negative decision affecting

employees. The managers/owners must be instead scolded or hated. It needs a well-balanced double game. (Ulrich, 1997)

2.1. HRM at International Companies

At international companies two type of HRM can be distinct. One is the classical one that can be called *administrative system*. It can be characterized by the following marks:

- Using low-skilled labour or specialized that does not require the establishment of a complex system of recruitment – it's mostly typical at traditional companies but it's different at creative companies.
- Tasks are often routine and there is no need for a sophisticated training option or the development of the workforce.
- The evaluation is strongly based on concrete results, usually on mass products.
- The remuneration is used to be an automatism and individual award can be based on productivity or concrete production.

The other type of HRM can be called *human capital system*, and can be characterized by the following marks:

- The role of the employees is changing, and it is flexible. The knowledge or skill of the employees is evolving from a simple task to the more complex challenges. The employee is required to provide non-mechanic attitudes like problem solving, continuous improvement of quality, innovative approach.
- The acquisition of employees by HRM is key element of achieving the management's targets. Usually it needs an extra training to fit the employee into the corporate environment.
- HRM should be active in providing with all of the available information.
- The remuneration is usually targeted the group and not the individual, based on the collective performance.

2.2. HRM at SMEs

Significant, simultaneous and longitudinal relationships are proved between different HRM practices and performance-indicators. Given limited resources in comparison to big companies, the SMEs have less option to improve performance. And also have less financial ability to hire a strongly motivated stuff. It should be counterbalanced by attractive advantages that cannot be provided easily by large, less flexible corporations (Schuler 2000).

There is a challenging question in many cases how SMEs can collaborate with big corporations, it may have different forms like SMEs' facility is fitted to just-in-time delivery system or supply-chain process, cooperation on research and innovation, product development and design, taking over outsourced tasks, entering into a strategic alliances and collaborative partnerships.

2.3. HR Strategies and HRM Tools

Conceptually the following four factors related to competitiveness can be separated: performance, quality, flexibility and innovation. If they are considered in a timetable, we can see the four main benchmarks in the development of HRM in the last thirty-forty years. And they express well the switch from the simple to the more complex, from the routine production to the search for sophisticated solutions, from the discipline as the main framework to the freedom of creation and innovation.

We can see two types of HRM approach (Hamid 2013). The strategy of prospector has; a) limited internal carrier opportunities, the external recruitment is emphasized, b) no emphasize

on internal training, c) result based evaluation, and d) low job security. While the strategy of defendant has; a) good options for internal carrier, b) regular internal training, c) the assessment is based on individual skills and performance, and d) good job security.

Companies following defendant or prospector strategy they can be very different. The elements of contemporary HRM can be considered as a big puzzle. One can create high variety of strategies they differ in some elements of the mix. The mix consists of growing number of elements as HRM invokes sciences like psychology, sociology, etc. that can help build up effective HRM strategies and successful contribution to the corporate strategy. It's worth to refer to cultural anthropology that can be highly determinative in business culture, business attitude which is definitely appearing in HRM as well. The following types set up by Hofstede (1997) are based on selection from western type society but can be of course enlarged with the examples from the developing world (Table 1).

Table 1: Cultural Dimensions (Formal / Informal) with the Examples from the Developing World

Trompenaars Cultural Dimensions		Formal/Informal – Centralized/ Decentralized	
decentralized informal, based on equality, performance- and person-oriented, achievement-oriented	Sweden	decentralized, formal, equality-based, task/objectives-oriented, performance-oriented	USA, Canada, Great Britain
informal, centralized, hierarchical, personal contact oriented, power-oriented, highly contextual, informal, diffuse	France, Spain, Japan, Hungary	formal, centralized, task-oriented, role-oriented, structure, organogram is important, power distributed by hierarchy and position	Denmark, Germany, Netherlands

Source: Hofstede (1997).

Covin and Slevin (1991) developed a conceptual model of entrepreneurial behaviour at the organizations level and they postulated that all manner of organizations can be considered as entrepreneurial behaviour.

3. Challenges for HRM

Future challenges for HRM coincide with social challenges. For example, workplace democracy and democratic management methods will become more important in the future? How much will dominate in the world the consumer way of life model? In the clash of different cultures/civilizations will be the winner of the Western side? How the Western methods will handle the rich-poor gap, or would it, keep the current level of exploitation? Will HRM be the subject of the struggle between civilizations? And if so, what kind of prospect we can predict? Following the automation fewer and fewer workers will be needed. How to deal with the ensuing tension? How to minimize the negative impact of the brain drain issue in the poor countries? We just tried to raise some questions which are today not so much emphasized in the current HRM literature but they will strongly appear in the future. The gender or race conflict has always been a key issue in the USA.

The unequal position of women in the labour market in most countries remained until now. The position of women in the labour market can be considered more disadvantaged in comparison to men's position because absences arise from childbirth and child rearing. According to Thomas (1992), dimensions of workplace diversity include, but are not limited

to the age, ethnicity, ancestry, gender, physical abilities/qualities, race, sexual orientation, educational background, geographic location, income, marital status, military experience, religious beliefs, parental status, and work experience. Except some Scandinavian countries the earning of women is usually 20-30-40% less than men working in the same position.

4. Conclusion

Since the 90s, western corporates are facing increasing globalization, rapid changes of technology, emerging competitors mostly in Asia, high pressure on prices. In such an environment, it is important to improve competitiveness through all available means. HRM is also a strategic and comprehensive approach to managing people and the workplace culture and environment. Effective HRM enables employees to contribute effectively and productively to the overall company direction and the accomplishment of the organization's goals and objectives.

In the current global work environment, the companies try to reduce the fluctuation of employees and to keep knowledge held by employees. Therefore, it is now a specific activity to lure over talented workers to other company. However, the companies are also trying to block such a move getting their workers committed not working in the same sector in case of workplace change for a specific time. Hiring new employees is raising the cost and reducing the effectiveness for a while, therefore HRM tries to give benefits for the worker and keeping the employees at the company. Expert with specific knowledge especially in the new industries have a good basis for negotiations about payments and benefits. In these sectors, employee's position is strengthened by high possibility of mobility and flexibility as a result of new technologies. Especially in these new industries, corporations consider employees as assets and instead of HR or HRM the terminology of talent or manpower management or organizational management is used frequently.

Finally, in case of developing world, even if the leadership of a developing country is dedicated to achieving an effective public system, it takes many efforts from politicians and experts, and without effective public services, there are limited chances to have successful business environment.

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