

*Ghazala OTHMAN*  
*Abdussalam Ashour KHALIF*  
*Ali ALAMMARI*

## **2.4. HUMAN RESOURCE MANAGEMENT: TOOLS AND STRATEGIES**

### **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 from there spreaded 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. HRM has to achieve to integrate very different working methods/cultures. 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. 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, systems management

### **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. It is no coincidence that HR spawned in the early 20th century in America, the engine of 20th century capitalism. After World War II, capitalism has fundamentally been changed and evolved a new model, the welfare state and the liberal democracy. These two fundamental changes transformed and determined completely the society and the economy for long time. Other kind of changes has occurred in the Third World. The colonial system collapsed and those countries that became independent tried to break away from the legacy of the past. Many proclaimed socialism or started to create their own system. The HRM in the West was developing parallel with management techniques, corporate strategies and business solutions (Drucker et al., 1997).

The starting point was the work of Frederick Taylor (1856-1915). Taylor explored what he termed “scientific management” (later referred to by others as “Taylorism”), striving to improve economic efficiency in manufacturing jobs. Taylor’s focus on organization was to develop precise analytical schemes to select and reword workers. Later, in the 20s this method encompassed issues like training and appraising the workers. While the focus was on the individual performance in the first quarter of the 20th century, in the second it shifted to the group performance. The human relations movement evolved mostly from the research of Elton Mayo from the 30s. This theory was focusing on productivity of individuals by experimenting with groups, i.e. changing its composition, environmental elements, physical arrangements, and incentives (Lewis and Myers, 2011).

The HRM practices in different decades should not be considered as sharply separated methods but these methods are built upon each other and enriched each other. Therefore, today’s HRM can use a large scale of means in supporting business corporate purposes. In the age of globalization the development of technology, research and innovation, the sophisticated attitude of the company, especially in financial and technological level, the influence and importance of IT, all of these are pushed the HR to concentrate more on strategic issues, like merging/acquisition, inclusion/diversity, production/R&D, talent management, democratic way in decision-making/individual responsibility etc. It is worth to mention some words about the prestige of HR/HRM. Only in the USA, there are half a million HR practitioners. The chief of HRM or HR Director belongs to the leadership of the company and typically reports/works directly to/with the Chief Executive Officer (CEO). HR manager consistently ranks as one of the best jobs and the same is with the payment. Within bigger or multinational companies, HR positions generally fall into one of two categories: generalist and specialist. Generalists support employees directly with their questions, grievances, and work on a range of projects within the organization. They are handling all aspects of HR-work (Wright et al., 2005). 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.

### **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:

*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. It must fully serve the interest of organization. However, it also has to be empathetic towards the problems of employees, although the employees know well subconsciously that HR primarily serves the interests of the company. In many cases, HR stuff has direct contact with police or intelligence services. Still HR must carry out confidence building.

*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.

*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.

The organizational effectiveness should be analysed from the aspect how much it can meet the requirements in order to survive and progress such as:

*The acquisition of resources* in order to successfully compete in the market and keep the appropriate quantity and quality of requested resources indispensable or necessary for the operation. If this fails, impairs productivity.

*Productivity*: it must continuously maintain favourable rate in relation between expense, cost, yield, income.

*Rational coordination*: the organizational goals are recommended to be harmonized with the organizational activities in a reasonable, regulated, pre-designed and predictable manner.

*The organization's renewal and adaptation*: the organizations should use resources to activities that increase its potential future value.

*Conformity*: the organization has to meet the standards imposed by the environment. Non-compliance with social norms is threatened by penalties that threaten the survival of organization.

In circumstances where employees desire and are legally authorized to hold a collective bargaining agreement, HR will typically also serve as the company's primary liaison with the employee's representatives (usually a labour union). Consequently, HR, usually through representatives, engages in lobbying efforts with governmental agencies to further its priorities. If we consider HRM, it has four basic functions: staffing, training and development, motivation and maintenance. Staffing is the recruitment and selection of potential employees, done through interviewing, applications, networking, etc. Training and development is the next step in a continuous process of training and developing competent and adapted employees. Motivation is key element to keeping employees highly productive. This function can include employee's benefits, performance appraisals and rewards. The last function of maintenance involves keeping the employees' commitment and loyalty to the organization. HRM is frequently involved in the merger and acquisition process. HRM is generally viewed as a support function to the business, helping to minimize costs and reduce risk (Schuler, 2000).

### **2.1. HRM at International Companies**

At international companies two type of HRM can be distincted. 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 is mostly typical at traditional companies but it is 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 very much 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. Also have less financial ability to hire a strongly motivated staff. It should be counterbalanced by attractive advantages that cannot be provided easily by large, less flexible corporations (Schuler, 2000).

**Table 1: SHRM Options in Cooperation with Different Types of Big Corporations**

<b>Partner Industry</b>	
<b>Growth Industry</b>	<b>Matured Industry</b>
For example telecommunications, IT. The changes are rapid. The SMEs main concern whether to deepen or not the capabilities to keep the competitiveness.	SMEs are possessing high-level competitiveness, technical HRM skills, but low level of SHRM skills. SMEs are taking part in value chain of big corporations and competition is limited. The SMEs main concern whether to keep the partnership and to stay in a slow growing area.
Innovative leader aggressively adapting strategic HRM practices to enable it meet the needs of partners in fast growing industries.	Matured leader relying on the technical HRM capabilities that have proven beneficial in meeting partner needs. It may be anticipating a competitive need to shift focus to serving the needs of companies in a fast moving industry and thus a need to adopt strategic HRM practices.
Flexible leader whose HRM practices are focused on meeting the current needs of its big business partner.	Laggard, reliant on technical human resource management practices. It has limited resources to be competitive in serving the needs of companies in a growing industry.
<b>Fragmented Industry</b>	<b>Declining Industry</b>
For example banking sector. SMEs are using wide range of strategies in order to fulfil the demand of very diverse customer groups. The SMEs main concern whether to deepen or not the capabilities to identify potential partners and to be able to satisfy the needs of such partners.	For example stagnant or declining industries. High pressure on prices, low profitability. The SMEs main concern whether to continue the cooperation or leave it.

Source: Schuler (2000); Government of South Africa (2001)

Interesting question is how the Society for Human Resource Management (SHRM) practices of an SME can successfully support the SME's cooperation with a big company. Such a strategic partnership is a tool for building/sustaining competitive advantages. SHRM capabilities are an asset that is closely related to company's ability to deliver its business model to workforce, implement and execute strategy. The importance of intellectual, human and social capital, core competences and capabilities, these all are becoming increasingly recognized as critical success factor for well-running business. The strategic partnership or alliance is the most popular in sectors where rapid changes are typical, especially in technological or price-sensitive sector. Table 1 summarizes the SHRM options in cooperation with different types of big corporations (Schuler, 2000; Government of South Africa, 2001).

The successful implementation and internalization of SHRM practices are key factor in business success. Investing in HR's might be a key input for sustainable competitive advantage of an SME. But such an investment has some risk like short-run cost could be high and guarantee is limited that employees can be kept at the company. In addition, the medium or longer-term profit of such an investment can be compensated by the business success of the SME and can provide the sustained competitive advantages of the company.

### **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-fourty 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.

**Table 2: Cultural Dimensions (Formal / Informal) from the Developing World**

<b>Trompenaars Cultural Dimensions</b>		<b>Formal/Informal – Centralized/ Decentralized</b>	
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, Netherland s

Source: Hofstede (1997).

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 is 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 2).

Covin & 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.

In Table (3) there is approach, which defines two types of HR-activity using market-type and internal system distinctions (Hamid, 2013).

**Table 3: Two Types of HR Activity (Market - Internal System Distinctions)**

<b>HR Practices</b>	<b>Market - Type System</b>	<b>Internal System</b>
Internal carrier opportunities	Hiring almost exclusively from outside of the organization Very little use of internal career ladders	Hiring mainly from within the organization Extensive use of well-defined career ladders
Training	No formal training provided Little if any socialization taking place within the organization	Extensive formal training provided Great amount of socialization within the organization
Results-oriented appraisals	Performance measured by quantifiable output or results-oriented measures Feedback in the form of numbers and evaluation	Performance measured by behaviour-oriented measures Feedback more for developmental purposes
Profit sharing	Profit sharing used extensively	Few incentive systems used Very little use of profit-sharing
Employment security	Very little employment security given	Great deal of employment security among those who make it through the initial trial period Extensive benefits to those “outplaced”
Participation	Employees given little voices in the organization	Employees likely have access to grievance systems Employees more likely to participate in decision making
Job description	Jobs are not clearly defined Job definitions are loose	Jobs very tightly defined

Source: Hamid (2013)

After HR started to deal with larger perspective of companies, it has been shifting from the classical macroeconomic topics to macro ones. Following the integration of HRM into the business strategies, the enhanced version of the HRM called SHRM (Strategic

Human Resource Management) appeared as the most important tool from HR side. Hamid (2013), Habib (2012) SHRM practices are specifically developed, implemented, executed and deliberately linked to the company's strategy. SHRM implies that employees, i.e. human capital are strategic resources and therefore must be incorporated to the corporate strategy. Abide earlier thought specific HR practices were required to promote behaviours designed to deliver firm strategies and there was a strong focus on relationship between company strategy and the behaviour of employees. In fact, SHRM means tightly alignment between traditional HRM practices like recruitment, selection, education, training, rewards, etc. with the company's strategy. It also means instituting policies/procedures that facilitate proficient strategy execution, developing knowledge management capabilities through leveraging of best practices, creating learning organization through constant adoption, utilization and internal dissemination of best practices, executing change management procedure in order to build, to contribute and to maintain the strategy-supportive corporate environment. SHRM cannot improve company's performance without the following two conditions. First, HR function should actively contribute to the development of overall strategy of the company, and also to the implementation of this strategy. Second, human capital should provide sustainable competitive advantage and should be a strategic business asset. It means HR can be considered as strategic lever to achieve the company's objectives. Three approaches are defined in SHRM practices: universalistic approach, contingency approach and configuration approach... The contingency theory says that in order to be effective organization its HR policy must be in harmony with other aspects of the company.

Cameron and Quinn (2011) conducted research on organizational effectiveness and success. Based on the Competing Values Framework, they developed the Organizational Culture Assessment Instrument that distinguishes four culture types. As they observed the competing values produce polarities and the two most important polarities in defining organizational success are the followings: flexibility vs. stability and internal vs. external focus. From these polarities, they have constructed a quadrant with four types of culture:

- Clan culture (internal focus and flexible) - A friendly workplace where leaders act like father figures.
- Adhocracy culture (external focus and flexible) - A dynamic workplace with leaders that stimulate innovation.
- Market culture (external focus and controlled) - A competitive workplace with leaders like hard drivers
- Hierarchy culture (internal focus and controlled) - A structured and formalized workplace where leaders act like coordinators.

In addition, clan cultures are most strongly associated with positive employee attitudes and product and service quality. Market cultures are most strongly related with innovation and financial effectiveness criteria. The primary belief in market cultures that clear goals and contingent rewards motivate employees to aggressively perform and meet stakeholders' expectations; a core belief in clan cultures is that the organization's trust in and commitment to employees facilitates open communication and employee involvement. These differing results suggest that it is important for



executive leaders to consider the match between strategic initiatives and organizational culture when determining how to embed a culture that produces competitive advantage.

### 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.

Srivastava - Agarwal (2012): How to deal with the ensuing tension? How to minimize the negative impact of the brain drain issue in the poor countries? Privacy Compliance (for example in health status), the integration of multi-national environment, preference of young and brainwashed people, collision between individualism, individual creativity and the tardiness of big companies' functioning; facilitating brain-drain and supporting international work culture vs. traditional/local conditions, environment; cash-based profit as the highest value vs. importance of commonweal, public interest, social benefits would disappear; strengthening democratic systems vs. strong hierarchy in decision-making. Each topic could be subject of a new paper. 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 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.

Furthermore, organizations/companies are eager to find Sustainable Competitive Advantage (SCA) in using resources including in HRM as well. If there is a new management approach therefore is a need adequate new approaches in HRM as well.

The Charter for the Public Service in Africa was adopted by the 3rd Pan-African Conference of Ministers of Public Service hold in Namibia in 2001. The above-mentioned workshop wanted to facilitate the realization of the Charter. Some conclusions of the workshop such as the follows:

- Each country or each region has its own peculiarities.
- In most of the African countries, the HRM is still largely restricted to personnel administration, dealing with routine staff matters.
- Modernization of business process and administration is needed in order to create a conducive economic environment for private sector growth.
- Professionalizing the HRM in the public sector.

*Specific goals can be fixed for politically supported action Schein, E.H. (1985):*

- Securing access to universal primary education for everybody, to raise the secondary enrolment rate by about 30% point in 15 years.
- Elimination of gender disparities in secondary education, and to increase the secondary enrolment rate of girls/women from about 30% to 40% in 5 years.
- Taking under control the major medical threats especially the epidemic diseases (malaria, AIDS, ebola etc.).
- Improving the rate of employment and providing growing number of workplaces especially for the younger generation entering freshly to the labour market. So diminish the poverty in the continent.
- Strengthening professionalism in both private and public sector and keep qualified professionals at home.

Finally, a case study for HR development strategy in South Africa Mureithi - Wasikama (2000) emphasizing similar points, and the main challenges for South Africa are poverty related health issues, inequality in the society especially concerning gender, race and disability, income inequality, labour market discrimination, and inequality in education and training.

### ***3.1. How can HRM be used in non-Western Countries?***

HRM in non-Western Countries evolved and developed into a science. The aim of such a discipline was pure economic interests to increase the performance of labour, the productivity, the selection and training of the workforce, and to increase the profit. These goals were served by a variety of benefits and different motivation methods. After the capitalist system became dominant in the world, it may be logical to conclude that this element of the success of the capitalist economy, namely the HRM application takes place outside of North America, Western Europe and South East Asia regions. However, this is somewhat contradicted by the facts. First, the local traditions remain essential determining the evolution of the local conditions. The question is clearly raised by N.M. Habib At the macro level, recent research included the presentation and review of theories and perspectives on national HRD in developing countries (Wang & Swanson, 2008): What can, and what should a developing country's government administration do to promote meaningful national HRD (human resource development)? How can a developing country's administration achieve national HRD most effectively in the light of the complexity and difficult realities of modern world? The issues raised by the previous questions can be problematic as far as HRD in developing countries is concerned." Second, the western approaches prerequisite for a high enough level of economic development. If the country does not have such a level, a mixed system coexists. Multinational companies may bring the working-culture, the company's organizational model, Enterprise resource planning ERP and their HRM policies to under developed countries. Analysing cases of national HRD in developing world was also a focus of recent research (Cox et al., 2006).

### ***3.2. Social Responsibility vs. HR Exploitation***

Presenting social responsibility has become increasingly important for companies of the developed world in the last decades. This has been the most significant in the new industries or creative industries (IT, telecommunications, biotechnology, etc.). Today it is quasi forced to conduct such activity. Question can be raised: is it just a fashion, or has it a deeper meaning? Does it strengthen for example the cohesion inside the company? The primary answer would be that no company likes if its image is negative, if the image is that the company is insensitive or indifferent to social problems. Such a message for clients and consumers would be very harmful. However, it is also true that a positive image has a positive message for the work force. The content of such positive message is that managers/owners are not harsh and callous capitalists whose only profit matters, but they are compassionate men/women who conduct a spirit of solidarity. In this case, employee may have the impression he/she can count on the help of leadership in a difficult situation. It is important here to talk about how public organizations handle this question. The beginning of the 'corporate/business ethics' stage, wherein the focus became fostering ethical corporate cultures (Frederick, 2008). Due to size, a state is less homogeneous than a company is, there are much more conflict of interest than inside companies do. In addition, there are continuous political struggles in the governmental structure, which often has nothing to do with rationality or real problems need to be solved. A company cannot set unrealistic goals. The state or precisely the political leadership does that often. Only think of demagoguery. It is important to note that the owner or manager who uses to be responsible for bad decision of the company and it implies very quickly negative personal consequences. However, in case of public bad decisions where are people deliberately misled, the negative personal consequences can be avoided by the help ideology. Anything can be proved by a clever or demagogue politician. Though CSR continued its quest to find business legitimacy, the emergence and preoccupation with business ethics obscured the continued growth and development of the social responsibility theme, though significant advances were made, especially in the UK and continental Europe (Moon, 2005).

### ***3.3. Risk Sharing Solution vs. Profit Concentration***

The classical business model is based on profit maximizing. In addition, it can be achieved by higher volume of production, higher profit margin, bigger exploitation, more competitiveness, etc. Of course, it could raise the level of exploitation of workforce. However, there has long been an incentive system in which the employee is entitled to a special bonus/award based on the quality of his/her performance. It is not the equal with performance-based wages, where the payment is based on the produced quantity as we can observe it in mass production. The evaluation system based on quality is observed at higher value-added activities. It is no coincidence that in the IT sector not only the solution of a problem but the elegance, the simplicity, the safety etc. of solution is appreciated. Especially companies engaged with creative activities do not inadvertently spread the democratic management methods, so the employees receive a share of the profit or loss of the company, but also participate in the risks.

Companies engaged in creative activities are frequently engaged with democratic management methods, so employees receive a share of the profit or loss of the company, but also participate in the risks. This model has developed a new system of interest among employees. Such a system seems to be viable only in the economic sector, but not in the public sphere. The spirit of competition in public administration can inherently be problematic although there are neo-liberal opinions, which claim that the public administration should work in a way as a private company. This means that public officials should meet similar efficiency criteria. Effectiveness in public administration is surely an important issue, but it cannot be achieved by methods used in the business sector. It is also worth mentioning that administrators' performance, attitude is strongly degraded when the system is heavily politicized, or when the system becomes an element of institutionalized corruption. Many (negative) examples can be found for corruption and political influence in the world (Harder and Townsend, 2007).

## **Conclusion**

Since the 90s, western corporates are facing increasing globalization, rapid changes of technology, fastly emerging competitors mostly in Asia, high pressure on prices. In such an environment, there is an imperativus to improve the competitiveness through all available means. HRM or SHRM and strategic partnership are maybe the most important means in this way.

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.

HR stuff still spends much of its time dealing with traditional HR work like record keeping, data base building, performing transactions, delivering HR services and trainings. It's still few time to spend on strategic planning. However, the HRM has globally changed and it is more and more focusing on new challenges. Such an upward trend is becoming more and more common in most of the countries though the level of sophistication differs from country to country.

Since decades HRM is moving away from its traditional tasks (personnel and administration tasks), which are anyway increasingly outsourced. HRM is now expected to add value to employing people and the HRM should significantly affect the business. Such a new role of HRM involves strategic direction and should provide high added value.

At a start-up company, the HRM is the responsibility of a professional who alone should deal with many complex challenges. At larger corporations the HRM staffs specialized, the traditional HR activities can be outsourced and the staff can be engaged with strategic questions, decisions, and entire business challenges.

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 try to benefits for 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 considered employees as assets and instead of HR or HRM the terminology of talent or labour 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 a lot of efforts from politicians and experts, and without effective public services there are limited chances to have successful business environment.

## References

1. Adah, K. M. (2011): The Role of Human Resource Managers in the Public Service in Promoting Professionalism and Implementing the Charter for Public Service in Africa. A Paper Presented During The Capacity Building Workshop on "Promoting Professionalism in the Public Service; Strengthening the Role of Human Resource Managers in the Public Sector for effective implementation of the Charter for Public Service in Africa", In Addis Ababa, Ethiopia – 14 - 18th March 2011.
2. Cameron, K., Quinn, R. (2011): *Diagnosing and Changing Organizational Culture: Based on the Competing Values Framework*, Jossey-Bass.
3. Covin, J. G., Slevin, D. P. (1991): A Conceptual Model of Entrepreneurship as Firm Behavior. *Entrepreneurship Theory and Practice*, 16(1), pp. 7-25.
4. Cox, J.B., Al Akroubi, K., Estada, S.D. (2006): "National Human Resources Development in Transitioning Societies in Development World." *Advances in Developing Human Resources*.
5. Drucker, P. F., Dyson, E., Handy, C., Saffo, P., Senge, P. M. (1997): Looking ahead: Implications of the present. *Harvard Business Review*, 75(5), pp. 18-24.
6. Frederick, W. C. (2008): Corporate social responsibility: Deep roots, flourishing growth, promising future. In: Crane, A., McWilliams, A., Matten, D., Moon, J., & Siegel, D. (Eds.), *The Oxford Handbook of Corporate Social Responsibility*. Oxford: Oxford University Press, pp. 522-531.
7. Government of South Africa (2001): A nation at work for a better life for all - The case for a human resources development strategy, Government of South Africa.
8. Habib, N. M. (2012): The role of developing countries governments in HRD programs – The Egyptian experience. *International Journal of Business and Social Science*, 3(3), pp. 261-267.
9. Hamid, J. (2013): Strategic human resource management and performance: the universalistic approach. *Journal of Business Studies Quarterly*, 5(2), pp. 184-201.
10. Hamid, J., & Saloua, S. (2014): Strategic human resource management and performance: the contingency approach case in Tunisia. *International Journal of Humanities and Social Science*, 4(6), pp. 282-291.
11. Harder, J., & Townsend, D. R. (2007): Building an Innovation Democracy, *Harvard Business Review*.

12. Hofstede, G. (1997): *Cultures and Organizations: Software of the Mind*. New York: McGraw-Hill, USA, 279 pages.
13. Lewis, A., & Myers, Jr. (2011): One Hundred Years Later: What Would Frederick W. Taylor Say? *International Journal of Business and Social Science*, 2(20), pp. 8-11.
14. Moon, J. (2005): An explicit model of business–society relations. In: Habisch, A., Jonker, J., Wegner, M., & Schmid P.R. (Eds.), *Corporate Social Responsibility across Europe*. Berlin: Springer, pp. 51-65.
15. Mureithi, L., & Wasikama, C. (2000): Human Resources in Africa: Strategic factor in claiming Africa's future. [http://unpani.un.org/intradoc/group/public/document,\(accessed2000\)](http://unpani.un.org/intradoc/group/public/document,(accessed2000))
16. Schein, E.H. (1985): *Organisational Culture and Leadership*, San Francisco, Jossey-Bass.
17. Schuler, R. S. (2000): The Internalization of Human Resource Management, *Journal of International Management*, 6(3), pp. 239-260.
18. Srivastava, E., & Agarwal, N. (2012): The Emerging Challenges in HRM. *International Journal of Scientific & Technology Research*, 1(6), pp. 46-48.
19. Thomas, R. R., Jr. (1992). Managing diversity: A conceptual framework. In: Jackson, S. E., & Associates. (Eds.), *Diversity in the Workplace* (pp. 306-317). New York: Guilford Press.
20. Ulrich, D. (1997): *Human Resource Champions*. Harvard Business School Press. Boston, MA.
21. Wang, G., & Swanson, R. (2008): "The Idea of National HRD: An analysis Based on Economics and Theory Development Methodology". *Human Resource Development Review*, 7(1), 79-106.
22. Wright, P. M., Snell, S. A., & Dyer, L. (2005): New models of strategic HRM in global context. *The International Journal of Human Resource Management*, 16(6), pp. 875-881.