The Future Trends For Human Resources'management: Challenges And New Directions

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Abstract

Human performance as a strategic driver of organizational results has been debated in theory and practice for decades, reflected by numerous published works, with the debate establishing that there is no model directly linking staff actions to organizational strategy. The model is grounded in social science and tested in practice guiding team leaders: (1) To better identify the ideal actions that enable the best possible result; (2) to engage staff minds with the ideals; (3) to increase staff professionalism so that the ideals are acted out more often, more precisely, which establishes HR as a strategic driver of organizational success.

Keywords: HRM, performance management, personnel psychology, leadership, coaching, learning and development

1. Introduction

Organizations usually pride themselves in being sustainable and to deliver effective returns to their stake holders, irrespective of operating in the profit or nonprofit sectors. It is, however, often overlooked that organizational theory and ensuring that personnel are optimally motivated and committed to the aims of the organization, and is pivotal to its success (Ulrich 1998). Should personnel be guided to their best possible performance potential then the results would be greater for organizations than is generally believed. This is the value of an effective SHRM model enabling managers and team leaders to achieve better results with their teams than they would otherwise have been able to achieve. Contrary to some popularly held views, personnel are ultimately divorced from the "organization as an entity" and thus the outputs to be achieved, because personnel are only a resource amongst many, albeit

the most critical. The objective of organizations is to satisfy the demands of stakeholders, be it profit, market leader, survival or whatever. A model constituting two halves integrate organization ideals (defined as actions to achieve goals) via goals, strategy and HR-KPIs with the necessary and sufficient psychological factors that result in clarity and commitment (Human Resources Key Performance Indicators) including self discipline and professionalism. These aspects in the context of an integrated business and HR model form the focus of this paper.

2. Review of the Literature

A lack of clear direction prevails in global HR research which is expressed by scholars and practitioners across a wide front as a concern for the profession, including the resultant role personnel ought to play in organizations' objective achievement (Goshal 2005; Hendry 2003; Holbeche 2006; Morris, Snell & Lepak 2005; Meisinger 2005). Various researchers have pointed out during the last few years (Browning & Edgar 2004; Becker, Huselid & Ulrich 2001; Birchfield 2002; Brewster , Dowling , Grobler, Holland & Warnich 2000; Mayrhofer & Brewster 2005; Nel 2007; Ruona & Gibson 2004; Storey 2001) that a revised approach to Human Resources Management (HRM) is evolving. This includes the strategic role and functions of the HR profession as business partners in organizations and the way they ought to direct personnel to optimize their contributions to the organization. Transformational leadership expressed in terms of the high-level capabilities and management skills are also assuming a significant place in the future of the HR profession in organizations as well as the ability to add value. Researchers increasingly emphasize that the theory of HRM should more comprehensively address current demands businesses

face globally, which includes enhancing performance and obtaining more positive returns from the factors shaping behaviour (Rousseau 1995; Peel & Boxall 2005). A search for applicable theory and models is therefore of the order of the day. Furthermore there appears to be conflicting signals in terms of what the research literature recommends should happen in practice and what actually happens. Various approaches regarding HR theory and practice thus exist (Becker et al. 2001; Birchfield 2003; Jayne 2002; Storey 2001; Wright, Snell & Dyer 2005). There is also the notion that HRM has not been functioning significantly in the areas of strategic management, performance management in the boardroom or in a "real" leadership role (Boxall & Purchell 2003; Redman & Wilkinson 2006).

Various voices have also been raised that HR personnel should be held accountable concerning the following. First, how can human resources management add value? Secondly, who has the skills of a strategic partner? Thirdly, how can HR managers ensure personnel remain committed during times of turbulence? (Larsen & Brewster 2003). The aforementioned limitations, suggest that organizations' strategic planning process ought to be revisited in terms of how personnel contribute to achieving the required outputs as part of an overall strategic objective achievement (Holbeche 2004). Birchfield (2003) suggests leadership, performance and culture as themes that are interrelated components of HR practice. HR professionals should display a high level of sensitivity with regard to performance management and the development of leadership in particular, as these are key drivers for an organization's future objective achievement. Performance management impacts significantly on leadership and culture, which are interdependent but crucial components to achieve objectives. It is also of cardinal importance that personnel should function optimally by means of effective and focused development and skills to execute jobs in the way that objectives are competently achieved (Auluck 2007). Wright et al. (2005) makes the statement that broadening the influence of HR should be the adoption of HR systems and practices on a more appropriate basis in organizations. More progress along these lines would improve opportunities for theoreticians and practitioners

to find common ground in terms of trend identification to sharpen the focus on how to achieve the best performance and commitment of HR personnel in organizations to meet objectives. Personnel utilization approaches should therefore become a subject to focus attention on concerning organization's objective achievement as far as research for improvement is concerned. Limited acknowledgement exists regarding the effects of the link between an organization's strategy and personnel behaviour and the effects it has on the organization. These issues are highlighted in the next section.

3. The essentials of HR in organization strategic context

It is conventional wisdom that HR practices are only effective if they are aligned with the strategic direction of the organization and are focused on business operations and executed professionally. The utilization of personnel must, however, be an integral part of the organization's strategic planning and implementation thereof which will have a huge effect on its performance. As HRM is taking on a more strategic focus, the roles and activities must also change. HRM should therefore become more accountable for adding value to the organization's output, which implies that human resources strategies (including policies and procedures) with the business strategies and the execution thereof should also be aligned and researched more intensively (Nel, Werner, Haasbroek, Poisat, Sono, & Schultz 2008).

Hunger and Wheelen (2007) also provide a reminder that strategy is a comprehensive plan stating how the organization will achieve its mission and objectives by maximizing competitive advantage and minimizing competitive disadvantages. Cascio and Aguinis (2005) point out that strategic and tactical business plans serve as the basis for HR strategy and that SHRM is a practical step towards more comprehensive personnel planning and development to achieve objectives and set outputs of the organization. Hill, Jones, Galvin and Haidar (2007, p. 5) also state that: 'Strategy is the outcome of a formal planning process and that top management plays the most important role in this process. Strategic planning thus shapes the resource allocation within the organization'. Strategic HR planning and strategic business planning

must therefore not be neglected by organizations to be successful and the two should not be separated to avoid the failure of an organization. Delahaye (2005) also comments that Strategic Human Resources Management (SHRM) compels managers and supervisors to adopt a strategic mind set or a way of looking at and thinking about the management of personnel. HRM as a process is driven by planning, foresight and analytical decision making which is focused on long-term, top-level management decisions and actions. This is usually performed in a way that is totally integrated with the overall general strategic management of organizations. It entails the synchronizing and integrating the organization's strategic business needs and plans with all those aspects stemming from and relating to managing its personnel (Härtel, Fujimoto, Strybosch & Fitzpatrick 2007; Kearns 2003).

Being strategic therefore means being involved in productivity and not focusing on being an "employee champion". However many HR traditionalists still see HR's role as being focused on the primary customer being personnel. Being an employee champion is in fact an antithesis of being strategic. It is therefore important for HR personnel to begin to accept responsibility and accountability for increased personnel productivity in conjunction with the above issues to enhance the bottom-line and add value as was already pointed out by Ulrich (1997) some time ago and that to add value is being the focus in future. This was again confirmed by Ulrich and Brockbank (2005) that adding value is pivotal to the role of HR in an organization. The process thus includes building a performance culture and empowering personnel themselves, although noting that HR personnel often do not have control, because the actions of managers and personnel are dependent on many other factors which impact on the ability to produce results (Du Plessis, Nel, Struthers, and Robbins & Williams 2007). According to the literature review a shortcoming in the previous analysis is identified. It appears that a lack of overview of the link between SHRM and personnel behaviour and the effect it has on an organization's achieving of its goals exist. The link between personnel actions and strategy needs to be focused on and contextualized as a contribution to more

successful organizations and its bottom-line. The model developed by little (2003) addresses this issue and is outlined below.

4.Strategic human resource management

SHRM is defined by little (2003) as the process of achieving the best possible alignment of personnel behaviour with the organization's strategy and hence align with the profit and loss in the short and long term. The personnel behaviour-strategy relationship is dynamic because it changes as the environment changes and as the precise goal and performance requirements of the strategy emerge. Little (2003) claims that the organization is independent of personnel, and it then follows that the central questions are: First, since the organization is separate from personnel, then what are the factors intrinsic to the organization that can be identified as most influencing the behaviour of personnel? Second, once the intrinsic organization factors have been identified, how do they link to influencing behaviour? Third, once identified, how can the factors intrinsic to the organization that most influence behaviour then be better managed to improve human performance and so improve alignment of personnel behaviour with the goals and aim of the organization? Fourth, what are the intrinsic psychological factors personnel bring to the organization that will impact management's effort at improving the alignment of behaviour with organization goals and aims? For the purpose of this article the focus for the model is on questions one and two only.
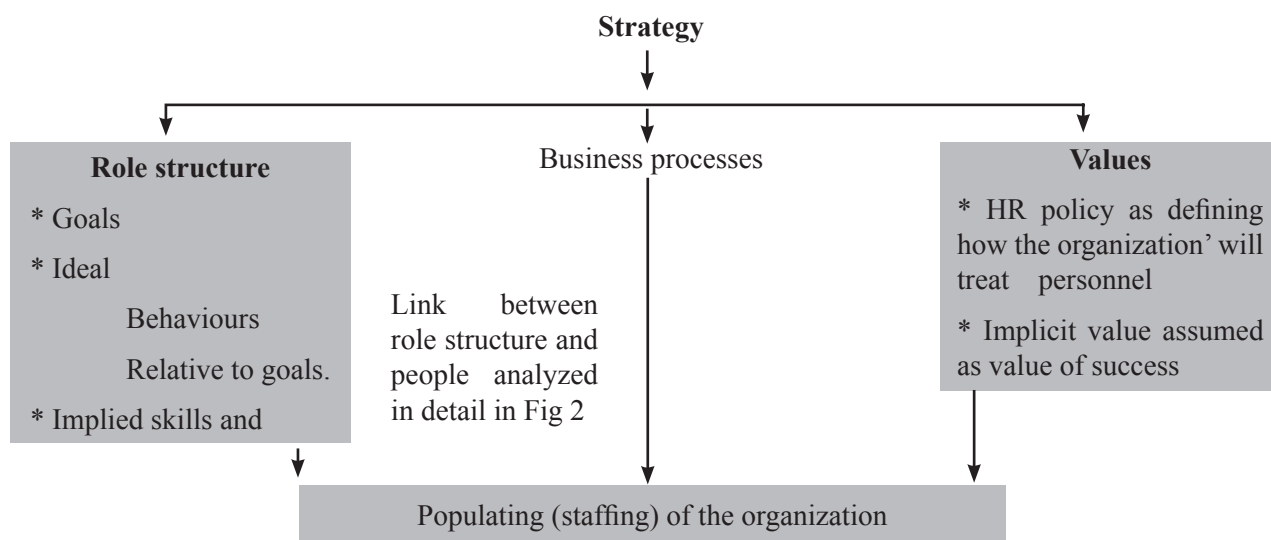
5. The factors intrinsic to the organization that impact on personnel behaviour

The intrinsic aspects are outlined in Figure 1.

The analysis including discussion of the conceptual tools used was developed by Little (2003) where the presentation of this model and its full implications evolved while consulting as a performance improvement specialist in large and small organizations over a number of years.

5.1 Key issues arising from the model

First, the role structure is the main performance aspect of the model and has the greatest impact on the performance actions of personnel. Second the organizational structure

Strategy

Role structure	Business processes	Values

* Goals
 	
* Ideal
 	
    Behaviours
 	
    Relative to goals.
 	
* Implied skills and
	Link between role structure and people analyzed in detail in Fig 2	* HR policy as defining how the organization' will treat personnel
		
		* Implicit value assumed as value of success

Populating (staffing) of the organization

Figure 1: Structure of the organization by identifying those elements that influence the behaviour of personnel populating the organization

Source: Birchfield, R 2003, 'The future of HR.

is derived by identifying the goals implicit in the strategy and then grouping together goals that are similar. This has the result of producing the organizational structure. Third, business processes represent how business operations are conceptualized and will influence the role structure, so the two are not fully independent. Fourthly, the key aspects of **values** are: The HR policy which is accepted as describing how the organization as an 'entity' will treat personnel is quite independent from the views and opinions of supervisors/managers and every organization is formed with the intent of the founders to succeed. This is a value implicit in the very existence of the organization and becomes the most significant demand within the culture of all organizations. Fifth, the role structure and business processes constitute the architecture of the organization into which personnel are located by assigning roles; personnel so assigned are then said to so-called 'populate' the organization.

5.2 The link between the factors intrinsic to the organization and personnel psychology

Extensive analysis of the psychological contract between personnel and the organization exists and is reported by Rousseau (1995) as well as Peel and Boxall (2005). These analyses, however, do not go far enough in that they do not link the organizational factors mostly influencing behaviour with core elements of human

psychology. Human behaviour is shaped by what personnel think namely the intellectual and cognitive elements of mind (thoughts) and what personnel feel, the affective elements of the mind often associated with thoughts (emotions).

Thoughts and emotions are influential in shaping the conduct of personnel and these two factors are the psychological targets within the Little model (Little 2003) and lead to the three measurable psychological performance factors namely clarity of goals, clarity of ideal actions derived from the goals and the level of commitment to deliver the ideals as and when needed. Little (2000a) provides a full discussion of these factors as well as the analysis of causality (Little 2000b), theory creation in social systems (Little 2000c) and the definition and integrity of scientific progress (Little 2000d). The model is thus based on the aforementioned work as the backdrop, since 'management theory' and 'organization theory' cannot stand separate from issues in social science (Little 2003).

5.3 Key performance factors and their link to personnel behaviour

The Architecture: The organizational structure defined in the role analysis of goals, KPIs and ideals are as follows: First, strategy gives rise to goals and both give rise to

KPIs. Second, goals and KPIs give rise to ideals as those actions that need to be delivered if the goals or KPIs are to be achieved (Little 2003). Third, since the ideals are derived as those actions that offer the best chance of the best success, it follows that if ideals are acted out with commitment then goals/KPIs and strategies will be achieved. Fourth, the key aspects of clarity of architecture are clarity of focus (the goals and KPIs) and clarity of accuracy (clarity of ideals relative and derived from goals and KPIs).

Clarity as Immediate Psychological Target: The clarity of architecture is in the minds of team leaders (supervisors/ managers) which are then carried over to team members (personnel) as well. People act very much in accord with what they 'see'. It follows that if a manager is not clear on what personnel are expected to do, then the team will not perform well. Secondly, if personnel are not clear, then they will not perform well. Hence it is of cardinal importance that clarity should emerge as it is crucial in linking the action of personnel to the needs of the organization via the management role of team leaders.

Leadership Actions: It is defined in this paper as those steps taken by team leaders that enable clarity of ideals in architecture and clarity in the minds personnel as team members.

5.4 Human Resources Key Performance Indicators (HR-KPIS)

It refers to measuring the extent managers are implementing the critical HR processes that result in clarity in the minds of personnel and their engagement with the identified ideals.

1.Professionalism and the key cultural demand

Any organization has the implicit value of success as derived from the intent of the founders, because every organization is formed with the intent to succeed (Little 2003). Personnel are then asked by managers to decide if they wish to be successful in their work life. They are then introduced to clarity of focus and clarity of accuracy. Thereafter they choose to attach positive or negative emotions with the images in their minds of them acting according to the requirements of the goals and KPIs they accept. If they choose to be successful, then

the result is the cultural request to be self-disciplined and to conduct themselves at work according to the demand of the job, and not according to the demand of their inherent psychological factors. The commitment to self-discipline at work is defined as professionalism (Little 2003).

2. Separation of performance and success

A review of some literature (Browning & Edgar 2004; Nel et al. 2008) reveals that there is not a clear distinction between performance and success, with both tending to relate to goals and goal achievement. So, for example, a sales person may act out the ideals with energy and commitment, but because of the economy, product or competition which they have no control over, they cannot achieve the results. The sales person may thus have performed very well, but success was not achieved. This distinction has numerous practical implications for performance management and performance based remuneration.

3.Engagement as visualization

Little (2003) proposes a new definition of 'engagement' based on the model presented in Figure 1 which entails personnel visualizing themselves as acting according to the ideals and preferably associating positive emotions with the images of them acting out the ideals. This activity is commonly recognized in the general psychological literature and is termed "visualization". This technique is also commonly used in sport in particular and emerges here as equally critical in personnel performance in organizations where it could be utilized to improve their overall performance.

4.Tightened definition of key organizational factors

The model results in much clearer insight and tighter definitions of key business factors which are perceived as follows. **Coaching** emerges as the process of establishing clarity in the minds of personnel and guiding their mental engagement with the ideals. **Training** is the process of improving the skills (and developing competencies) of personnel to act out the ideals. **Motivation** is guiding personnel to commit to success in their work life and accept the necessary consequence of that which is needed for self-discipline to act out ideals as and when

needed in their job. **Development** in the first instance is the process of guiding personnel to adopt greater self-discipline at work then guiding their intellectual development enabling them to deal effectively with a broader range of commercial situations.

6. Conclusion

SHRM emerges as a crucial and decisive factor in organizational success. Thus, the HR-KPIs measure whether managers are implementing the necessary and sufficient strategic HR processes within their team. If these are fully implemented only then would the essential architecture and psychological structure be in place to ensure that the organization's strategy is achieved. If the HR- KPIs are fully implemented and the organization is not successful, then the senior leadership is assured that the problem originates from the market or economy or product selection, etc. The failure is not due to leadership or personnel performance implying that 'personnel trying harder' will not achieve a better result. The major advantage of using the model in organizations is that the HR- KPIs measure manager actions because it is not the HR manager or personnel implementing the respective processes. It is rather the role of HR departments to ensure that supervisors and managers have the skills to implement strategic HR processes and to monitor that the processes are being applied. If the SHRM processes are not being applied, then the HR Department should provide reports to the divisional managers enabling them to take the corrective action and so ensure ongoing success. HR then emerges in the crucial role of overseeing management of human performance as a strategic driver of business results.

The model has been tested in practice and clearly provides business leaders with a definite structure within which to successfully manage personnel performance throughout the business. It can be regarded as the way of the future to effectively manage personnel in order to optimally achieve an organization's objectives.

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