Framing the Current Challenges and Trends in Human Resource Management

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Abstract

Human resource management (HRM, or simply HR) is a function in organizations designed to maximize employee performance in service of their employer’s strategic objectives. HR is primarily concerned with how people are managed within organizations, focusing on policies and systems. HR departments and units in organizations are typically responsible for a number of activities, including employee recruitment, training and development, performance appraisal, and rewarding (e.g., managing pay and benefit systems). HR is also concerned with industrial relations, that is, the balancing of organizational practices with regulations arising from collective bargaining and governmental laws. HR is a product of the human relations movement of the early 20th century, when researchers began documenting ways of creating business value through the strategic management of the workforce. The function was initially dominated by transactional work, such as payroll and benefits administration, but due to globalization, company consolidation, technological advancement, and further research, HR now focuses on strategic initiatives like mergers and acquisitions, talent management, succession planning, industrial and labor relations, and diversity and inclusion, This Study was Aimed to Reconfigure the HRM Framework for Collaborating this Concept.

Keywords: HRM, HRM Practices, HRM Framework.
Introduction

Public sector of human resource management in the 21st century is an organizational role that focuses on meeting the challenges of attracting, retaining, managing, and developing highly qualified and motivated people needed by today's government organizations. Current literature supports this idea. For example, much of today's literature indicates that HRM is being reinvented and is experiencing constant challenges to satisfy the needs and expectations of the workforce. Researchers have found that human resource managers must now respond to changes in the nature of HRM, current practices, policies, organization mission, and vision (Chiavenato, 2001; Hays & Kearney, 2001; Housel, 2004). The literature also suggests that reinvention trends toward improving government practices directly relate to HRM.

The literature often frames the trends in HRM as innovative and participative. This suggests that human resource managers are now involved in strategic planning, are taking a proactive role in the development of employees, and are increasingly active in the organization's decision-making process (Chiavenato, 2001).

Significant reforms because of legislative, policy, and technological changes are influencing dramatic changes in HRM practices and organizational performance perspectives in many organizations. For example, studies indicate that diversity management is important to U.S. organizations as groups that have historically been in the minority continue to grow (Cunningham, 2002; Konrad & Deckop, 2001; Mathews, 1998). The employment of a more diverse workforce requires organizations to change practices, behaviors, and attitudes to enhance performance and quality of work life. In addition, the inclusion of supervisors and managers in line operations is crucial to effective HRM practices in today's public organizations (Hugman & Hadley, 1993; Konrad & Deckop, 2001; Legge, as cited in Storey, 1990; Richard & Johnson, 2001).

Most studies in the field indicate strategic planning, selection, training and development, and organization development and change as important to the success and survival of today's organizations. Coggburn & Hays (2003) examined reforms in HRM at several cities and counties recognized as leaders in reforming their human resource systems. The researchers concluded that there are many examples of human resource innovations that other organizations might implement. They further concluded that the process used to introduce HRM reforms may be as important as the innovations themselves.

Literature Framework of Human Resource Management:

Researchers agree that the field of HRM has evolved out of traditional personnel. They also agree that HRM goes beyond the traditional managerial functions of staffing, training, compensation, and performance appraisal to include employee development, job enrichment, motivation, and strategic human resource planning (Daley et al., 2002; Delery & Doty, 1996; Ehrlich, 1997; Ezzamel, Lilley, Wilkinson, & Willmott, 1996; Luthans, 1998; Ross, 1981). This evolution provides the foundation for the inclusion of line supervisors and managers in the HRM
The transition from personnel functions to HRM has created many challenges for human resource managers. To address these challenges, traditional personnel offices are altering the way they function. The literature suggests that by developing expertise in job design, organizational development, change management, employee motivation, and human resource theory, these challenges can be successfully met (Tompkins, 2002).

Furthermore, HRM practices are continually evolving to meet the changes of a dynamic workforce. These challenges may vary depending on the nature of the services provided and on whether the organization is a private or public entity. Wright and Rudolph (1994) referred to this change in the work environment and the workforce itself as a "revolution." In their research of HRM trends in the 1990s, the researchers suggested this "revolution" is a "Human Resource Management Paradigm" (p. 29). The researchers further argued that this paradigm shift most significantly influences the focus of organizations toward new strategic HRM practices designed to increase performance.

HRM practices are not merely the function of HR departments but also of supervisors and managers throughout the organizational hierarchy. Consequently, the field of HRM is undergoing significant reforms because of legislative, policy, and technological changes. Researchers assert that these changes are affecting all levels of government (Daley et al., 2002; Selden, 2005). For example, the literature suggests that line supervisors and managers have been given a greater role in the practice of HRM. The intent is to increase organizational performance through the integration of HRM practices with productivity factors (Brewster & Holt Larsen, 2000; Cunningham & Hyman, 1999; Guest, 1987; Guest & King, 2004; McGovern, Gratton, Hope-Hailey, Stiles, & Truss, 1997; Nehles, van Riemsdijk, Kok, & Looise, 2006; Storey, 1990; Ulrich, 1997, 1998).

The devolution of HRM practices to line supervisors and managers has led to the emergence of strategic HRM (Hall & Torrington, 1998; Nehles et al., 2006; Tompkins, 2002). Therefore, scholars, researchers, and managers now view HRM as a strategic function of many organizations. According to Nehles et al. (2006), an organization's overall HRM system will not be successful if first line managers do not know how to implement HRM practices. The researchers further suggest that the implementation of HRM in line operations might be difficult, thus supporting the line manager's reluctance to practice HRM.

Results from four case studies conducted by Nehles et al. (2006) identified five factors that hinder the line manager's involvement in HRM practices: (a) lack of desire, (b) lack of competencies, (c) lack of support, (d) lack of capacity, and (e) lack of policy and procedures. Other studies indicate that line supervisors and managers are restricted from performing their HRM responsibilities, thus increasing the probability of poor organizational performance and employee dissatisfaction with the job (McGovern et al., 1997).
Human Resource Management Practices

Ross (1981) defines human resource management as a comprehensive approach to managing people that goes beyond the traditional personnel functions. She argues that HRM has two objectives: the motivation and development of the employees and the performance and productivity of the organization. Unless supervisors and managers develop and implement effective HRM practices, the organization will not reach these objectives.

The literature on HRM practices is extensive and includes practices such as recruiting, selection, compensation, and job design that are still structured and controlled by human resource departments. The recent trend, however, is toward the devolution of many HRM practices and responsibilities to line supervisors and managers. This review discusses those practices that have always been the responsibility of line supervisors and managers and will address practices that have been devoluted to line by human resource departments (HRD).

According to Delery and Doty (1996), SHRM practices are those practices that theoretically and empirically relate to the overall organizational performance. They identify seven practices: internal career opportunities, formal training systems, appraisal measures, profit sharing, employment security, voice mechanisms, and job definition that influence organizational performance. Other researchers identify similar practices, and those findings are pervasive across diverse literature. For example, Daley et al. (2002) conducted a study that examined the perception of these practices held among county social services professionals in North Carolina. The study was conducted under contract from the North Carolina Department of Human Services. The researchers hypothesized that SHRM would play an important role in welfare reform. However, the study concluded that only moderate use of SHRM was in practice at the agency.

Another example is Luthans's (1998) study from which he concluded that 21st century organizations' effective HRM practices do provide a competitive advantage to organizations and the new role of HRM is to help managers maximize the contributions of employees. Findings from the study indicated that HRM literature and practices are applicable to both public and private organizations across the country. The study adequately addressed several of the HRM factors examined in the current study. For example, Luthans argued that communication is vital in today's organizations. Furthermore, the author supported the idea that participative management and empowerment are important to the future success of organizations. Additionally, he argued that training and development and a rewards and recognition system will influence organizational change and thus impact job satisfaction and organizational performance. The following section reviews literature related to the HRM practices identified in the study.

Communication

According to Drucker (1999), communication is an integral part of management. He argued that multidirectional communication is essential for clearly defining the managers' expectations. Organizational communication is the process that an organization uses to communicate to employees the organization's mission, vision, expectations, and outcomes. Consequently, effective
communication results in higher job satisfaction, morale, commitment, and organizational performance (Lee, 2006; Penley & Hawkins, 1985; Sprague & del Brocco, 2002).

Penley and Hawkins (1985) studied the dimensions of organizational communication and investigated the relationship between communication and leadership. Their paper on organizational communication consisted of two studies. Data for Study 1 were collected from personnel and support services areas of a large insurance company. Of the 150 employees randomly selected for the study, 122 participated. Data for Study 2 were collected from a logistic and support division of a large military base. Two hundred seventy-two individuals participated in the study. The researchers identified five categories of supervisor-subordinate communication: (a) task communication, (b) performance communication, (c) career communication, (d) communication responsiveness, and (e) personal communication. Content-orientation and behavioral-orientation of communication measured these factors. Although the study integrated the constructs of organizational communication and leadership, the researchers emphasized the fact that the relationship between the two is not simple. However, the results support the concept of the five dimensions of organizational communication.

**Empowerment**

Empowerment is the process supervisors and managers use to encourage employees to utilize their skills, abilities, and creativity. According to Conger and Kanungo (1988), two categories of power define empowerment: relational perspective and motivational perspective. The relational perspective of empowerment involves management's delegation of or sharing of power. The creation of an environment that increases employee motivation and enhances personal development characterizes the motivational perspective. The researchers argued that the need to empower is critical in circumstances where employees feel powerless. Thus, managers must identify those circumstances within the organization that instill this sense of powerlessness. The manager is responsible for developing ways to remove the condition or change the circumstances so that the employee feels empowered to act once the circumstances are identified (Conger & Kanungo, 1988).

Thomas and Velthouse (1990) developed an empowerment model that expanded Conger and Kanungo's research. This model included four task assessments: (a) impact, (b) competence, (c) meaningfulness, and (d) choice. Impact is the degree to which behavior is perceived to make a difference in the organizational environment. Self-efficacy illustrates competence. Meaningfulness is the perceived value of one's job or work assignment. An employee may exhibit apathy and alienation, which is closely associated with low meaningfulness. Conversely, an employee may be very committed to the organization and closely involved in achieving organizational goals and objectives. This behavior is associated with high meaningfulness. Choice is characterized by self-determination and the employee's perception of whether decisions were the result of external influences or self-directed.

When employees are empowered to participate in decisions about their work, organizational performance and effectiveness are enhanced. It can be argued that line employees have more knowledge about their work than supervisors or managers; therefore, these employees should be empowered to provide input on how they perform their jobs. Moreover, employees who feel empowered will experience higher levels of job satisfaction (Wilkinson, 1998).
**Motivation**

Motivation is the process of providing reasons or motives for exerting effort and causing employees to act in certain ways. According to Timm and Peterson (1993), the most important function of a supervisor or manager is to motivate and direct human behavior. Wright (2001) expanded this idea further by hypothesizing that motivation is linked to job satisfaction. He further noted that this linkage is related to the extent of which an employee is satisfied with meeting personal needs and whether one feels sufficiently rewarded at work.

In addition to the fundamental concepts that influence and characterize behavior and management style, motivation theory embodies the concept of public service motivation (PSM) developed by Perry and Wise (1990). This construct helps explain why individuals choose public service employment. The researchers asserted that the approach to public service motivation is from three perspectives: rational, norm based, and affective. Rational motives involve actions grounded in individual utility maximization. Norm-based motives refer to actions generated by efforts to conform to norms. Affective motives refer to triggers of behavior that are grounded in emotional responses to various social contexts. (Perry & Wise, 1990, p. 368)

Brewer, Selden, and Facer's (2000) exploration of individuals' motives for performing public service expanded the PSM concept. These researchers identified and discussed four conceptions of PSM: (a) Samaritans, (b) communitarians, (c) patriots, and (d) humanitarians. According to Brewer et al., individuals who exhibit Samaritan characteristics have a strong desire to help people and find public service work itself satisfying. Conversely, communitarians are motivated by their strong sense of civic duty. The patriot is motivated by loyalty and sense of duty to serve the public. An individual's sense of social justice and public service reflects the humanitarian personality. These individuals are motivated by a desire to make a difference in society.

In her 2007 dissertation entitled The Motivational Factors That Influence Public Sector Employment Selection: Eligibility Workers and Eligibility Technicians as Public Servants, Shaw expanded these concepts of public sector motivation through her examination of work motivation among social services eligibility workers and technicians in two Southern California public sector organizations. Using Herzberg's two-factor theory, Maslow's hierarchy of needs, and Perry and Wise's PSM theory as a theoretical framework, Shaw found that, in general, many individuals select public sector employment because of the stability and benefits offered. The researcher concluded that public sector employment offers many career options for a diverse population whose level of job satisfaction is greatly influenced by a specific demographic, such as age, ethnicity, gender, and educational level.

**Participative Management**

Participative management is a managerial philosophy in which employees participate in problem-solving and decision-making activities. Kim (2002) maintained that "participative management practices balance the involvement of managers and their subordinates in information-processing, decision-making, or problem solving endeavors" (p. 232). According to Lee (2006),

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participative management can enhance job satisfaction. Lee's study explored the relationship between participative management and job satisfaction in local government agencies. Survey data for the study were collected by Clark County in Nevada. The survey was distributed to 4,097 employees; 1,576 employees responded. To enhance the study, the researcher used four control variables: teamwork experience, union membership, position, and years of employment. The implication of this study is that it demonstrated importance of the use of participative management as a HRM practice that will improve job satisfaction and organizational performance.

Schuster et al. (1997) found that increased employee involvement in decision making led to improved organizational performance and goal attainment. The researchers also found that participative management practices enhanced employee relations within the organization.

**Performance Evaluation**

Performance evaluation is the process of evaluating how well employees perform their job when compared to a set of standards intended to measure the performance. They focus on identifying, measuring, evaluating, and improving employee performance.

Cleveland, Murphy, and Williams (1989) found that organizations use performance evaluations for between-individuals and within-individuals purposes. The between-individuals evaluation is used to determine salary and promotion and to identify poor performance. Conflicting with between-individuals approach is within-individuals, which identifies individual training needs and individual strengths and weaknesses and provides performance feedback. A third usage suggested by the researchers is systems maintenance, which identifies individual training needs and evaluates goal attainment and goal identification. Finally, the researchers suggested that performance evaluations may be used to validate research, document personnel decisions, and meet legal requirements.

In his study involving municipal government employees, Ellickson (2002) found that the performance evaluation system has a significant impact on overall job satisfaction. The researcher suggested that local governments should develop performance evaluation systems that are fair and equitable. This, the researcher asserted, will foster trustworthiness and better communication between employees and managers.

**Reward and Recognition**

A process designed to motivate employees to increase morale, commitment, productivity, and teamwork, rewards and recognition are often given through both monetary and nonmonetary means. Literature supports the idea that reward and recognition are important factors that influence employee behavior, job satisfaction, and organizational performance (Keller & Szilagyi, 1976).

Research conducted by Huselid (1995) indicated that HRM practices can affect employee motivation by encouraging employees to work harder. Often these practices are in the form of compensation but may also include rewards and recognition and employee participation programs.
Supervisory Leadership

Supervisory leadership is behavior that provides direction and encourages others to take action. This includes perceptions held by employees about the extent of supervisory support, work facilitation, and team building. This HRM factor displays commonly recognized leadership styles that are observable in the day-to-day work environment of line operations in many public organizations. Those styles are autocratic, consultative, participative, and laissez-faire. The autocratic leader is decisive and allows for little input or participation from his or her subordinates. These leaders (supervisor and managers) simply make decisions and impose those decisions on subordinates. Conversely, the consultative leader allows employees to participate in the decision-making process. The laissez-faire leader is one who acts as a representative of the group. This leader allows the employees to do what they want and intervenes when leader support is needed. The participative leader is one who functions from a Theory Y perspective. Under this type of leader, employees can be creative and innovative and are included in the decision-making process (Timm & Peterson, 1993).

Despite the need for awareness and recognition of these leadership styles, contemporary supervisors and managers face a variety of new challenges related to supervisory leadership. For example, they are now managing a diverse workforce, which requires understanding and dealing with employees' different expectations, different generation of employees, and the personal differences of the employees (Richard & Johnson, 2001).

Training and Development

Training and development is the process of developing expertise and is designed to promote or enhance job performance. Furthermore, training is an important function that influences the organization's ability to achieve its goals (Selden, 2005).

According to Peter Drucker (1999), managers are responsible for the development of employees in an organization. He argued that as part of their role, managers should be able to turn their employees' strengths into effective job performance through consistent training and development. He further argued that employees' weaknesses are unimportant. Drucker also suggested that 30 training and development are needed for both management and every employee in the organization.

Huselid (1995) found that training is an important factor to organizational performance. He asserted that basic skills training, on-the-job-training, and coaching can influence employee development and organizational performance.
Discussion:

Until recently, research on the link between HRM practices and organizational performance neglected the role of line supervisors and managers (Purcell & Hutchinson, 2007). Today, the inclusion of line managers supports the concept of strategic human resource management (Chien, 2004; Daley et al., 2002; Schuler & Jackson, 2005; Wright & McMahan, 1992). In addition, researchers suggest that linking HRM strategies with organizational goals and objectives presents a challenge for organizations (Wright & McMahan, 1992; Wright & Rudolph, 1994).

Wright and McMahan (1992) defined SHRM as "the pattern of planned human resource deployments and activities intended to enable an organization to achieve its goals" (p. 298). According to the researchers, this definition highlights two dimensions that distinguish SHRM from traditional HRM: (a) it links HRM practices with strategic management practices, and (b) it emphasizes coordination or congruence among various HRM practices.

In their 1997 study, Huselid, Jackson, and Schuler found that SHRM practices that identified management development, succession planning, and employee participation were somewhat consistent measures of productivity. Schuler and Jackson (2005) discussed two guiding assumptions about SHRM: (a) effective HRM requires an understanding of and integration with an organization's strategic objectives and (b) effective HRM leads to improved organizational performance.

The researchers summarize the essence of SHRM as:

1. Vertical integration—understanding the organization and its context
2. Horizontal integration—creating coherent HRM systems
3. Demonstrating effectiveness—showing how HRM systems affect organizational performance
4. Partnership—HR professionals working cooperatively with line managers as well as with no management employees.
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