Research Paper

Management

A Comparative Analysis of Traditional Versus Modern HRM

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ABSTRACT

This paper introduces the development of Human Resource Management (HRM) from a historical perspective and explains the debate between HRM and personnel management. Thus, the paper identifies the historical developments and their impacts on HRM, outlines the development and functions of HRM, explains the differences between HRM and Personnel Management, evaluates 'hard' and 'soft' approaches to HRM, illustrates how diversity is an issue in Human Relations (HR) practice and finally considers HRM as an international issue. It concludes with a discussion about 'hard' and 'soft' models of HRM and its implications for the human resource manager. The penalties for not being correctly staffed are costly. Planning staff levels requires that an assessment of present and future needs of the organization be compared with present resources and future predicted resources. Appropriate steps should then be planned to bring demand and supply into balance. The central aim of modern human resource management is to enhance the effective use, involvement and contribution of employees throughout the organization. This, clearly, requires a great deal of information accretion, classification and statistical analysis as a subsidiary aspect of personnel management. What future demands will be is only influenced in part by the forecast of the human resource manager, whose main task may well be to scrutinize and modify the crude predictions of other managers.

KEYWORDS

Introduction

The term "human resource management" has been commonly used for about the last ten to fifteen years. Prior to that, the field was generally known as "personnel administration." The name change is not merely cosmetics. Personnel administration, which emerged as a clearly defined field by the 1920s), was largely concerned the technical aspects of hiring, evaluating, training, and compensating employees and was very much of "staff" function in most organizations. The field did not normally focus on the relationship of disparate employment practices on overall organizational performance or on the systematic relationships among such practices. The field also lacked a unifying paradigm. HRM developed in response to the substantial increase in competitive pressures American business organizations began experiencing by the late 1970s as a result of such factors as globalization, deregulation, and rapid technological change.

These pressures gave rise to an enhanced concern on the part of firms to engage in strategic planning--a process of anticipating future changes in the environment conditions (the nature as well as level of the market) and aligning the various components of the organization in such a way as to promote organizational effectiveness.

Human resource management (HRM), also called personnel management, consists of all the activities undertaken by an enterprise to ensure the effective utilization of employees toward the attainment of individual, group, and organizational goals. An organization's HRM function focuses on the people side of management. It consists of practices that help the organization to deal effectively with its people during the various phases of the employment cycle, including pre-hire, staffing, and post-hire. The pre-hire phase involves planning practices. The organization must decide what types of job openings will exist in the upcoming period and determine the necessary qualifications for performing these jobs. During the hire phase, the organization selects its employees. Selection practices include recruiting applicants, assessing their qualifications, and ultimately selecting those who are deemed to be the most qualified.

New Specialty HRM Areas
Work and Family Life
Develops and administers work and family programs including flextime, alternative work scheduling, dependent-care assistance, telecommuting, and other programs designed to accommodate employee needs; identifies and screen child- or elder-care providers; administers employer's private dependent-care facility; promotes work and family programs to employees.

Multi-Cultural Training
Translate the manners, mores, and business practices of other nations and cultures for American business people. Other cross-cultural trainers work with relocated employees' families, helping them adjust to their new environment.

Care Management
As a company's health-care costs continue to escalate, employers are embracing managed-care systems, which require employees to assume some of the costs. Employers hire managed-care managers to negotiate the best options for employees.

Diversification Management
Develop policies and practices to recruit, promote, and appropriately treat workers of various ages, races, sexes, and physical abilities.

Issues relating to Diversification
HRM departments within organizations, just as the organizations themselves, do not exist in a vacuum. Events outside of work environments have far-reaching effects on HRM practices. The following paragraphs describe some of these events and indicate how they influence HRM practices.

As mentioned previously, the enactment of federal, state, and local laws regulating workplace behavior has changed nearly all HRM practices. Consider, for instance, the impact of anti-discrimination laws on firms' hiring practices. Prior to the passage of these laws, many firms hired people based on reasons that were not job-related. Today, such practices could result in charges of discrimination. To protect themselves from such charges, employers must conduct their selection practices to satisfy objective standards established by legislation and fine-tuned by the courts. This means they should carefully determine needed job qualifications and choose selection methods that accurately measure those qualifications.

- Social, economic, and technological events also strongly influence HRM practices. These events include:
- An expanding cultural diversity at the work-place
- The emergence of work and family issues
- The growing use of part-time and temporary employees
- An increased emphasis on quality and team-work
- The occurrence of mergers and takeovers
- The occurrence of downsizing and layoffs
- The rapid advancement of technology
- An emphasis on continuous quality improvement
- A high rate of workforce illiteracy
  These events influence HRM practices in numerous ways. For example:
- Some firms are attempting to accommodate the needs of families by offering benefit options like maternity leave, child care, flextime, and job sharing.
- Some firms are attempting to accommodate the needs of older workers through skill upgrading and training designed to facilitate the acceptance of new techniques.
- Some firms are educating their employees in basic reading, writing, and mathematical skills so that they can keep up with rapidly advancing technologies.

Unions often influence a firm's HRM practices. Unionized companies must adhere to written contracts negotiated between each company and its union. Union contracts regulate many HRM practices, such as discipline, promotion, grievance procedures, and overtime allocations. HRM practices in non-unionized companies may be influenced by the threat of unions. For example, some companies have made their HRM practices more equitable (i.e., they treat their employees more fairly) simply to minimize the likelihood that employees would seek union representation.

Legal, social, and political pressures on organizations to ensure the health and safety of their employees have had great impacts on HRM practices. Organizations respond to these pressures by instituting accident prevention programs and programs designed to ensure the health and mental well-being of their employees, such as wellness and employee assistance programs.

Today's global economy also influences some aspects of HRM. Many firms realize that they must enter foreign markets in order to compete as part of a globally interconnected set of business markets. From an HRM perspective, such organizations must foster the development of more globally-oriented managers: individuals who understand foreign languages and cultures, as well as the dynamics of foreign market places. These firms also must deal with issues related to expatriation, such as relocation costs, selection, compensation, and training.

Hard and Soft Approaches to HRM
Human resource as defined by Dessler (2004) is the strategy for acquiring, using, improving and preserving the organizations human resource. It could be well argued that in most cases the human aspect is forgotten in relation to how they manage people, leaving most staff unsatisfied creating a high staff turnover which affects organizational performance. It is therefore an utmost importance that people as opposed to just employees-need to be managed in a way that consistent with broad organizational requirement such as quality or efficiency. As in most cases organizational effectiveness depends on there being a tight 'fit' between human resource and business strategies.

Human resource management (HRM) as described by Kleiman (2000) has a concept with two distinct forms; soft and hard approach, where the soft approach of HRM is associated with human relation and the hard on the other hand sees people as human resource.

The Soft HRM is the notion that workers respond better when an organization recognizes their individual needs and addresses them as well as focusing on the overall business objectives. The work of Maslow in stating that humans have a 'hierarchy' of needs, which they will exert considerable energy towards achieving, claims that organizations that recognizes and addresses these needs will have a happier, more fulfilled, more loyal and productive workforce (SHRM Online). As argued by Noe (2006) the way to success is through deep empathy of other people either by observing how to best 'connect' with others in the workplace, and motivate and inspire them as a result.

The Hard HRM on the other hand therefore sees people as human resources. Holding that employees are a resource in the same way as any other business resource and they must therefore be; obtained as cheaply as possible, used sparingly, developed and exploited as much as possible. As indicated by Kleiman (2000) under this model of HRM, control is more concerned with performance system, performance management and tight control over individual activities with the ultimate goal being to secure the competitive advantage of the organization. The hard HRM therefore is primarily concern to promote human resource strategy and align with business strategy. It may also include out sourcing, flexibility, performance management, hence downsizing or work intensification, sees workers as another resource to be exploited and can operate against the interest of workers.

The Harvard model on the other hand as indicated by Lado and Wilson (1994) sees employees as resource, but human where the managers are responsible to make decisions about the organization and employee relation. The employment relation is seen as a blending of business and societal expectations and because it recognizes the role societal outcomes play, it could be argued that the Harvard model provides a useful basis for comparative analysis.

The Harvard model also cover the four HRM policy areas which are human resource flows, reward system, employee influence, work system, which leads to the four Cs; competence of employees, commitment of employees, congruence of organization/employees goals and cost effectiveness of HRM. As could be agued striving to enhance all four Cs could lead favorable consequences for individual well-being, societal well-being and organizational effectiveness either as long-term consequences.

Conclusion
The penalties for not being correctly staffed are costly. Planning staff levels requires that an assessment of present and future needs of the organization be compared with present resources and future predicted resources. Appropriate steps should then be planned to bring demand and supply into balance. The central aim of modern human resource management is to enhance the effective use, involvement and contribution of employees throughout the organization. This, clearly, requires a great deal of information accretion, classification and statistical analysis as a subsidiary aspect of personnel management. What future demands will be is only influenced in part by the forecast of the human resource manager, whose main task may well be to scrutinize and modify the crude predictions of other managers.

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