Human Resources Management Theory: Evolution and Modern Tendencies

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Concept of personnel management system has been formed gradually, since the science and practice mastered difference types and forms of integral unions of people. The history of ideas formation about human resources and current state of theory and practice in personnel management, connected to necessity of effective human resources system formation includes different approaches from human’s labor development history to effectiveness assessment of his activity.

In the last century the domestic economics and management discussed some issues of personnel development. Thus, the founder of modern theory of systems and organizations, A. Bogdanov, studied in his works the mechanisms of positive and adverse personnel selection. The positive selection according to A. Bogdanov is the means of increasing autonomy and organizational functional effectiveness. However, organization becomes unstable and it needs some adverse selection that weakens the effect of positive selection. The adverse selection increases the structural integrity and system stability, though at the same time it weakens the functional effectiveness. The selection focus from which the organization’s activity depends on is relatively stable in the invariable environment and in the rapidly changing environment, vice versa, selection is occurring according to clients’ requirements satisfaction [1].

In the Soviet management theory personnel was considered in terms of organizational, technical or social system: different authors, including N. Lapin, N. Naumova and others have studied «the worker» and «the staff» in the organizational and managerial relations, as well as in connection with the structural separation of the organizations. So, N. Lapin has defined the social organization of the enterprise as a system of «different social groups and relationships between them». Social group performs, in his opinion, as an important structural element that connects the worker with the main group and society [2].

One of the significant socio-economic problems in human resources management in the last Soviet years was the problem of participation of people who are not leaders in the organization, in dealing with pressing issues of its (organization’s) internal life, in particular in the implementation of management functions such as control [3].

In the foreign economic theory, HR management issues were considered with management uprise. Taylor F. wrote: «The difficulty of finding someone who would put together a variety of cognitive and various mental and emotional qualities necessary for the fulfillment of all obligations imposed on these people appears from the list of nine qualities required for the ideal man: education, special or technical knowledge, physical agility or strength, tact, energy, decisiveness and common sense and good health» [4]. Taylor’s concept is reduced to the justification of structuring staff functions. Taylor rationalistic concept evolved into the «classical» school (A. Fayolle, L. Urvik, L. Mooney, W. Newman). Weber magnifying the value of a bureaucratic organization has precluded confusion between «human» and «position» terms because composition and content of managerial work should be determined by the objective needs of the organization and not by subjective factors, the presence of which the theorists of the rationalist school didn’t not know yet about [5].

However the second phase of the Western personnel management concepts is not satisfied with just general rules establishment but finds some technical «tricks» to tie staff to the work place. Thus there is the...
peculiar combination of both objective and subjective factors in personnel management. Acquired in organization skills are important and necessary for life in the company.

In the middle of XX century the management theories start developing where the rationalistic approach is combined to behavioral (P.Drucker, M.Haich, J.March, H.Simon). New approaches of personnel management have been continued in research of industrial social psychology (F.Rotlisberger, B.Dixon, T.Newcomb, E.Hartley), in study of staff motivation (Maslow, V.Vroom), in research on leadership (Lewin, F.Massorik, F.Fiedler), in group behavior analysis (William F.Whyte, M.Sheriff) and the concept of organizational culture in 80–90’ies (C.Barnard, F.Selznick, R.Likert). The subjective factor is considered in these concepts as determining organization’s activity effectiveness. In the mid 80-ies T.Peters and R.Waterman having studied the number of American successful firms concluded that there is an effect from work which is the organization art of staff informal behavior. They pushed the formalized rationalized management model from inviolability position and found out that the huge management resources are hidden in unused human capacities [6].

«Natural» concept (T.Parsons, R.Merton, A.Etzioni) considers functioning of organization as the self-executing process. Organization is the system state that allows it to self-adjust when exposed to the outside or inside. Deviation from the goal is the natural system property, the consequence of the large role of unplanned and natural factors in it. This approach eliminates the management of the organization as a system. According to these authors, personnel management is influenced by financial interest where the manager regulates via economic influence.

An innovative model considers the entire set of innovations as rationally planned, deliberately caused and controlled process. Organization — is an artificial, rationally designed system that is constantly reconstructuring under the new challenges. Manager’s role is extremely high in personnel management. He is — a creature that specifies the properties of the future organization (manager-Hero). Exogenous version of innovative models (I.Ansoff, C.Argyris, R.Duncan) considers the source of the organization formation in the environment objective changes (competition or cooperation with other organizations) [10]. There are objective factors, such as technologies changes, market changes, personnel activities control that influence the organization survival. Exogenous — innovative model (P.Blau, J.Hamans) determines the organization resource dependencies, when the problem of managerial work lies in the rational, passive adaptation to the environment (diversification, mergers with other organizations, the involvement of staff in the interim coalition).

Several other objective factors are raised by neo-Marxist theory of education (R.Edwards, M.Burawoy) — the struggle for domination of social groups (managers and workers) has a great impact on efficiency and survival of the organization, it encourages managers to structural changes. The organization is treated as a tool system for the implementation of the decision makers.

As we can see, despite the abundance of theories, none of the authors consider the problem of improving human resource management as a system of cooperation in joint productive activity between manager and subordinates in the enterprises that improve management structure and oriented to the consumer.

In the most general and broadest sense the «system» term refers to a set of holistic education elements [4,5]. However, such understanding is only applicable to systems characteristics consisting of homogeneous parts and having a well-defined structure. Nevertheless, in practice, the set of heterogeneous objects combined into a single unit to achieve a certain goal are often referred to the system. The main thing that defines the system, it is the relationship and interaction of parts within the whole.

The main areas, a contemporary human resource management system, according to experts, include [7,10,11]:
1) labor productivity;
2) human capital;
3) working conditions;
4) designing work processes;
5) labour assessment;
6) staff planning;
7) selection, training and certification of personnel;
8) motivation and encouragement of staff;
9) income and wages generation;
10) relationships in a group of employees;
11) personnel promotion;
12) personnel controlling;
13) organization and improvement of personnel management.

The scientific approach to the formation of the personnel management system used by a sufficient number of terms that reflect the individual’s participation in social production: labor, human capital, human factors, organizational behavior, work organization, personnel management, personnel policies, staff, team, social development and personnel management.

Historically, there are four concepts that most clearly define the subject of the article [7]:

1. The use of labor resources in the enterprise. This concept has been known since the late nineteenth century until 60’s of XX century. Instead of human in production only his/her function has been considered such as labor, measured in terms of working time and wages. This concept has been reflected in Marxism and Taylorism, and in our country — in the labor exploitation by the government. Here, leaders mainly focused on such problems as costs and benefits of work, assessment of the contribution of employees in the overall results of the enterprise, reducing labor costs and output increase.

2. Human resource management (capital) of enterprise. In this system, people are mainly considered as resource — the element of social organization in the unity of three major components (work function, social relationships and employee state) but not from officer position (structure element). In Kazakhstan’s practice, this concept is used as «the activation of the human factor». Human capital is defined by a set of human qualities (such as health, education, and professionalism) that affect the results of his/her operations.

3. Personnel management. The scientific basis of this concept, developed since the 30’, was the theory of bureaucratic organizations in which people were considered as a formal function (position), and management was carried out through administrative mechanisms (the principles, methods, power and functions). Issues of planning the size, selection, training and staff appraisal, motivation, management style, relationships in the workforce, management procedures were considered in the personnel management system. Sometimes the personnel management system is defined as a set of necessary actions to coordinate the joint activity of people in the organization.

4. People management in the company. In this concept, the main subject of the organization and management of a particular object is a human. The founders of this concept — the Japanese managers Matsutsusa K., A.Morita — believe that, depending on the desires and abilities to construct a strategy and organization structure. This concept refers to the concept of comprehensive development of personality created by Russian scientists (L.Vygotsky, L.Green).

Based on the review of concepts and issues in the modern theory of personnel management, it is proposed to highlight the following strategic directions in HR [8]:

1. Depending on the establishment of the share of wages in production costs depending on the growth and productivity. Because of the high wages in the developed countries the products of many organizations are becoming uncompetitive. The division of staff into two groups is proposed: highly skilled permanent workers with social guarantees and high-wage and low-skilled seasonal workers without social guarantees and with relatively low wages.

2. Workers is a resource that is necessary to maximize. It is recognized that the only source of long-term benefits organizations in the market is the knowledge about skills of the employees and maximize their creativity, motivation and human relations, rather than copying the best practices of companies.

3. Inextricable link between business and HR strategies. Depending on the organization’s strategy the unified strategy for personnel management in tune with business strategy can be applied, or a decentralized strategy, conducting a flexible staff promotion.

4. Development of organizational culture: general purpose, collective values, charismatic leaders, tough position in the market, controlling employees through social means. The task is to achieve «extraordinary results through the activities of ordinary people». The high culture of workers for such companies is the key to success.

5. Minimization: the number of management layers, flexible forms of work organization, quality products, dedication of employees to the organization.

6. As a strategic function, HR involves the development of human resources strategy, staff recruitment on the basis of the organization’s mission, employees reward, considering their individual contribution and the creation of harmony on the workplace by encouraging collective effort.

7. The use of influence of management staff on the personnel, the promotion procedure of employee in the enterprise, the remuneration system and workplace organization.
The offered directions concentrate the work experience with staff (in the domestic and foreign enterprises).

Thus, analyzing the above concepts, studies have shown that economic and social reforms in the country should not take place separately, but complex, with a focus on the effect of saving-time, accelerating the pace of social progress. Considered approaches can be divided into two subgroups: the economic system of personnel management, where the production problems, exchange and consumption of material goods (the staff as human resources) dominate, and social system of personnel management, dealing with the comprehensive development of staff, where each person is unique (employee as a person) [10, 11]. Finally, there are two poles of person’s role in the social production life are clearly defined in the following way:

– person as a resource of the production system — i.e. element of production process and management;
– the person as an individual with his/her needs, motives, values is the main subject of management [9, 10].

Reference