# Human Resource Management and Performance

# HUMAN RESOURCE MANAGEMENT AND PERFORMANCE

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ACADEMIA
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# Chapter 1

# Introduction: The four dimensions of Human Resource Management

*'Everything changes and nothing remains still'*, an expression used by Heraclitus, a Greek philosopher (535-475 BC) expressing the fact that the world is in constant flux of change. This reflects more or less the situation of Human Resource Management of the last decades, a period of constant change and upgrade of the management of personnel and organization. Human Resource Management evolved from a simple administrative function towards a complex function, by integrating specific managerial elements in the fulfillment of its general mission. It could be considered as one of the fastest evolving managerial functions within an organization. Until some decades ago, there hardly existed a personnel function or department in many organizations. If there was in fact a personnel department, it mostly concerned an administrative service provider or control function to manage the necessary paperwork of personnel matters. The last twenty to thirty years we noticed the development of mere administrative services toward full departments of Personnel & Organization, where the departments applies knowledge management, organization development, management development, performance management, competency and talent management, or career management.

This functional development concerns particularly an increased versatility of the Human Resource Management function. Where the average Human Resource Manager was previously an administrative specialist, the contemporary Human Resource Manager fulfills a versatile management function with room for multiple 'specialisms'. In short, the function of the Human Resource Manager evolved from administrative *'clerk'* to *'change architect'* (Tyson & Fell, 1986).

The fact alone that many Human Resource Managers work as personnel manager, Human Resource Manager, Manager Personnel and Organization, Head of the Personnel Department, and so on, leads us to presume that the function covers many realities. In my own research in the late '90s, we found more than 30 different function titles (on 156 organizations) to cover the Human Resource Management function (Vanderstraeten, 1999). To capture this complex reality of Human Resource Management, we start from the idea that Human Resource Management is a complex and multidimensional reality and therefor the urge to build models and metaphors to understand and reduce the complexity of the function.

## 1.1. The use of metaphors for Human Resource Management

Because of the multidimensional aspect, different frames of reference are created and can be used to implement Human Resource Management. Certain presuppositions about man and organization can be expressed with the help of a multidimensional approach. Is the organization a fixed system or can we believe in the feasibility of organizational structures in order to adapt organizations to evolving circumstances? Can people in their professional career change their position because of other organizational requirements, or do people have little change potential? Is learning possible in an organization or are we confronted with inert creatures who are disturbing factors in the processes of change? Can administrative procedures be modified in function of new strategies or do we have to put aside the infallibility of certain rules and procedures?

The answers to these questions determine to a great extent the attitude of the Human Resource Manager in his daily practice of managing personnel and organization. Many problem solutions will be generated out of the logic and presumptions of the used perspective. When Human Resource Managers believe in the feasibility of organizational structures, organization development can be considered a viable Human Resource Management practice. The underlying human and social views determine the frame of reference of the Human Resource Manager, and serve as a basis for building the specific position of the Human Resource Manager in the organization.

The preconceived problem solutions and used methods make an appeal to scientific insights. The best way to approach organizational difficulties is by means of insights from organization theory, while administrative problems have more possibility to be solved from an instrumental or technical approach based on operational research. The motivation of employees often appeals to psychological theories, whereas the construction of a sustainable Human Resource management requires a strategic and economic approach. The Human Resource Manager adopts a certain approach within a paradigm of problem solving systems in the implementation of Human Resource systems and practices.

One of the most important skills of a Human Resource Manager is the flexible use of these multiple approaches and corresponding basic views of man and organization and the appropriate use of problem solving models. The insight in the multidimensional character of Human Resource Management preserves the Human Resource Manager from a unilateral approach of man and organization. Especially the fact that this multiple character refers to fundamentally different point of views and different ways of approaching problems does not make the task of a Human Resource Manager easy. The successive opinions about personnel management throughout history make clear that being tied down to a certain

dimension makes the Human Resource Manager blind to certain problems and/or solutions. The followers of the scientific management approach, such as Taylor (1939, orig. 1911), discovered that the increase of productivity was a problem of physical weariness. They laid emphasis on the physiological basis of human beings and looked for mere physiological answers. As a consequence, the researchers suggested to introduce breaks in the production process for employees to regain their strength. They created physiological solutions to physiological problems. They were blinded by the fact that not only exhaustion but also boredom can play a role in the functioning of employees. Boredom gives rise to a reduced motivation and commitment of the employee and will affect the productivity. However, boredom is not a physiological problem but a psychological question of job motivation and interest in and for the job. This can only be solved by looking with a social-psychological point of view towards the question of personnel management.

Morgan (1993) referred in his standard work *'Images of Organizations'* to the multiple ways of looking at organizations. The reality of organizations strikes us as different realities by which different interpretations are established. They determine the method of approach that we develop in order to look at people and organizations. Ideas about organizations are always based on implicit images or metaphors that persuade us to see, understand, and manage situations in a particular way. Metaphors create insight, but they also distort. They have strengths, but also limitations. In creating ways of seeing, they create ways of not seeing. There can be no single theory or metaphor that gives an all-purpose point of view, and there can be no simple "correct theory" for structuring everything we do. The challenge facing modern managers is to become accomplished in the art of using metaphor to find new ways of seeing, understanding, and shaping managerial actions (Morgan, 1993).

The art of a good Human Resource Manager consists of the ability to handle these different metaphors in the approach of an organization. When we consider an organization as a '*machine*,' every problem solution is translated into mechanical terms, what comes down to introducing the employees into the mechanism of the organization. An organization as an '*organism*' lays emphasis on informal ways of cooperation, on humans as living systems with their needs and interests, human conflicts or the unpredictability of human actions. Organizations as an '*open system*' or the relationship between the organization and her environment has important implications for the organization, among which the emphasis on the ability of understanding the environment and on the possibility to develop strategic answers to changes in this environment. The reflection upon strategic management is the product of this approach where the organization is considered to be dependent and sensitive to changes in her immediate social and economic environment.

Human Resource Managers formulate problem solutions out of a particular background of a specific dimension. The emphasis is then laid on the vision, the method of approach and the methodological rules that professionals and managers employ in solving particular problems of management in the organization. Besides this problem solving capacity, the insight into underlying models or visions offers the advantage of being able to realize certain goals. It presents a refreshing frame by which the Human Resource Manager is able to develop his or her Human Resource Management.

The advantage of a consistent framework makes it possible for Human Resource Managers to manage with more vision and structure to communicate their Human Resource Management towards the organization. The framing of different Human Resource practices and systems in a synthetic framework makes it easier to work with man and organization. By this way of managing, a crumbling and low consistent Human Resource Management can be avoided. The construction of a Human Resource Management *'story'* is in this respect an important condition for success, because Human Resource Management always works with human beings. People do not like unclear and incoherent management systems and practices, without any vision or direction. When an underlying vision is missing, the organization risks using Human Resource practices that are not interdependent and incoherent. A vision creates a consistent story, trying to combine different perspectives in a coherent manner and making clear that complex problems do not automatically lead to simple solutions. The conscious management of different perspectives can be considered as an important competence of the Human Resource Manager. A Human Resource Manager's professionalism relies partly on the ability to cope with different problems, and manage these on the basis of different frameworks and visions.

## 1.2.    The four dimensions

Basically, we discern four perspectives or dimensions of Human Resource Management. This means that an approximation of Human Resource Management takes places from a particular dimension or way of thinking, which is in line with our idea of metaphorical thinking. We also assume that the different dimensions more or less can equally exist next to each other. These perspectives solve certain Human Resource Management problems that cannot be identified as such from another dimension. There is no fixed solution for all problems but depending on the perspective multiple solutions can be put forward.

It is not difficult to trace the origins of the different Human Resource dimensions. Any historical overview from personnel management to Human Resource Management gives us enough material to discover the four dimensions.

The implemented Human Resource Management is the result of the four dimensions, where every dimension has an important added value, but by which the joint added value is more than the sum of the single contribution of the four dimensions. In this sense it resembles the notorious marketing mix in which the joint contribution of the various P-elements (Product, Place, Prize, Promotion) is also more than the sum of its parts (McCarthy, 2001). This holistic perspective seems important in the approach of a Human Resource Management in a modern organization.

The four dimensions include the whole of activities that the Human Resource Manager can develop. In short, the first dimension handles the instrumental and administrative aspects of Human Resource Management, whereas the second dimension to a large extent approaches the '*human side of enterprise*' (McGregor, 1960). The third dimension mainly deals with the strategic and the goal-directed aspects of the Human Resource Management, whereas the fourth dimension more profoundly goes into the cultural and structural elements of the organization.

Every dimension includes a specific role pattern that gives rise to the development of the professionalism of a Human Resource Manager. This approach comprises the pure administrative and technical sides of the Human Resource Management as well as the human relationships. By adding the forward-looking and strategic expectation and the structural and cultural factors of the organization we get a multifunctional design of a professional Human Resource Manager.

From a particular dimension, the Human Resource Manager picks up a specific role in the organization. With reference to the multidimensional aspect we would like to emphasize the underlying notions of man, society, methods and procedures that direct the role expectation of the Human Resource Managers. Some of them are not aware of this, while others know and use these underlying notions explicitly. Even more than that, in the end one can define the added value from the role fulfillment that employees and the management expect from the Human Resource Manager and the Human Resource Management department.

The first dimension is called the *instrumental dimension* because of its strong emphasis on rules, systems and procedures. It lays, as it were, the foundations for the cooperative collaboration of people in the context of an organization. This demands clear appointments, rules, systems and routines by which an unpredictable social reality is made predictable and controllable.

The second dimension is labeled the *people dimension*, as man is never far away in an organization. We have to deal with real people in organizations. Emotions or conflicts can severely disrupt the rationally developed production and service process, but it can also have a positive influence. Emotions lays at the heart of our enthusiasm and motivation to achieve results and contribute to a shared goal.

The third *strategic dimension* lays emphasis on the presence of strategies and objectives in an organization. In this case it is up to the planners. The presence of an environment of clients, other organizations, a government and possible competitors gives rise to the development of strategies and objectives in order to grow and become a successful organization. Especially the response to a dynamic environment requires strategic decisions, whereby one works proactively towards the realization of the mission statement and strategic goals of the organization.

The fourth *organizational dimension* clarifies to what extent the organizational and structural factors fundamentally determine the job of a Human Resource Manager. We come to the conclusion that the organizational structure and culture can facilitate the achievement of results by the employees. It also deals with the primate of structure and culture over people and the extent to which structures and cultures determine the mindset and activities of people.

In short, we can develop the next model with two large opposites. The first opposite deals with the control of man and organization on the one hand and change and development on the other hand. Control means establishing things and controlling them, and is aimed at stability and predictability. Development stands for the change with an eye to improving or renewing the management of man and organization. Management means maneuvering constantly between stability and change, between establishing and changing things, between rest and movement.
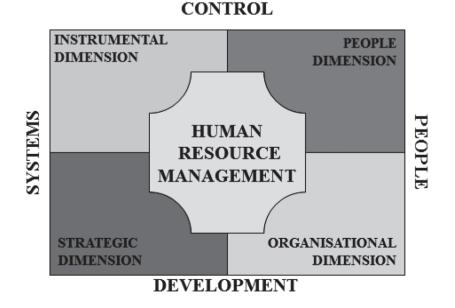
*Figure 1: The four-dimensional model of Human Resource Management*

Next to the first opposite we can place the second opposite that deals with people and systems. The management of people and organization deals with the attention to systems, objectives and strategies as abstractions of the human conduct, against the concrete reality of individual and collective collaboration between people. The system aspect directs us towards patterns of human conduct, aimed at producing goods and services. They exist on their own and create a production environment in which actual people proceed to action. Job specifications, organization charts, procedures, shift systems and strategic objectives are examples of such systems where people proceed to united action.

People remind us of the fact that organizations exist out of actual people and actual community relations. Social structures exist as a consequence of the actual collaboration between individuals. Here it deals with employees and organizations as living systems that in one way or another are adapted to abstract organizational systems.

## 1.3.    Four roles for the Human Resource Manager

Hence, every dimension refers to a particular role of the Human Resource Manager. As with every role fulfillment, extreme fulfillment can lead to maladjusted and non-effective behavior. Too less or too much attention to one or the other dimension inevitably will lead to unilateral and incomplete Human Resource Management.

The instrumental dimension bears the most resemblance to the image of the technocrat. The technical and administrative type dominates in this dimension. The Human Resource Manager functions is a technical expert and rule maker who brings stability and clarity into the organization. This Human Resource Manager has an eye for rules and legislation. Did we follow the correct procedures? Will there be complaints? Did we check the text again for mistakes? Sometimes he becomes the caricature of the hairsplitter or the one who drives the other enthusiastic employees to despair. The exaggerated attention to rules and procedures leads to a bureaucratic organization in the negative meaning of the word, namely a synonym for rigidity and impersonality. On the other side, the lack of instrumental systems in an organization leads to chaos, a kind of jungle of cooperation where people are constantly looking for regulations, setting up informal rules which fade away the next day, ambiguity and unpredictability. Some people can easily cope with this kind of system (or absence of systems) because they are self-regulators but most people want to work within the framework of clear regulations and work systems.

In the people dimension we are confronted with the people manager who works on the social added value of the organization. This Human Resource Manager

has an eye for the social and psychological aspects of the human being in the organization. It is the sociable Human Resource Manager who is sometimes more open to employees than to the imperatives of management. The people manager takes care about the employees, if they feel good about their job. This attentive Human Resource Manager pays attention to the smaller things in social life that sometimes perform miracles. *'Fun in the job'* is considered to be one of the most important human value in the organization. In the exaggerated version, the attention to man becomes so dominant that the performance of the organization has to yield to sociability and humanity. The syndrome appears when everybody rather ends happily ever after than searching for a strategic solution to make the organization more successful. Results give way to the concern for the employees. Sometimes the organization only sympathizes with the well-being of employees in the organization with neglecting the financial and nonfinancial results of the organizations.

The future-oriented Human Resource Management that predominates the strategic dimension has an eye for the competitive and turbulent environment. In this dimension, the strategic decision process reflects upon the strategic objectives and focuses on the strategic choices of the Human Resource Manager. Here the passionate Human Resource Manager comes along with his ambitious plans and sometimes thinks faster than most other employees. It is the visionary Human Resource Manager who drives the organization in a new direction with strategic Human Resource Management plans. In an extreme version, he turns out to be a dreamer, who cherishes ambitious plans and invents strategies but does not have his feet on the ground. On the other side, the lack of strategic plans means that organization survive from day to day, are constantly subject to changes from the environment. They wait and see and these organizations never surmount daily work life. They work basically ad hoc and without any pre-constructed path or direction.

Ultimately, within the organizational dimension the organizational architect dominates. The Human Resource Manager is then a protector of facilitating structures where employees can achieve results. Nothing can be organized when there are no structures or organizational systems that create conditions for a qualitative service. It results into a facilitating organization, with structures and cultures that hinder or motivate in order to achieve results. It constitutes the domain of the organization expert or sociologist who is aware of the extent in which living structures and culture can influence or even determine the human conduct. The interplay between structure and culture plays a major role in influencing human behavior. In a bureaucratic and authoritarian organization model creative employees are removed or hindered because the structure does not anticipate on the innovative contribution of employees. In this way, submissive employees are shaped and eventually become the emanation of the bureaucratic

structure. Other organizations work disorderly, where people take initiatives, have creative insights and reach a strong entrepreneurship.

In extreme cases this can lead to a structural thinker who reduces every problem to organizational or cultural factors. When employees are placed in a different structure or culture they will reach totally different results. The human dimension disappears at the expense of a deterministic vision of organizational collaboration structures and the faith that structures will solve any problem.

Out of these four dimensions the Human Resource Management can realize its added value. For this purpose it can use the known practices, systems, working areas, instruments and methods of Human Resource Management to realize an added value upon these four dimensions. Every dimension still proves its value by inventing the development of new techniques of control and concepts to generate specific problem solutions. This way the present automation and excessive use of computers can give rise to the re-evaluation of Human Resource Management processes in order to select the most efficient approach. In this case, it matches the instrumental approach with its emphasis on analysis, on the search for the best solution and on a more or less reductionist view. The generative value of every dimension is not yet worn out: there are still new elements that can be added to one or the other specific dimension.

The Human Resource Management forms the arena in which the four dimensions come together to a greater or lesser extent: they compete with each other but at the same time cooperate.

On the basis of the presentation of the four dimension, it will become clear what we mean by this way of thinking. We shall analyze every dimension profoundly, in order to evaluate the added value of an integral approach of Human Resource Management.

**Further reading**

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